

COMPLIMENTS OF:



**THE**  
**FIFTH**  
**DIMENSION**

QUARTER 4 - 2013

A comprehensive analysis of the multifamily real estate  
market in Metropolitan Vancouver

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FEBRUARY 2014

DATA PROVIDED BY:

**urban**  
ANALYTICS INC

# INTRODUCING THE FIFTH DIMENSION

*The comprehensive analysis of the multifamily residential real market in Metropolitan Vancouver produced quarterly these past four years has a new name – The Fifth Dimension - and a new sponsor – Fifth Avenue Real Estate Marketing Ltd. (Fifth Avenue).*

35 years ago, Fifth Avenue was founded in Surrey, British Columbia, by a family of marketing professionals with an extensive background in the housing market. Three and a half decades later, Fifth Avenue is proud to have been an integral part of selling and building a portfolio of projects valued around eight billion dollars worth of real estate. That's about 24,888 new homes and counting. Each day our developer clients rely on our knowledge and expertise as they make significant real estate development commitments. Thus, it is imperative we keep our finger on the pulse of the market and pro-actively share this intelligence.

What's in a name you say? In popular culture the term "fifth dimension" is frequently used to refer to the somewhat unknown and/or unexplored aspects of life and ourselves. The name seemed appropriate given the dynamic nature of today's consumer and the complexity of our market and the diversity of the market areas of which it is comprised. It makes even more sense when we consider the lack of readily available information on new multifamily home sales, particularly with respect to pre-sales which often do not get reported for up to three years after being generated.

Each quarter *Fifth Avenue will produce and distribute this complimentary report* with the aim of stimulating dialogue and promoting positive action in our industry. To ensure the supporting data is objectively collected and presented we have retained highly regarded Urban Analytics a leading provider of advisory services on the new multifamily home market. Urban Analytics has been tracking the new multifamily home market in Metropolitan Vancouver since 1994.

In our discussions with Urban Analytics during the preparation of this edition we acknowledged the tendency to look back at year-end and reflect on what has been and look ahead and contemplate what may be. As we conducted this review we discussed the "big wins", the "near misses", and the "I did not see that coming's" (read: the result of the provincial election of 2013). I must admit I had to endure some teasing at this point about how my own year ended. My simple response with respect to 2013 – "I guess life is what happens when you are busy making other plans".

Looking back on 2013 you will recall the worse than planned for or expected start to the year. First Quarter performance was nearly 50 percent less than in the year prior. Of course, we didn't panic and optimistically expected improvement all the while an onslaught of negative press began. Regardless of the doom and gloom commentaries the market acted like the little engine that could and quietly surprised us. Sustained improvement each month led to better quarterly results and better quarterly results led to more optimistic projections. Yet few if any expected year over year growth. And we were wrong.

Life is what happens when we are busy making other plans... or projections. In 2013, approximately 11,154 new multifamily homes sold throughout Metropolitan Vancouver. This represents a two percent increase over the adjusted annual absorptions posted the year prior. More importantly, the result means that in three out of the last four years annual new multifamily absorptions exceeded 11,000 units. Sounds like sustained demand to me.

Clearly there are dimensions that determine the health of this market that are not fully grasped; there is demand greater than affordability factors and select indexes suggest. An aging population and an uptick in parental assistance with housing purchases are two decent examples of demand dimensions perhaps not fully accounted for. Now we certainly aren't saying we have all the answers. We are, however, welcoming a rich dialogue with respect to the known and the unknown and the explored and unexplored in 2014.

Feel free to share your perspectives and opinions on the modifications to the report and the information and insights presented with us. We also encourage you to forward the Fifth Dimension report to others and discuss it with them.

Regards,



**W. Scott Brown**

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Out the outset of each edition Michael Ferreira and Jon Bennest of Urban Analytics (UAI) provide a summary commentary on the Metropolitan Vancouver market overall. Here is their commentary for the Fourth Quarter.

## Q4 - New Home Market

The release of several new condominium and townhome projects throughout Metro Vancouver in recent months led to a 13 percent increase in the number of new multifamily home sales in the Fourth Quarter of 2013 over the previous quarter. This resulted in a somewhat surprising year over year increase in sales of two percent. The strong absorptions achieved by many of the recently launched high rise condominium projects in Surrey and Vancouver was particularly encouraging. However, the somewhat tepid response to a few projects seeking above market-average sale values indicated buyers recognize there is choice in the marketplace and they aren't willing to pay above market-average prices 'just because'. While the amount of unsold inventory across the region increased by six percent over the previous quarter, steady demand for recently released product should help stabilize inventory levels in the coming months.

The Metro Vancouver high rise condominium market continues to be heavily influenced by Chinese purchasers, both local and new immigrants. Market areas that traditionally appeal to this buyer group (i.e. Richmond, Burnaby, and Vancouver West) continued to realize strong demand. It is worth noting that the greatest recent increase in demand is amongst established Cantonese speaking Chinese and Taiwanese purchasers in the Vancouver West market area. These buyers are typically local downsizing end-users seeking larger units in the same general neighborhood they live in. The higher demand for larger living areas has prompted some developers to adjust the size and mix of some units in their respective projects.

Sales of low rise condominiums dropped by 11 percent in 2013 compared to 2012. More stringent mortgage qualification rules continue to impact younger buyers who would typically form a larger proportion of buyers of this product form. These buyers are typically seeking financial assistance from parents to facilitate the purchase. Meanwhile, downsizing empty nesters continue to form a growing proportion of buyers of low rise condominiums. The fact these older buyers prefer to buy completed or nearly completed product has inclined some developers to delay sales until completion.

New townhome sales were six percent lower in 2013 than in 2012. The most competitive market areas for townhomes are situated in more suburban settings South of Fraser where most developers are required to offer price-reducing incentives, or be willing to negotiate lower sale prices to generate steady absorptions.

In contrast, the Tri-Cities market is one of the bright spots for new townhome sales. This is one of the few North of Fraser markets with a reasonable supply of new townhome product.

## Q4 - Resale Market

An estimated 1,545 multifamily homes were sold in the Fourth Quarter of 2013, which represents a 15 percent increase in sales from the same Quarter in 2012. The high rise condominium sector continued to experience the largest increase with 30 percent more resales compared to the Fourth Quarter of 2012. Over 30 percent of high rise sales in the Fourth Quarter of 2013 occurred in Vancouver Downtown.

Overall active listings were down 17 percent compared to the same quarter last year. The drop in active listings was most significant in the townhome sector of the re-sale market (down 28 percent compared to the Fourth Quarter of 2012).

## Q4 - Observations and Opinions

UAI expects total new multifamily home sales to remain steady as we embark on a new year. However, sales at individual projects are not expected to increase at the same rate due to the greater number of projects being actively marketed. Several significant new project launches are anticipated in the first half of 2014, which should generate additional buyer interest in some neighbourhoods where supply has been limited. We are particularly interested in monitoring demand for projects from the newer immigrant Chinese community in light of the Federal Government's recent decision to eliminate the Immigrant Investor Program. Our assumption is that the impact on the new multifamily home market will be limited. It's important to note that the number of investor class immigrants represents a very small proportion of the total number of new immigrants who move to BC annually.

The following tables illustrate the year to year comparison by product type and fourth quarter performance in the new home and resale markets.

