

The Fifth Dimension

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

Third Quarter - 2016

November 2016

DATA PROVIDED BY:



COMPLIMENTS OF



WELCOME TO THE FIFTH DIMENSION

Each and every edition of the Fifth Dimension is brought to you compliments of Fifth Avenue Real Estate Marketing Limited, a full service, residential real estate sales and project marketing organization with over 36 years of experience.

To ensure the supporting data is objectively collected and presented, we collaborate with highly regarded Urban Analytics (UA) a leading provider of advisory services on the new multifamily home market. UA has been tracking the new multifamily home market in Metropolitan Vancouver since 1994 and has been a vital contributor to this report since its inception in the First Quarter of 2010.

What do you think of the term “stress testing”? As a friend of mine who had an issue with his heart admitted to me, it isn’t a fun term. At the outset of this quarter we did not foresee the new mortgage qualification rules. While the changes may actually be for the greater good they have certainly added to the stress levels of first time buyers and developers. It seems odd to me that on the one hand the government is working to curtail housing inflation to make homes more affordable while on the other hand making it even harder for first time buyers in the Metro area to own a home. It seems a tad like trying to suck and blow at the same time. This predicament reminds me of what one of my colleagues in Europe used to say to me when we worked together, “We burned our mouths on the soup and now we are blowing on the yogurt”.

Since the October introduction of the new policy, a myriad of opinions on the probable impact have been voiced. For instance, Cameron Muir, Chief Economist for the British Columbia Real Estate Association, had this to say, “The new rules will cause the sharpest drop in the purchasing power of low equity home buyers in years. At a time when housing affordability is a critical issue, deliberately chopping millennials’ purchasing power by as much as 20 percent will only exacerbate a well-known problem”. Rental anyone?

Muir goes on to project that the policy will have the following impacts: a reduction in housing demand from first time buyers, a possible reduction in prices, a potential lag in development with related negative effects on employment and economic growth and intensifying demand contributing to another cycle of rapidly increasing prices as financially retrenched millennials buy up an under supplied housing stock. Did you read the last part? Supply. Why is it so hard for many to believe that more supply and the required accelerated municipal approvals is part of the affordability solution? I am also curious why the “affordability” conversation almost never deals with the income side of the equation. What are we doing to help millennials generate better paying employment? What are we doing to encourage wealth creation period?

Of course, not to be outdone, the foreign buyer tax remains a hot topic of conversation. As much as the government refers to the new tax as the “foreign buyer tax” I tend to side with industry experts such as Michael Ferreira, a Principal at a leading real estate research firm, Urban Analytics. At a recent Urban Development Institute presentation Michael commented, “Call it what it is. This is a Chinese buyer tax. Despite it, the Chinese are still buying”. It seems Dan Barnabic, author of “The Condo Bible for Canadians”, agrees. He states, “In the long run, a 15 percent tax on foreigners will not serve as a deterrent”. He suggests a more radical idea. He suggests a 50 percent or greater tax to “dampen demand and bring the housing prices down to levels Canadians can afford”. Again, I wonder why the focus is on what Canadians can afford vs. addressing what we can do to encourage the wealth generation that these foreigners have seemed to attain elsewhere. And by the way, how come there is so little attention paid to who is benefiting from the foreign buying? For the most part, as Chris Sorensen says in his October 17th Maclean’s Magazine article *Hands off My Bubble*, “...it’s easy to forget the biggest beneficiaries of the largesse have been Canadians themselves”. In this piece, he speaks to the hot housing market and how it is both the biggest risk to Canada’s economy and the biggest driver of growth. He reports that economists who lauded government efforts to cool housing are now expressing reservations about taking further action. Empty home tax, anyone?

Where does all this leave us? With over 3,000 quarterly sales generated in these uncertain times, demand for new homes remains relatively resilient. Yet, today’s consumers is experiencing uncertainty and this has and will continue to impact the urgency with which consumers act in the near term. Heading into year end and into early 2017, buyers will still be acting but they are expected to take more time to make decisions.

