

# EMERGING TRENDS IN REAL ESTATE 2012



A recent report from the Real Estate Board of Greater Vancouver shows how an investment in detached suburban house has performed. In the past 10 years, the October price surveyed confirms, the typical suburban house has increased in value by 161 per cent, and is even higher in some markets.

In the past five years, the values rose 36 per cent and in the past three years, while most stocks and equity investments tanked, the simple suburban house has increased in value by more than 23 per cent.

When the smartest men and women in the room met at a global "Emerging Trends in Real Estate 2012" conference in Vancouver last week, the best investment they could find is also the most available: new single family detached house in Metro Vancouver or Greater Toronto.

Metro Vancouver in fact ranked No 1 in North America for a potential investment in new homes,

rating 6.5 on a 9 point scale, with Toronto a close second at 6.2 per cent.

The 33rd annual Emerging Trends study was compiled by PriceWaterhouseCooper for the U.S. based Urban Land Institute.

"Vancouver experiences ongoing real estate spikes precipitated by a surge of Asian flight capital flooding into residential markets," the report notes.

And, while much of the investment action is in condominium and townhouse projects, the study says the most precious real estate commodity - better than retail malls, industrial business parks or office towers - is the suburban single-family detached house.

"Limitations on single-family housing projects increase values on highly coveted suburban homes," the report states.

In Metro Vancouver, geographical (mountains and ocean) and political (Agriculture Land Reserve) restrictions further limit the land opportunities for single family development, which sustain single family detached house prices. Yet demand for new detached houses in the suburbs remains constant.

The PWC study adds that expanding transit services, such as Skytrain, Canada Line, the new Port Mann Bridge and the planned Evergreen Line into Coquitlam and the northeast, is making the suburbs a more attractive investment for those who work in the city.

A precious commodity: the new single-family detached house, may represent the pinnacle of real estate investing in Canada, according to a study by PriceWaterhouseCooper and the Urban Land Institute.