### New Home Market YTD Comparison

	2012 Sales	2013 Sales	% Change
High Rise	5,806	6,437	11%
Low Rise	2,881	2,564	-11%
Townhomes	2,280	2,153	-6%
Total	10,967	11,154	2%

### Fourth Quarter Performance in the New Home Market

	High Rise	Low Rise	Townhome	Totals
Total Q4 2013 Sales	1,808	843	440	3,091
Total Inventory	5,510	3,235	1,092	9,837
Standing Inventory	758	1,000	531	2,289
Total # of Projects	114	115	94	323

### Fourth Quarter Resale Activity

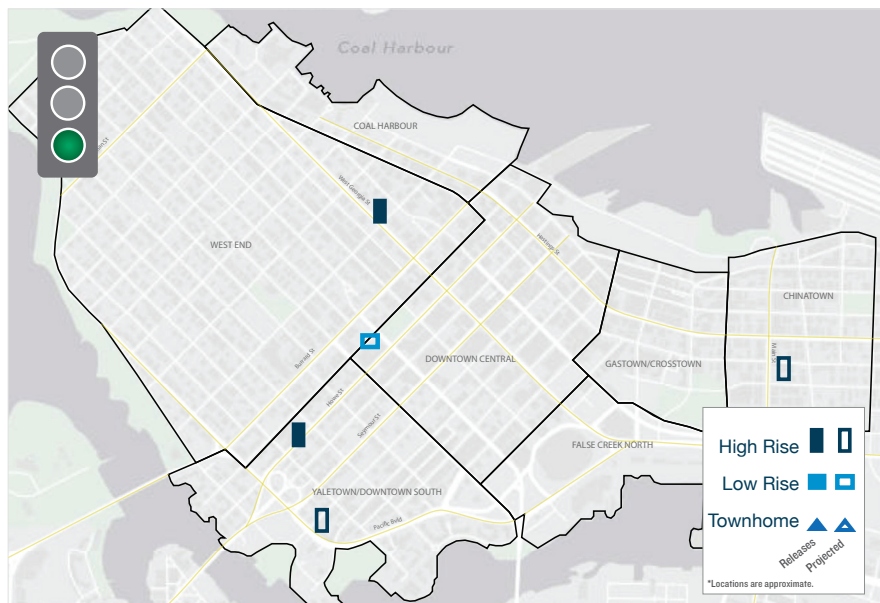
	High Rise	Low Rise	Townhome	Totals
Total Sales	707	341	497	1,545
Total Active Listings	1,393	975	862	3,230

# MARKET PROFILE: VANCOUVER DOWNTOWN

While sales were down seven percent from the previous quarter, Vancouver Downtown still achieved strong absorptions and as such maintains a “green light” status. Continued success at Concord’s One Pacific project and relatively positive buyer response to recently released projects Trump International Hotel and Tower and Tate on Howe helped increase year-over-year sales. There are more projects scheduled to launch in 2014 than in recent years, which will help determine the depth of this market area.

## New Development Highlights (Q4)

- Absorptions increased at several projects that recently completed or are nearing completion projects.
- These include Onni’s *The Mark*, Rize Alliance’s *Rolston* and Cressey’s *Maddox*.
- Concord Pacific Place remains one of the more appealing neighbourhoods in Vancouver Downtown as evidenced by continued strong sales activity at One Pacific; over 400 unit sales in approximately six months.
- In spite of market-leading average list values estimated at approximately \$1,600 per square foot, Holborn’s Trump project has reportedly sold an impressive \$110 million in sales revenue since launching in Q4 2013.
- Projects in Chinatown and Gastown continue to attract buyers in greater numbers as these areas evolve.
- Some of the more anticipated project launches scheduled for the first half of 2014 in Vancouver Downtown include Kenstone’s *Addition*, Westbank’s *Vancouver House*, Onni’s *The Charleson* and Porte’s *Framework*.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	▲ 9	▼ 344	▲ 755	\$660 - \$740
Low Rise	-	-	-	-
Townhome	-	-	-	-

## MLS Resale Highlights (Q4)

- The months of supply for High Rise product remains relatively unchanged from the Third Quarter of 2013.
- The average resale values for one bedroom units decreased from the previous quarter by two percent.
- Listed units spent on average 32 fewer days on market in comparison to the same period last year.
- Total resales decreased by 20 percent from the Third Quarter of 2013, yet increased 30 percent compared to the Fourth Quarter of 2012.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	384	4.9	246	100%	\$695	45	\$360,000 - \$748,000
Low Rise	-	-	-	-	-	-	-
Townhome	-	-	-	-	-	-	-

## MLS Resale by Unit Type

Product	AVG. PRICE		PSF	
	1 Bedroom	2 Bedroom	2 Bedroom	3 Bedroom
High Rise	\$432,990	\$680	\$686,191	\$711
Low Rise	-	-	-	-
Townhome	-	-	-	-

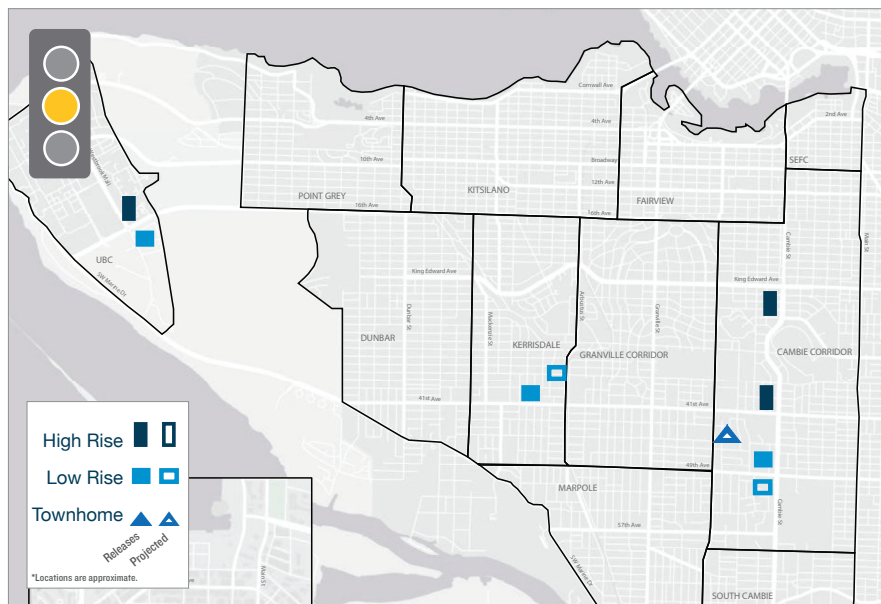
Change over the last quarter: ▲ Increase, ▼ Decrease, ↔ No Change  
 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

# MARKET PROFILE: VANCOUVER WEST

A “yellow light” rating is applied to Vancouver West in spite of strong Fourth Quarter sales activity that was 70 percent higher than the previous quarter. The increased sales activity was generated primarily by recently launched projects in select and generally under-supplied neighbourhoods. The high demand for projects along the Cambie Corridor was somewhat surprising given the values being sought for high rise condominium projects. Sales in these neighbourhoods are being driven primarily by local empty nester Asian buyers. The cautionary rating for this market area is largely attributable to the high level of unsold inventory in the Southeast False Creek area.