Feel free to share this report and your perspective on what is presented here as widely as you see fit. Our aim is to stimulate dialogue and promote positive action in our industry.



W. Scott Brown

**PRESIDENT & CEO
FIFTH AVENUE REAL ESTATE MARKETING LTD.
scott@fifthave.ca**

Overall Market Commentary	4
Market Summaries	
Vancouver Downtown	5
Vancouver West	6
Vancouver East	7
Richmond/South Delta	8
Burnaby/New Westminster	9
North Shore: North & West Vancouver	10
Tri-Cities: Coquitlam, Port Coquitlam, Port Moody	11
Ridge Meadows: Maple Ridge & Pitt Meadows	12
Surrey Central/North Delta	13
South Surrey/White Rock	14
Cloverdale/Langley	15
Abbotsford	16
Looking Back and Ahead	17
Research Methodology	18

OVERALL MARKET COMMENTARY

In this third edition of the Fifth Dimension for 2016, our data collection and analysis partner Urban Analytics (UA) shares its commentary on the dynamic recent quarter, market performance year to date and what to expect in the Fourth Quarter with respect to Metro Vancouver's multifamily residential real estate market.

Q3 - New Home Market

Metro Vancouver's new multifamily housing market finally showed signs of fatigue following the purchasing frenzy that occurred from late 2015 through the first half of 2016. The total of 3,004 new multifamily home sales reported in the Third Quarter were down 55 percent from the last quarters record setting total and down 28 percent from the same quarter last year. The sharp decline in sales activity can be attributed to general market fatigue, lack of affordability and general concern in the marketplace that followed the implementation of a foreign buyer tax. Slower sales resulted in a spike in overall released and unsold inventory levels. There were 2,520 released and unsold new multifamily units in Metro Vancouver recorded at the end of the Third Quarter, up 22 percent compared to last quarter but still down 54 percent compared to the same quarter last year. On the supply side of things, there were only 62 completed and unsold new multifamily homes available to purchase at the end of the Third Quarter, which once again set a new six year low.

There were 1,763 High Rise sales reported in the Third Quarter, which was significantly lower than the previous quarter. High Rise condominium sales were most prominent in Burnaby, Richmond and Vancouver West. Notable sales activity occurred at Burnaby projects – Cressey's *Kings Crossing III* (Edmonds), Concord Pacific's *Concord Brentwood* (Brentwood) and Polygon's *Fulton House* (Brentwood). These projects collectively sold a reported 800 units in the Third Quarter. In Richmond - Intracorp's *River Park Place II* and Townline's *Calla at the Gardens* projects sold a combined total of 182 units in the Third Quarter. The only condominium development launched in Vancouver Downtown in the Third Quarter was Bosa Properties' *Cardero*, which sold a reported 111 of 119 units.

The 654 Low Rise condominium sales recorded in the Third Quarter were down 65 percent from last quarter's record high of 1,894 sales and were also down 41 percent from the same quarter last year. There were 520 released and unsold Low Rise condominium units at the end of the Third Quarter, which is up slightly from last quarter but is still down 69 percent compared to the same quarter last year. Low Rise projects with the most significant sales in the Third Quarter include: Amacon's *The Dawson* (Brentwood), HJ Properties' *Waterstone* (Cloverdale), Mosaic's *Guildhouse* (Guildford), and Polygon's *Parker House East* (Coquitlam).

The Townhome sector, much like condominiums, was negatively impacted by the recent implementation of the foreign buyer tax. The 587 new townhome sales recorded in the Third Quarter were down 58 percent from last quarter and down 28 percent compared to the same quarter last year. Also note that there were fewer projects that registered a significant number of sales in the Third Quarter. Notable sales activity did however occur at Polygon's *Fairwinds at Hampton's Cove* (Ladner) and Dawson + Sawyer's *Old School* (South Surrey).