## New Development Highlights (Q4)

- Sales of high rise condominiums increased by over 100 percent as the launch of three new projects added some much-needed supply to the Cambie Corridor and UBC neighbourhoods.
- These projects include *Empire at QE Park* and *Forty Nine West* along the Cambie Corridor and Wall Financial's *Binning Tower* at UBC.
- The values being achieved by high rise condominium projects along the Cambie Corridor are reportedly achieving impressive sale values ranging from an estimated \$750-\$800 per square foot.
- Projects expected to launch in the First Quarter of 2014 are Tian Yu Group's *Aperture* and Mosaic's *Cambria*.
- Anticipated project launches in other Vancouver West neighbourhoods in the coming months include *Boulevard Private Residences* in Kerrisdale, *10th and Maple* in Kitsilano, the next phase of the *Shannon* and *the Oak* townhome project in Shaughnessy.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	▲ 24	▲ 320	▲ 948	\$640 - \$910
Low Rise	◀▶ 7	▼ 30	▲ 122	\$660 - \$740
Townhome	▼ 2	▼ 0	◀▶ 24	\$690 - \$730

## MLS Resale Highlights (Q4)

- Active listings have decreased 40 percent for High Rise and 29 percent for Low Rise product from the previous quarter in 2013.
- Total condominium sales decreased by 46 percent from the previous quarter but still increased by 13 percent compared to the same quarter in 2012.
- High Rise values increased by \$32 and \$50 per square foot for one and two bedrooms respectively from the Fourth Quarter of 2012.
- Townhome sales and values remained relatively unchanged from the previous quarter.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	169	5.4	71	67%	\$719	50	\$385,825 - \$873,000
Low Rise	82	7.1	19	18%	\$678	63	\$389,000 - \$663,000
Townhome	47	6.6	16	15%	\$669	55	\$540,000 - \$939,000

## MLS Resale by Unit Type

Product	AVG. PRICE		PSF	AVG. PRICE		PSF
	1 Bedroom	2 Bedroom		1 Bedroom	2 Bedroom	
High Rise	\$417,067	\$751,343	\$685	\$751,343	\$755	
Low Rise	\$476,000	\$649,725	\$613	\$649,725	\$681	
Townhome	\$766,197	\$895,000	\$656	\$895,000	\$707	

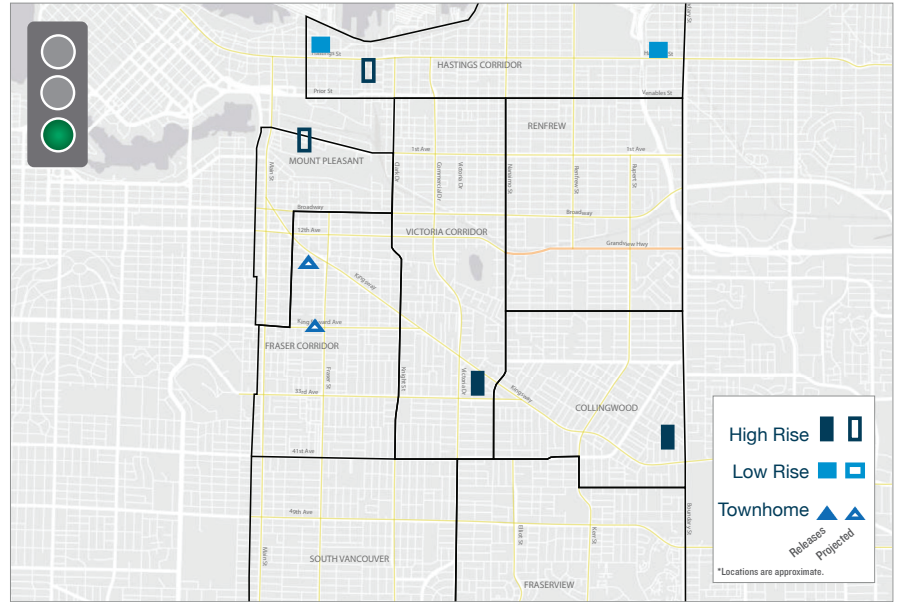
Change over the last quarter: ▲ Increase, ▼ Decrease, ◀▶ No Change  
 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

# MARKET PROFILE: VANCOUVER EAST

Demand for high rise condominium product continued to drive sales activity in this market in the Fourth Quarter of 2013 and a “green light” rating. Wall Centre Central Park dominated absorptions throughout the quarter in spite of the launch of Westbank’s Kensington Gardens where initial sales velocity was moderate. The tepid response to Kensington Gardens’ launch was primarily due to the above market-average sale values being sought; estimated to be approximately \$650 per square foot, which is comparable to actively selling new high rise product in Southeast False Creek.

## New Development Highlights (Q4)

- The initial sales at Westbank’s Kensington Gardens and Wall Centre Central Park accounted for 90 percent of high rise condominium sales in this market.
- Boffo Properties enjoyed a positive response to its Cordovan, a 24 unit low rise condominium project in the Downtown Eastside; all but three units were sold in the Fourth Quarter.
- There are just two actively selling townhome projects in Vancouver East, which has limited sales activity in this sector.
- Strong sales at Wall Centre Central Park is prompting the launch of The Gardens phase of this project in the first quarter of 2014.
- Wall Centre 900 Hastings will be launched from an on-site presentation centre in Spring 2014.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	↔ 6	↓ 151	↑ 639	\$540 - \$600
Low Rise	↑ 11	↓ 62	↑ 115	\$470 - \$590
Townhome	↔ 2	↑ 15	↑ 10	\$470 - \$520

## MLS Resale Highlights (Q4)

- There are fewer active listings in this market compared to the previous quarter (40 percent less High Rise, 33 percent less Low Rise and 20 percent Townhomes).
- High Rise one bedroom values decreased by four percent and two bedroom values increased by four percent compared to the same quarter last year.
- The months of supply for Low Rise product decreased by 10 months compared to Fourth Quarter of 2012.
- Months of supply for Townhome product continues to decrease.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	184	7.6	85	46%	\$549	44	\$289,900 - \$532,000
Low Rise	93	6.6	48	26%	\$507	63	\$271,000 - \$482,500
Townhome	73	5.4	50	27%	\$495	38	\$431,000 - \$758,000

## MLS Resale by Unit Type

Product	AVG. PRICE		PSF	AVG. PRICE		PSF
	1 Bedroom	2 Bedroom		1 Bedroom	2 Bedroom	
High Rise	\$350,908	\$483,983	\$556	\$483,983	\$540	
Low Rise	\$319,412	\$431,668	\$533	\$431,668	\$491	
Townhome	\$590,746	\$666,666	\$502	\$666,666	\$491	

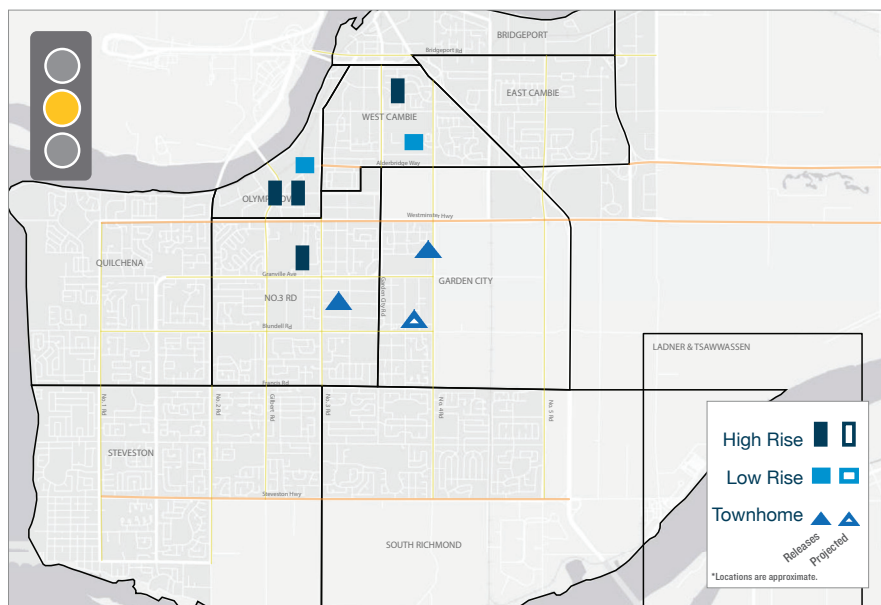
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# MARKET PROFILE: RICHMOND/SOUTH DELTA

The abundant supply and moderate absorptions of high rise condominium product is the primary reason for this market retaining a “yellow light” rating. Strong absorptions in the low rise condominium sector helped offset lower high rise condominium absorptions, which resulted in an overall increase in new multifamily home sales in the Fourth Quarter. With numerous concrete launches anticipated and a substantial amount of this product still in the planning process, this market will remain competitive for the foreseeable future.

## New Development Highlights (Q4)

- Polygon released the third and final phase of its *Carrera* project, which continued to be the best selling high rise condominium project in this market in 2013.
- Polygon also enjoyed a very strong initial response to its *Astoria at Alexandra Court* low rise condominium project; 52 of the 137 units released were sold in the Fourth Quarter.
- The two most significant project launches expected in the first quarter of 2014 are *Cadence* by Cressey and Amacon’s *Tempo* – both high rise condominium projects.
- Onni will launch the second building its *Riva* low rise project early in 2014, which will add 198 units to this sector of the market.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	↔ 17	↓ 209	↓ 619	\$530 - \$570
Low Rise	↑ 9	↑ 116	↑ 327	\$410 - \$440
Townhome	↔ 9	↑ 53	↓ 112	\$420 - \$440

## MLS Resale Highlights (Q4)

- Condominium resale totals consists of primarily High Rise product, which account for 71 percent of the active listings and 85 percent of total condominium sales in the Fourth Quarter of 2013.
- Low Rise product is taking nearly twice as long on market compared to the previous quarter. Resales were also down 75 percent from the previous quarter.
- Active Townhome listings and sales are both down by 41 percent from the Third Quarter of 2013 and are taking an average of 18 days longer on market.
- High Rise values have increased by six percent on average from the same quarter last year.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	243	7.3	100	55%	\$515	47	\$323,000 - \$550,000
Low Rise	99	6.7	18	10%	\$423	79	\$295,000 - \$447,000
Townhome	129	4.6	63	35%	\$404	64	\$462,000 - \$680,000

## MLS Resale by Unit Type

Product	1 Bedroom		2 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
High Rise	\$322,595	\$514	\$476,393	\$516
Low Rise	\$296,750	\$429	\$381,233	\$428
Townhome	\$468,500	\$378	\$574,324	\$412

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 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

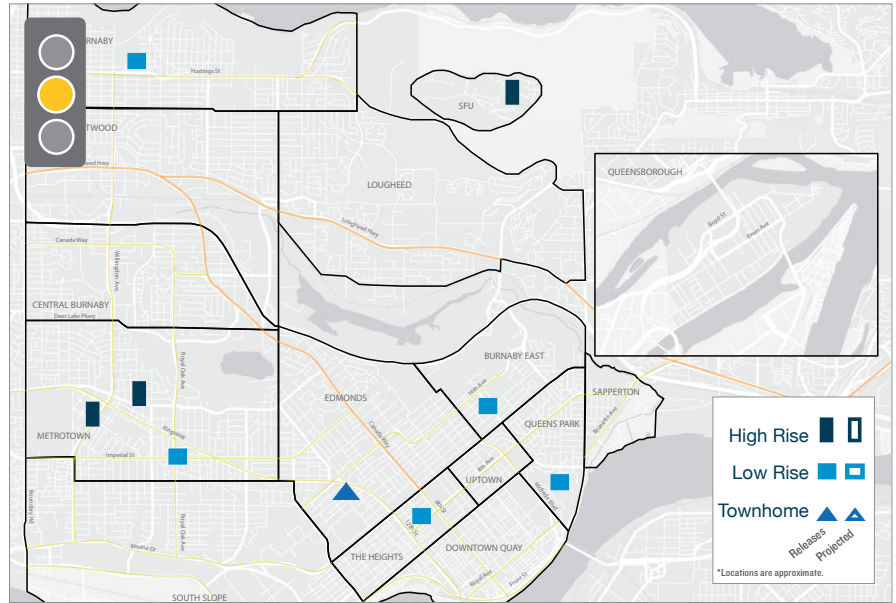


# MARKET PROFILE: BURNABY/NEW WESTMINSTER

A “yellow light” rating has been applied to the Burnaby/New Westminster market despite higher Fourth Quarter sales velocity relative to the previous quarter. The lower sales activity experienced in the Burnaby/New Westminster market can be partially attributed to fewer significant project launches. This market will see more pre-supply and become much more competitive in 2014 with the launch of several large-scale high rise condominium projects.

## New Development Highlights (Q4)

- Demand from the Chinese buyers (both locally established and recently landed) continued to drive sales activity in this market – particularly in the high rise condominium sector.
- The release of Boffo Developments’ high rise project *Modello* added some much needed new supply to the Metrotown neighbourhood. Response to this project has been very positive considering the larger average unit sizes and corresponding higher price points.
- The nearly 50 sales at Amacon’s recently released *Redbrick* project in the Edmonds neighbourhood accounted for 60 percent of the wood frame sales in this market.
- Onni released *The Lookout*, the final low rise condominium phase of its Victoria Hill community.
- Concord Pacific’s *Met2* in Metrotown and *Centreblook* by Liberty Homes are the two most significant project launches expected in the first quarter of 2014



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	↓ 18	↑ 210	↑ 888	\$470 - \$590
Low Rise	↑ 15	↑ 149	↑ 318	\$385 - \$450
Townhome	↑ 11	↑ 42	↑ 64	\$350 - \$400

## MLS Resale Highlights (Q4)

- High Rise product prices increased by seven percent compared to the same quarter in 2012
- There are 25 percent fewer active Townhome listings this quarter while total Townhome resales remains relatively unchanged.
- Highrise product continues to contribute over half of the overall resales in this market.
- Low Rise sales prices decreased by three percent from the previous quarter.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	280	4.1	165	53%	\$499	61	\$307,500 - \$570,000
Low Rise	159	6.6	69	22%	\$412	57	\$257,600 - \$390,888
Townhome	92	3.4	80	25%	\$396	57	\$367,000 - \$591,000

## MLS Resale by Unit Type

Product	AVG. PRICE		PSF	
	1 Bedroom	2 Bedroom	1 Bedroom	2 Bedroom
High Rise	\$310,603	\$478	\$474,895	\$504
Low Rise	\$278,051	\$428	\$358,312	\$398
Townhome	\$412,329	\$417	\$496,319	\$381

\*Note: The greater variation in active Sales Price Range is the result of the achievable sale value differential between comparable product in Burnaby and New Westminster.