Q3 - Resale Market

There were 2,702 newer multifamily homes resold in the Third Quarter of 2016, which is down 33 percent compared to last quarter but only down six percent compared to the total number

of resales recorded in the same quarter last year. Interestingly, Low Rise resales were up 48 percent but High Rise resales were down 25 percent when compared to the same quarter last year. Active listings of relevant multifamily resale product are down 26 percent compared to the same quarter last year.

Q3 - Observations and Opinions

The recent pull back in sales activity across Metro Vancouver in the Third Quarter has resulted in the necessity of more conservative pricing expectations for new project launches. Over the past year, strong demand and extremely low supply levels justified rapid price increases for new homes across all product forms. Leading up to the Third Quarter, each new project launch would be continually setting a new record price for its respective product type and location. Now that there is more caution in the marketplace and with the new mortgage stress testing, current buyers are taking a bit more time and are making more cautious purchasing decisions (i.e. purchasing the most reasonably priced offerings in the marketplace and not over-stretching as much for higher priced new home offerings).

Notable Fourth Quarter project launches include: In Vancouver Downtown – Onni's *1335 Howe*; in Vancouver West – Mosaic's *Edward*, and Concord Pacific's *Avenue One*; in Burnaby – Anthem/Beedie's *Station Square Towers 4 & 5*, Millennium Development's *Triomphe*, Amacon's *Imperial*, Polygon's *Fulton House* and Ledingham McAllister's *Seasons*; in Richmond – Intracorp's *River Park Place III*; in New Westminster – Wesgroup's *The Columbia* at Brewery District; in Coquitlam – BlueSky Properties' *Marquee* at Lougheed Heights and Modivo's *Simon*; in North Vancouver – Polygon's *Juniper* at Lynn Valley and *Promenade* at the Quay, and in Surrey/White Rock – Delsom Development's *Sunstone Village Residences*, Infinity Properties' *The Belmont at Heritage* and RDG Management's *The Wex*.

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

New Home Market YTD Comparison

	YTD 2015 Sales	YTD 2016 Sales	% Change
High Rise	6,888	8,746	27%
Low Rise	3,143	4,684	49%
Townhome	2,562	2,745	7%
Total	12,593	16,175	28%

Third Quarter Performance in the New Home Market

	High Rise	Low Rise	Townhome	Totals
Total Q3 2016 Sales	1,763	654	587	3,004
Total Inventory	1,371	520	629	2,520
Standing Inventory	73	40	65	178
Total # of Projects	73	40	65	178

Third Quarter Resale Activity

	High Rise	Low Rise	Townhome	Totals
Total Sales	1,007	988	707	2,702
Total Active Listings	780	564	539	1,883

MARKET PROFILE: VANCOUVER DOWNTOWN

Lack of available inventory continues to afford Vancouver Downtown a 'Green Light' rating. 111 of the 112 units sold in the quarter occurred at Bosa Properties' newly launched Coal Harbour tower Cardero. Lower overall absorptions relative to the previous quarter continue to be attributed to the lack of new product being brought to market. 40 of the 60 remaining unsold units are located at Brenhill's 8X on the Park. The majority of these remaining units are larger than 1,000 square foot plans located on the top half of the building.

New Development Highlights (Q3)

- The launch of Bosa Properties' *Cardero* contributed to the increase in the average per square foot values of actively selling projects.
- This project is estimated to average \$1,760 per square foot and sold a reported 111 of 119 units in the Third Quarter. The higher average per square foot value can be attributed to the projects Coal Harbour location which typically commands a higher price point than other downtown neighbourhoods.
- This project launched subsequent to the announcement of the new 15 percent foreign buyer tax, but sales were seemingly unaffected.
- Bofo Developments' *The Smithe* and Onni's *1335 Howe* are anticipated to come to market in the final quarter of 2016.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	5	112	60	\$1,100 - \$1,600
Low Rise	-	-	-	-
Townhome	-	-	-	-

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

MLS Resale Highlights (Q3)

- Months of supply this quarter were equal to that of the same period last year.
- Average price per square foot values increased substantially by \$170 in comparison to the Third Quarter of 2015.
- The number of resales in the Third Quarter of 2016 decreased by 58 percent relative to the same quarter in 2016.
- The decrease in sales can be attributed to the lack of available inventory. Listings were also down 38 percent.
- Average per square foot values for one bedroom units have increased by \$192, while two bedrooms have increased marginally by \$27.