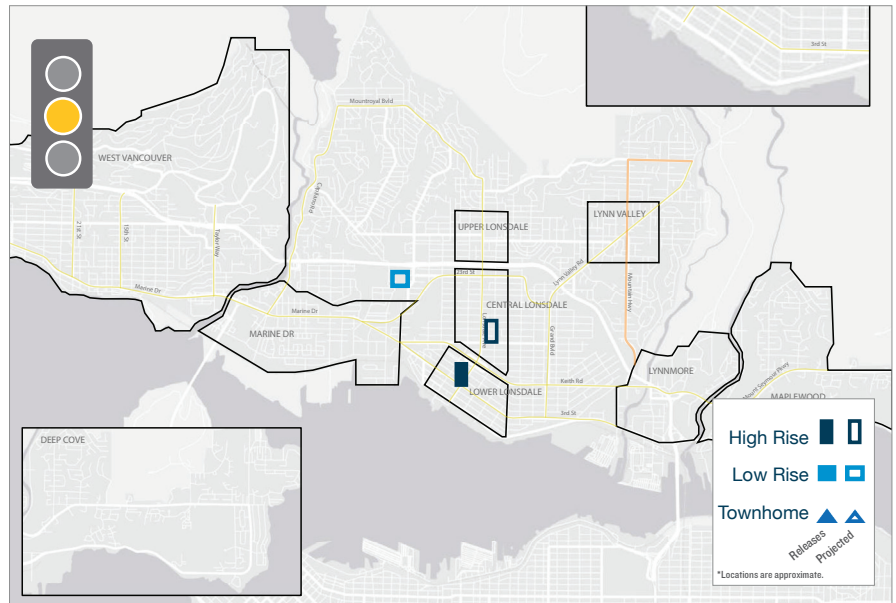
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 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

# MARKET PROFILE: NORTH SHORE

The North Shore market retains its 'yellow light' rating despite experiencing strong absorptions in the high rise condominium sector. Softer demand for low rise condominium product contributed to an overall drop in sales in this market in the last quarter. The drop in sales activity can also be attributed to the lack of any new significant project launches. A number of new project launches expected in the first half of 2014 should help drive higher sales in the coming months.

## New Development Highlights (Q4)

- Polygon's *Queen Mary* low rise project accounted for 40 percent of the total low rise sales in the Fourth Quarter with 30 sales and should sell out in the First Quarter of 2014.
- The *Anchor*, a mid-rise condominium project was the only new project launched in the last quarter.
- The first tower in Onni's *Centreview* project at 13th Street and Lonsdale Avenue is expected to launch in the first half of 2014.
- Grosvenor finally received approval for its proposed redevelopment of the 1300 block of Marine Drive in Ambleside in West Vancouver, which is expected to launch in the summer or fall of 2014.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	▼ 11	▲ 88	▼ 430	\$570 - \$640
Low Rise	◀▶ 14	▼ 74	▼ 333	\$515 - \$540
Townhome	◀▶ 1	◀▶ 0	▲ 9	\$365 - \$460

## MLS Resale Highlights (Q4)

- Total sales for all product types decreased by 36 percent from the previous quarter.
- Average Low Rise resale values rose dramatically in the quarter - by 12 percent and 18 percent compared to the Third Quarter of 2013 and the Fourth Quarter of 2012 respectively.
- Low Rise product also took 18 days fewer to sell from the previous quarter and 42 days compared to the same quarter last year.
- Townhome values and sales have remained relatively unchanged over the last year.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	74	10.3	17	30%	\$620	58	\$365,000 - \$721,000
Low Rise	46	4.6	21	38%	\$542	38	\$347,000 - \$676,500
Townhome	31	4.5	18	32%	\$432	35	\$545,000 - \$879,000

## MLS Resale by Unit Type

Product	1 Bedroom		2 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
High Rise	\$376,000	\$619	\$595,073	\$621
Low Rise	\$403,956	\$556	\$582,185	\$534
Townhome	\$586,633	\$504	\$752,273	\$428

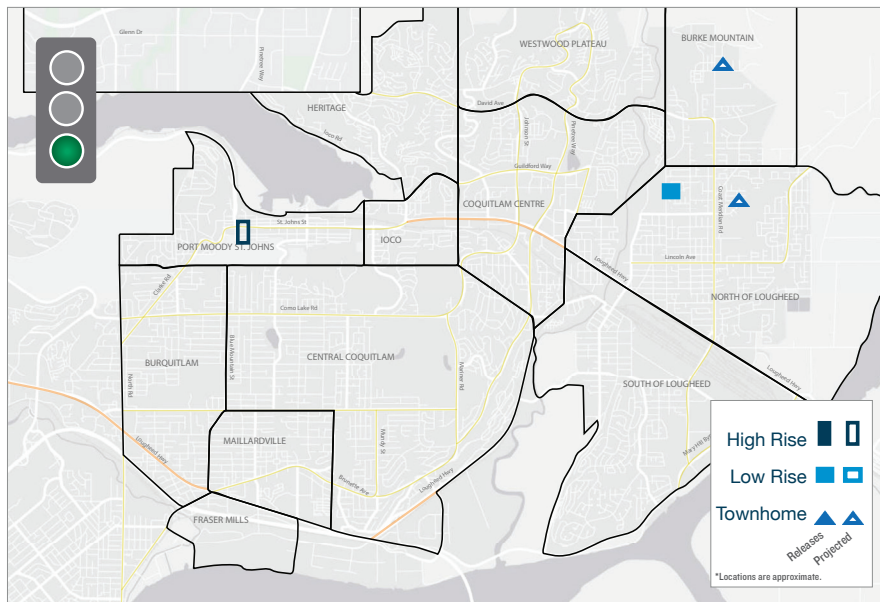
Change over the last quarter: ▲ Increase, ▼ Decrease, ◀▶ No Change  
 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

# MARKET PROFILE: TRI-CITIES

The Tri-Cities market retains its “green light” in spite of lower sales activity in the last quarter of 2014. A drop in concrete condominium inventories in the Coquitlam Centre neighbourhood and continued strong absorptions in Coquitlam are the primary reason for the positive rating. Inventory is set to rise over the next few months with the anticipated launch of new high rise product in the Burquitlam neighbourhood and additional townhome product in Burke Mountain. It will be interesting to monitor sales activity in the Tri-Cities now that construction of the Evergreen Line is more apparent.

## New Development Highlights (Q4)

- A slight drop in sales in this market can be attributed to the lack of any significant new project launches during the last quarter.
- Continued strong demand for townhomes in Burke Mountain drove sales to Alpha Beta Developments Reef project and the sellout of remaining units at Gardenia’s Breeze and Intergulf’s Cedar Creek projects.
- The success of Mosaic’s Fremont Blue prompted the developer to release an additional 13 units in the second phase of this project.
- The most significant project launches expected in the first quarter of 2014 include Bosa Properties’ Uptown in Burquitlam and Polygon’s Bridlewood in Burke Mountain.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	↔ 11	↓ 121	↓ 414	\$390 - \$440
Low Rise	↓ 11	↓ 93	↓ 386	\$310 - \$380
Townhome	↓ 12	↓ 42	↑ 142	\$280 - \$300

## MLS Resale Highlights (Q4)

- Total active listings and sales decreased from the previous quarter by 26 percent and 27 percent respectively.
- The months of supply for High Rise product in the Fourth Quarter of 2013 decreased by 12.5 months from the same quarter in 2012.
- Active Townhome listings decreased by 31 percent compared to the same quarter in 2012.
- The average High Rise resale prices increased by nine percent compared to the Fourth Quarter of 2012.

\*Note: The greater variation in active Sales Price Range is the result of the achievable sale value differential between comparable product in Burnaby and New Westminister.