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	97	1.3	144	100%	\$949	18	\$455,000 - \$650,000
Low Rise	-	-	-	-	-	-	-
Townhome	-	-	-	-	-	-	-

MLS Resale by Unit Type

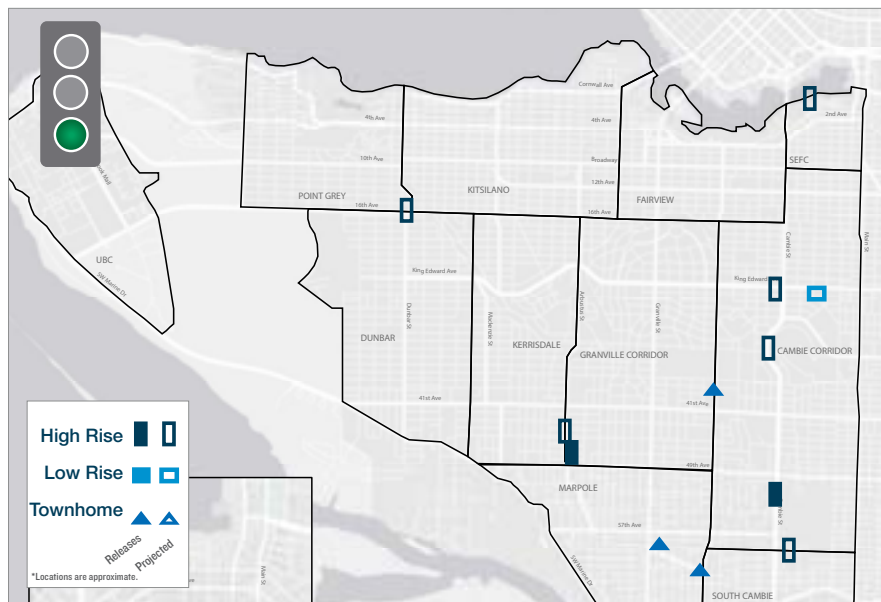
Product	AVG. PRICE	PSF	AVG. PRICE	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$562,159	\$958	\$842,962	\$825
Low Rise	-	-	-	-
Product	2 Bedroom		3 Bedroom	
Townhome	-	-	-	-

MARKET PROFILE: VANCOUVER WEST

The Vancouver West market maintains its 'Green Light' rating due to sustained high levels of sales activity in the High Rise sector. Inventory for Townhome product in the market increased by 69 units; 34 sales were achieved during the same period for this product type. Overall absorptions decreased by 40 percent compared to the previous quarter. This decrease in sales can be attributed to the 15 percent decline in released inventory. There continues to be an extreme lack of Low Rise inventory in this market; only 26 new units remain available to purchase at the end of the Third Quarter. Strong demand, lack of inventory and higher single family prices have continued to result in significant increases in prices for all product types.

New Development Highlights (Q3)

- High Rise projects that launched in the Third Quarter of 2016 included MingLian Holdings' *Camellia* and Cressey's *McKinnon*; the two projects collectively sold 74 of 96 released units.
- Listraor's *Aston*, Intracorp's *Granville and 57th* and Alabaster's *Oak + Park* all launched in the Third Quarter of 2016 increasing the Townhome supply by 69 units; a combined 28 sales have been achieved since launch.
- Concord Pacific sold the remaining 11 units at its *W1* project.
- Pinnacle International is anticipated to launch its' next South East False Creek project *Pinnacle on the Park* in the Fourth Quarter of 2016.
- Bogner's Kerrisdale development *Kirkland* and Westland's Dunbar project *The Grey* will be brought to market in the Fourth Quarter of 2016.
- Sales are expected to commence early next quarter at Mosaic Homes next Cambie Corridor project *Edward*.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	↓ 18	↓ 258	↓ 244	\$900 - \$1,200
Low Rise	↓ 2	↓ 12	↓ 26	\$775 - \$875
Townhome	↑ 6	↓ 34	↑ 50	\$900 - \$1,100