Change over the last quarter: ↑ Increase, ↓ Decrease, ↔ No Change  
 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	214	9.1	84	28%	\$412	61	\$285,900 - \$512,500
Low Rise	250	7.4	115	38%	\$352	42	\$245,500 - \$370,000
Townhome	190	5.5	106	35%	\$300	41	\$366,900 - \$520,000

## MLS Resale by Unit Type

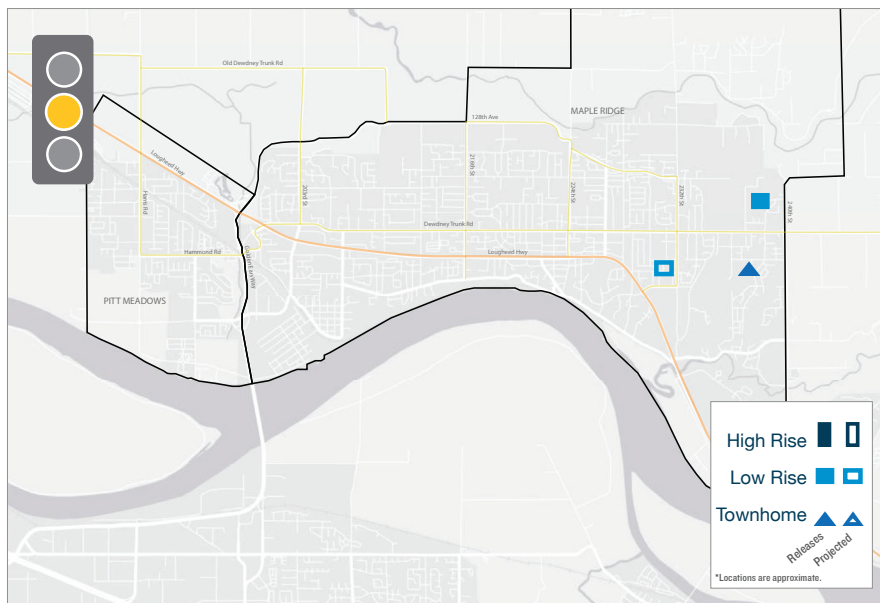
Product	AVG. PRICE		PSF	AVG. PRICE		PSF
	1 Bedroom	2 Bedroom		1 Bedroom	2 Bedroom	
High Rise	\$277,541	\$440	\$413,347	\$412		
Low Rise	\$239,488	\$356	\$321,459	\$354		
Townhome	\$366,704	\$309	\$447,851	\$310		

# MARKET PROFILE: RIDGE MEADOWS

Strong demand levels for low rise condominium product in Pitt Meadows helped the Ridge-Meadows market achieve a 50 percent increase in year-over-year sales in the Fourth Quarter and a “yellow rating”. Projects in Maple Ridge continue to struggle to attract buyers from other markets, which has led to low absorptions for both townhome and condominium projects in this area. In spite of offering some of the lowest new multifamily home values in Metro Vancouver, price-reducing incentives are still required to create demand in this market.

## New Development Highlights (Q4)

- Mosaic released the final phase of its *Osprey Village* project and promptly sold 17 of the 24 total units.
- The positive response to the *Osprey Village* project indicates a higher level of demand for townhomes in Pitt Meadows than in Maple Ridge.
- The 46 Fourth Quarter unit sales at Quadra Homes’ *Cedar Downs* community accounted for 64 percent of all low rise condominium absorptions in this market.
- Project launches expected in the first quarter of 2014 include Wallmark Homes’ *Two Birds* townhome project and Garcha Properties *Village Green* – both located in Maple Ridge.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	-	-	-	-
Low Rise	↔ 8	▲ 8	▼ 355	\$285 - \$305
Townhome	↔ 5	▲ 5	▲ 29	\$200 - \$230

## MLS Resale Highlights (Q4)

- Townhome product in this market experienced the longest average time on market of all product types.
- Despite the slow absorptions, the months of supply for Townhome product in this market has decreased by 11.5 months compared to the same quarter last year.
- Low Rise resale values decreased by 14 percent on average from the previous quarter and 16 percent from the same quarter in 2012.
- Total resales in this market decreased by 39 percent compared to the previous quarter.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	-	-	-	-	-	-	-
Low Rise	41	4.3	19	42%	\$231	63	\$172,000 - \$298,000
Townhome	52	6.5	26	58%	\$210	97	\$293,000 - \$375,000

## MLS Resale by Unit Type

Product	1 Bedroom		2 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
High Rise	-	-	-	-
Low Rise	\$178,067	\$251	\$237,991	\$219
Townhome	\$311,667	\$240	\$332,569	\$210

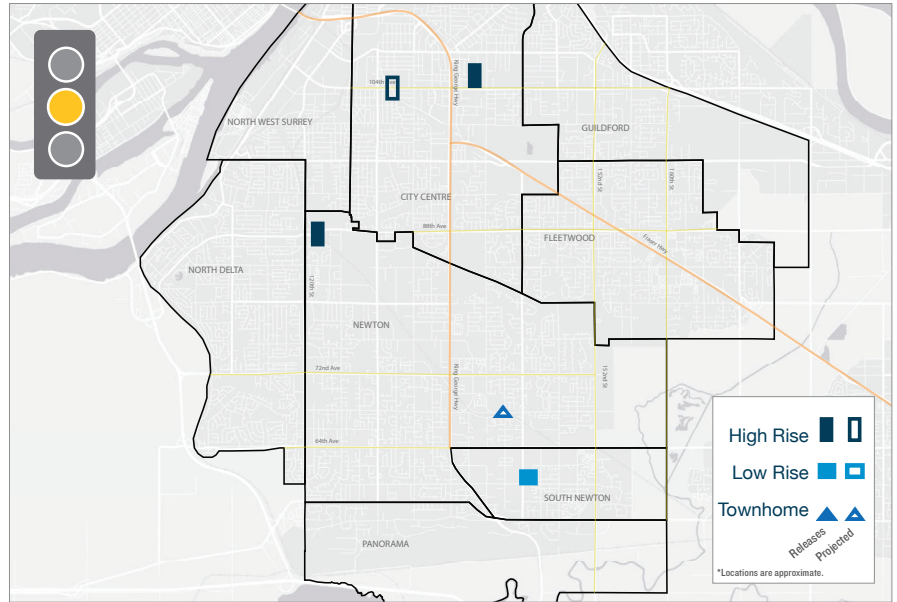
Change over the last quarter: ▲ Increase, ▼ Decrease, ↔ No Change  
 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

# MARKET PROFILE: SURREY CENTRAL/NORTH DELTA

The Surrey Central/North Delta market retains a “yellow light” rating despite strong absorptions of new high rise condominium product in the last quarter. The launch of two new high rise projects by Bosa Properties and Blexo respectively added over 660 new units to this sector of the market, but also helped generate a significant increase in absorptions. The recent completion of some low rise condominium projects helped increase absorptions in that sector. The townhome sector remains one of the more competitive in the region.

## New Development Highlights (Q4)

- Higher Fourth Quarter high rise condominium sales can be attributed to the launch of *Alumni* at University District and *Delta Rise*.
- Both projects experienced strong initial sales and helped attract more buyers to existing high rise projects such as *Park Avenue* and *Wave*.
- The highly competitive nature of the townhome sector of this market contributed to an increase in the amount of incentives and negotiated discounts offered by developers.
- Significant project launches expected in the first half of 2014 include the second tower in Concord Pacific's *Park Avenue* project and Rize's *Wynd*, located next to its *Wave* tower.
- Century Group's *3 Civic Plaza* has achieved its pre-sale requirement and will re-open for the next phase of sales later in the First Quarter of 2014 featuring new display exhibits. The project continues to attract prestige oriented end users and investors.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	▲ 6	▲ 376	▲ 777	\$420 - \$470
Low Rise	▼ 11	▲ 56	▲ 322	\$300 - \$320
Townhome	▼ 23	▼ 117	▼ 285	\$210 - \$230

## MLS Resale Highlights (Q4)

- Low Rise resales were 38 percent lower than the same period last year.
- Active townhome listings are 31 percent lower for the Fourth Quarter of 2013 than the same quarter in 2012.
- Total resales in this market were down 39 percent from the previous quarter.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	65	8.3	13	13%	\$339	66	\$190,000 - \$295,000
Low Rise	140	12.9	25	26%	\$291	87	\$149,000 - \$259,000
Townhome	141	5.9	59	61%	\$220	60	\$285,000 - \$417,000