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

MLS Resale Highlights (Q3)

- Average values for High Rise product were \$192 per square foot higher in the Third Quarter of 2016 than in the same quarter of 2015.
- Low Rise per square foot values increased by \$99, while the Townhome sector increased substantially by \$192.
- Total listings at the end of Third Quarter of 2016 were 44 percent lower relative to end of the Third Quarter of 2015.
- Average days on market for Low Rise homes decreased from 122 in the Third Quarter of 2015 compared to 40 in the Third Quarter of 2016, a decrease of 82 days.
- Average per square foot values for one bedroom homes have increased by \$221 and \$153 respectively for High Rise and Low Rise product year-over-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	90	1.8	128	70%	\$956	31	\$497,200 - \$938,000
Low Rise	21	1.1	46	25%	\$821	40	\$515,000 - \$890,000
Townhome	10	2.6	10	5%	\$914	50	\$746,000 - \$1,185,000

MLS Resale by Unit Type

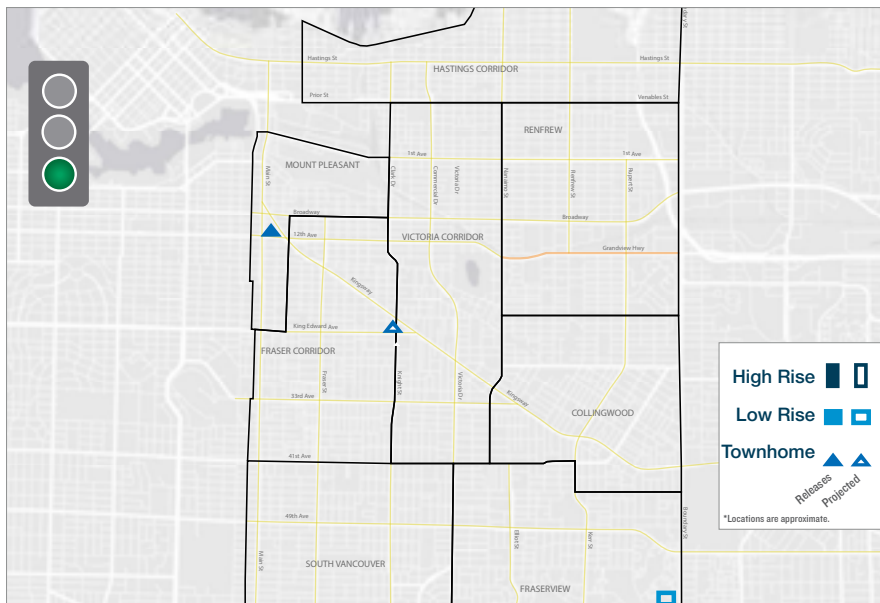
Product	AVG. PRICE	PSF	AVG. PRICE	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$565,891	\$955	\$862,576	\$956
Low Rise	\$530,615	\$844	\$750,744	\$805
Product	2 Bedroom		3 Bedroom	
Townhome	\$1,009,167	\$847	\$1,009,000	\$875

MARKET PROFILE: VANCOUVER EAST

The Vancouver East market retains its 'Green Light' rating as inventory levels of all product types continued to decrease throughout the quarter. Only one new project was brought to market in the Third Quarter of 2016: Mondevo's 20-unit Arne Townhome project in Mount Pleasant sold 17 of its 20 units within the first few weeks of beginning its sales campaign. 68 percent of the 25 units sold in the Third Quarter were comprised of Townhomes from this project. Compared to the 579 sales recorded in the previous quarter, overall sales decreased by 99 percent.