## MLS Resale by Unit Type

Product	1 Bedroom		2 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
High Rise	\$211,286	\$356	\$271,500	\$319
Low Rise	\$190,600	\$285	\$243,470	\$276
Townhome	\$287,400	\$238	\$340,521	\$218

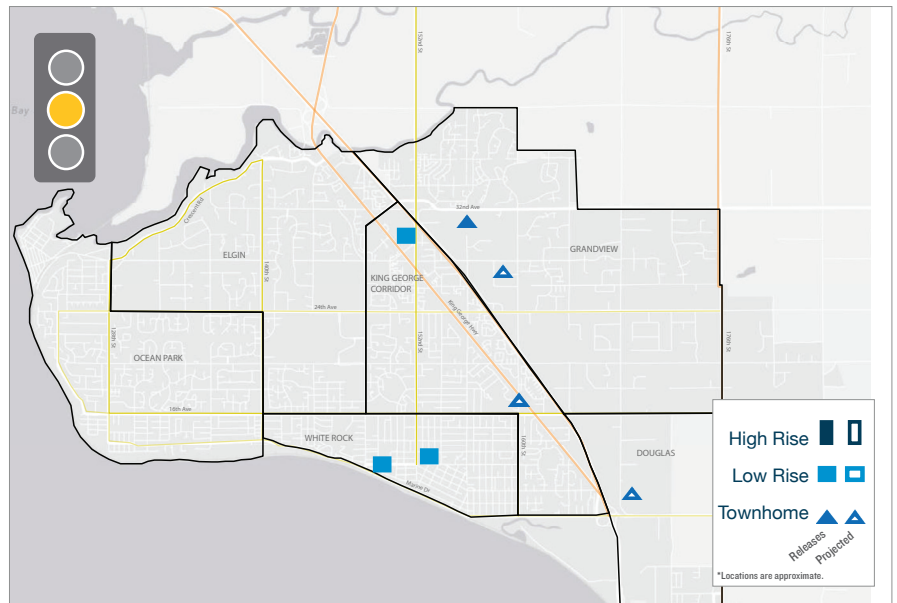
Change over the last quarter: ▲ Increase, ▼ Decrease, ↔ No Change  
 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

# MARKET PROFILE: SOUTH SURREY/WHITE ROCK

South Surrey/White Rock retains a “yellow light” rating in spite of stronger low rise condominium absorptions in recent months. Sales remained flat in the high rise condominium and townhome sectors of this market. Projects launched from completed or nearly completed product continue to achieve stronger sales than pre-selling developments, which reflects demand being driven primarily by end users. Low rise condominium sales are expected to experience a boost from the launch of the first phase of this product in Polygon’s Harvard Gardens community.

## New Development Highlights (Q4)

- Higher new multi-family home sales in recent months can be attributed to the launch of three new projects; *Saltaire* by Ledingham McAllister, *Newport at West Beach* and Gramercy’s *The Woods*.
- Townhome project sales moderated in the Fourth Quarter of 2013 but are expected to increase in the first half of 2014 with the anticipated launch of several new projects.
- Upcoming project launches include Dawson & Sawyer’s *On the Course*, Ikonik’s *Jacobsen* and *George* by Manorlane.
- As noted, Polygon will launch *Kingston House* at *Harvard Gardens* from completed product in the first quarter of 2014.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	↔ 1	↔ 5	↓ 20	\$525 - \$565
Low Rise	↓ 11	↑ 46	↑ 286	\$300 - \$375
Townhome	12	↓ 51	↓ 158	\$250 - \$300

## MLS Resale Highlights (Q4)

- Active townhome listings are down 25 percent from the previous quarter.
- Low Rise resales increased by 77 percent compared to the same quarter in 2012.
- Only 11 high rise resales were recorded in the Fourth Quarter of 2013.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	34	10.2	11	15%	\$409	636	\$370,000 - \$652,000
Low Rise	89	9.5	30	42%	\$323	75	\$258,000 - \$378,000
Townhome	92	9.2	30	42%	\$258	57	\$322,500 - \$712,000

## MLS Resale by Unit Type

Product	AVG. PRICE		PSF	
	1 Bedroom	2 Bedroom	1 Bedroom	2 Bedroom
High Rise	\$357,500	\$518,056	\$348	\$423
Low Rise	\$198,250	\$307,476	\$277	\$327
Townhome	\$337,400	\$442,518	\$276	\$261

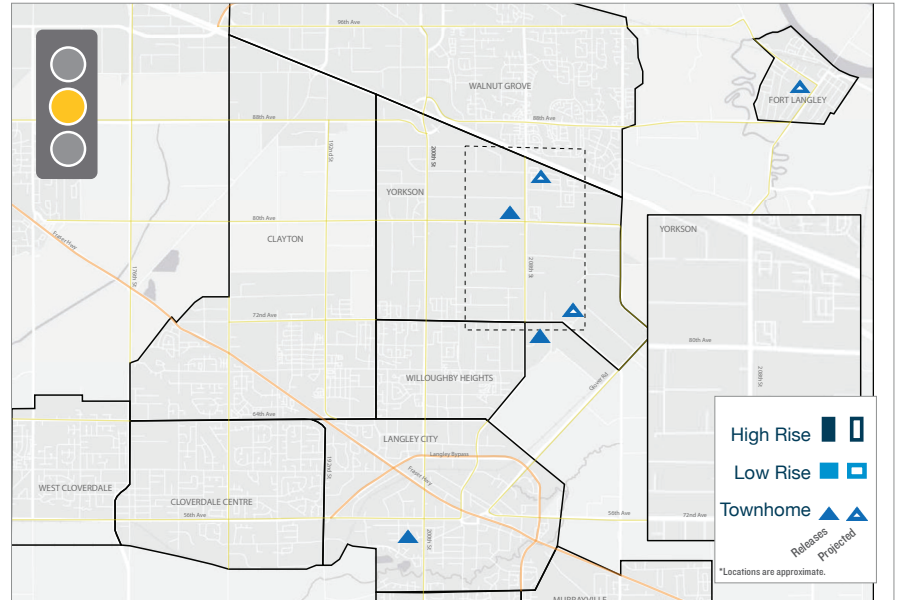
Change over the last quarter: ↑ Increase, ↓ Decrease, ↔ No Change  
 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

# MARKET PROFILE: CLOVERDALE/LANGLEY

A “yellow light” rating has been applied to the Cloverdale/Langley market as both sales and inventory levels remained steady. The townhome sector achieved a 23 percent increase in sales over the previous quarter which was due in part to the successful launch of a new phase of townhomes at Quadra Homes Yorkson community and higher valued incentive offerings at other projects. With the exception of projects in unique and appealing locations, the high number of unsold low rise condominium units will prevent developers from achieving higher values for the foreseeable future.

## New Development Highlights (Q4)

- Incentives valued at between \$10,000 and \$15,000 helped the townhome sector achieve strong absorptions in the Fourth Quarter.
- The sales success of *The Ridge at Bose Farms* illustrated that condominium buyers are willing to buy pre-sale woodframe quickly and even pay a premium for appropriately designed product in a unique location.
- Developers are not holding back from releasing new projects into this market in spite of its already highly competitive nature.
- Polygon and Mosaic are expected to launch new multi-phased townhome projects in the Yorkson neighbourhood of Langley.



## New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	-	-	-	-
Low Rise	▲ 18	▲ 146	▼ 661	\$280 - \$310
Townhome	▲ 17	▲ 89	▲ 259	\$230 - \$255

## MLS Resale Highlights (Q4)

- Total active listings for this market increased by 13 percent from the previous quarter while total resales decreased by 21 percent.
- Low Rise prices were up seven percent compared to the previous quarter and also took an average of 19 days longer to sell.
- Townhome values have remained relatively unchanged over the past year.
- The majority of Townhome resales in the Fourth Quarter of 2013 have been for larger floorplans, which is consistent with previous quarters.