New Development Highlights (Q3)

- Mondevo launched its *Arne* Townhome project at an average per square foot value of \$1,002.
- 8 of the 13 remaining wood frame homes comprise of units located at JRXL Development's *VIC49* project and are homes that are not afforded any parking stalls.
- Projects anticipated to launch in the Fourth Quarter include Wesgroup's *Avalon Park* at the River District and *Epix' 16* Brownstones Townhome project.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	5	0	8	\$650 - 900*
Low Rise	2	8	13	\$550 - 750*
Townhome	2	17	3	\$750 - 950*

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

*Note: The greater variation in active Sales Price Range is the result of the achievable sale value differential between comparable product in the different East Vancouver neighbourhoods.

MLS Resale Highlights (Q3)

- The number of resales were lower in all product types when compared to the same quarter in 2015.
- Total listings, were up by 75 percent relative to the Third Quarter of 2016.
- Average per square foot values increased substantially across all product types: High Rise increased by \$160, while Low Rise and Townhome increased by \$151 and \$216 respectively.
- Average days on market essentially decreased by half across all product types relative to the same period 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	84	2.6	73	54%	\$800	20	\$371,000 - \$728,000
Low Rise	27	2.1	44	32%	\$701	21	\$360,000 - \$709,000
Townhome	13	1.9	19	14%	\$809	18	\$650,000 - \$1,060,000

MLS Resale by Unit Type

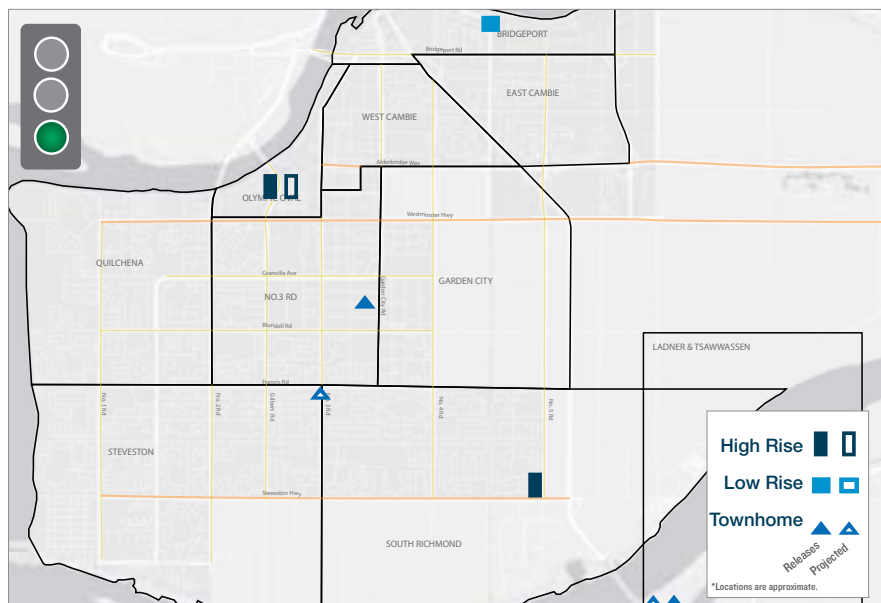
Product	AVG. PRICE	PSF	AVG. PRICE	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$487,870	\$800	\$673,213	\$794
Low Rise	\$428,589	\$675	\$626,795	\$728
Product	2 Bedroom		3 Bedroom	
Townhome	\$822,150	\$760	\$1,006,750	\$800

MARKET PROFILE: RICHMOND/SOUTH DELTA

The Richmond market retains its 'Green Light' despite a decrease in sales across all product types. Decreasing inventory of High Rise and Low Rise condos contributed to decreased absorption. Furthermore, Townhome inventory increased due to the release of three new developments. Overall, five projects were launched: three Townhome and two High Rise condominiums. Townhomes included Fairwinds at Hampton Cove by Polygon, MapleVille by Benest Development, and Stone Ridge by Sian Development, adding a total of 97 units for sale. High Rise launches comprised of Intracorp's River Park Place II and Townline's Calla at the Gardens, adding an additional 182 units to inventory. Of those, River Park Place II sold 103 of 129 released units within the quarter. Relative to the previous quarter, overall sales declined by 72 percent in this market.