## MLS Resale Statistics (product 10 years of age or less)

Product	ACTIVE LISTINGS				SOLD LISTINGS		
	Listings	Mo. Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	-	-	-	-	-	-	-
Low Rise	124	8.8	34	24%	\$281	85	\$185,000 - \$380,000
Townhome	163	4.0	110	76%	\$217	50	\$289,900 - \$387,000

## MLS Resale by Unit Type

Product	1 Bedroom		2 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
High Rise	-	-	-	-
Low Rise	\$180,961	\$271	\$289,469	\$285
Townhome	\$282,650	\$237	\$345,440	\$212

Change over the last quarter: ▲ Increase, ▼ Decrease, ↔ No Change  
 \*Total Sold is the percentage of product sold under ten years of age relative to the total sold for each product category

# LOOKING BACK AND AHEAD

*At the end of the First Quarter of 2013 year to date sales were significantly less than the same quarter of 2012. By the end of Second Quarter this performance gap had been closed to 29 percent. A predicted stronger Third Quarter reduced this gap nearly in half leading to more optimistic projections placing 2013 annual volumes close to 2012 levels. The year finished well with over 3,000 Fourth Quarter new multifamily homes sales resulting in annual sales volume two percent higher than the seemingly lofty total posted for the year prior. So...where do we go from here?*

## Looking Back

In this last quarter we projected the momentum built up since the slow First Quarter of 2013 would continue through the Fourth Quarter meaning the year would finish well. This held true. At that time, we did cautiously express the view that annual sales volume could fall below recent levels and projected a modest decrease from the number posted in 2012. Sometimes it's good to be wrong.

Part of our optimism was due to an expected increase in investor demand. This occurred. We also expected buyers to be active at certain new launches where product was clearly a one of kind and where expected demand created a fear of loss in the minds of prospective buyer's. The downsizer acted as projected actively shopping and buying the line up of new larger product offered in desirable locations.

On the inventory front we did not foresee issues with respect to standing inventory but did project a modest increase. Despite the vigorous sales in 2014 inventory levels did increase by five percent. We also expected the Metropolitan Vancouver housing market to continue to be heavily influenced by the Chinese demand (including new immigrants). Of course, we realize this is like predicting it will rain in February. That being said, there was notably more interest than anticipated.

## Looking Ahead

Based on early polling at sites throughout Metropolitan Vancouver we do not anticipate the slow start to the year that occurred in 2014. We expect more typical levels of consumer interest, Presentation Centre traffic and sales. Thus we project a much improved First Quarter and volumes more in line with the years 2010 thru 2012. We also project another year of 10,500 to 11,000 units sold.

To achieve these projections we anticipate: sustained investor demand especially with respect to transit oriented developments; a growing wave of downsizers actively purchasing both pre-sales and completed condominium product; and steady first time buying activity targeted at townhomes and condominiums and buoyed by deposit assistance from parents and the elimination of property transfer tax on purchases up to \$475,000. As for inventory/supply, we continue to hold the view that inventory levels will remain stable with a modest increase in standing inventory possible in the first half of 2014. Significant project launches for 2014 include: Kenstone's *Addition* in Vancouver Downtown, Wall Financial's *900 East Hastings* in Vancouver's Eastside; Concord Pacific's *Met 2* and Anthem/Beedie's next tower at Metrotown Station and Shape Properties much anticipated *Brentwood Town Centre* in Burnaby; Amacon's *Tempo* and Cressey's *Cadence* in Richmond; Onni's long awaited *Centreview* on Lonsdale on the North Shore and Bosa Properties *Uptown* in Coquitlam.

Finally, there are a number of questions the team at Fifth Avenue are asking ourselves as we move into 2014 and lookout through this year into 2015 and 2016.

### **When will expected improvement in the US economy begin to impact our BC and local economies?**

The majority of economic forecasts we have reviewed project a 2014 similar to last year but looking through 2016 expect to see US economic growth as a driver. Will this be an influencer in 2014 and if so is a 12,000+ annual absorption figure out of the question?

### **What does it mean - the recent actions taken by the Government with respect to immigration have little to or no effect on annual absorptions?**

Investment demand for real estate in our markets and end user demand may very well be more home grown than many think. Is it possible that the elimination the Immigrant Investor Program will have to little to no impact on the new multifamily home market as whole? Are there certain markets that remain more susceptible to any fallout from this decision?

### **Is there any reason to think the year end total for 2014 won't exceed 11,000 homes?**

Three of the last four years the market has hit this figure. Only 2010 fell short. Has anything changed to lead us to think differently?

### **What will be the biggest surprise of 2014 with respect to our industry and market?**

Personally and professionally 2013 held a number of surprises for me that I could not have imagined at the outset of the year. What do you think will surprise you in 2014?

*If you have a view you would like to share and/or questions you would like to discuss please contact [scott@fifthave.ca](mailto:scott@fifthave.ca).*



*Urban Analytics (UAI) is Metropolitan Vancouver's leading source for analytical interpretation of relevant real estate market data, trends and strategic recommendations.*

*Urban Analytics Inc. (UAI) has been retained by Fifth Avenue Real Estate Marketing Ltd. to provide aggregate data on the multifamily residential real estate market in the Vancouver Metropolitan.*

*The methodology used to collect the data was as follows:*

## General Parameters

Metropolitan Vancouver refers to the area from West Vancouver to Aldergrove. The focus of this study is limited to the multifamily market.

## Multifamily Project Data – New Home Sales

The primary method used to collect information is a personal visit to each project being actively marketed. In addition to collecting current sales information, UAI representatives engage on-site sales staff to determine additional relevant information such as incentive offerings, traffic trends and active buyer profiles. In all instances active sales range quoted in tables is defined as “The per square foot sales range in which 75 percent of sales of this product type occurred”.

For the purposes of this publication, UAI contacts various municipal planning departments along with developers (and/or their representatives) of proposed new developments to determine the anticipated timing of their approval and marketing launch.

## Multifamily Project Data – Resale

The resale market provides an important barometer from which to assess demand and determine pricing for new home projects. Accordingly, UAI closely monitors the resale market for multifamily homes in order to identify trends that are relevant to the new home sector. However, the breadth and depth of product for sale can create findings that are less than helpful to the new home developer.

As a result, UAI recommends studying only product that is aged ten years or newer and valued at less than \$1.2 million. While it could be argued that limiting the analysis to newer product (i.e. five years or newer) would be more relevant to the new home sector, we believe this would limit the sample size and potentially skew the data towards a specific type of product available in a small number of specific buildings/projects. In all instances active sales range quoted in tables is defined as “The active sales range in which 75 percent of sales of this product type occurred”.

**Urban Analytics has been tracking the new multi-family home market in Metro Vancouver and beyond since 1994.** In addition to publishing the New Home Source, Vancouver's most comprehensive and accurate quarterly review of active and contemplated new condominium and townhome projects, UAI is the leading provider of advisory services on the new multi-family home market.

**Need help getting a handle on what's happening in an area you've got a site under contract in?** We can help. Want an unbiased, arm's length opinion of the optimum unit mix and size for a contemplated project and what that product should sell for? Give us a call. Care to have us sit in on a strategy meeting or envisioning session? Not only will we be there, we might even bring some donuts.

Anyone who knows us knows we love to talk real estate. Call us – we'd love to chat about how we can help you with your project or set you up with a subscription to the New Home Source.

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