New Development Highlights (Q3)

- Intracorp launched its second phase, *River Park Place II*, at an average per square foot value of \$675 which reported to be 80 percent sold by the end of the quarter.
- Projects anticipated to launch in the Fourth Quarter include Intracorp's final phase, *River Park Place III* and Aquilini's *Pelican Cove Townhomes* at Tsawassen Shores.
- Polygon's *Fairwinds at Hampton Cove* achieved the highest absorption of Townhomes in the Third Quarter of 2016.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	▲ 10	▼ 221	▼ 201	\$600 - \$930*
Low Rise	▼ 7	▼ 116	▼ 110	\$497 - \$610
Townhome	▲ 9	▼ 123	▲ 75	\$569 - 715

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

*Note: The greater variation in active Sales Price Range is the result of the achievable sale value differential created as a result of Aspac's River Green Phase II, priced \$250 per square foot higher than the second highest priced comparable.

MLS Resale Highlights (Q3)

- Total overall resales decreased 35 percent from the same quarter in 2015, while active listings decreased by 51 percent.
- The Townhome sector decreased drastically with 63 percent less homes being sold in the Third Quarter of 2016 relative to the Third Quarter of 2015.
- Months of supply across all product types experienced substantial drops when compared to the same period in 2015.
- High Rise supply levels decreased from 10.1 months in the Third Quarter of 2015 to 1.8 months in the Third Quarter of 2016.
- Average values for Townhome product were \$108 higher than the Third Quarter of 2015.

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	145	1.9	172	58%	\$634	52	\$365,000 - \$720,000
Low Rise	45	1.3	71	24%	\$555	25	\$348,000 - \$580,000
Townhome	77	3.1	54	18%	\$565	30	\$660,000 - \$930,000

MLS Resale by Unit Type

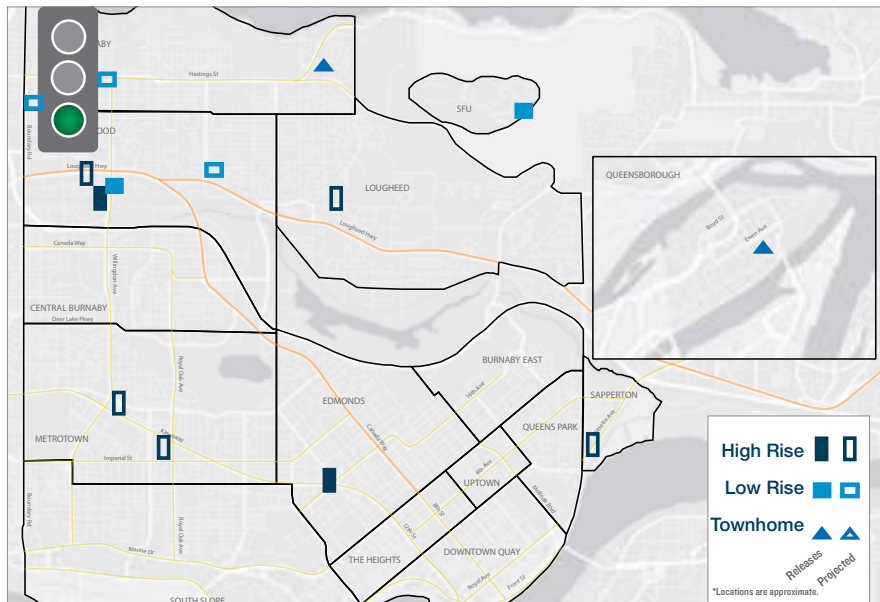
	AVG. PRICE	PSF	AVG. PRICE	PSF
Product	1 Bedroom		2 Bedroom	
High Rise	\$413,038	\$638	\$601,745	\$631
Low Rise	\$344,837	\$566	\$500,828	\$552
Product	2 Bedroom		3 Bedroom	
Townhome	\$638,833	\$574	\$784,768	\$572

MARKET PROFILE: BURNABY/NEW WESTMINSTER

The Burnaby/New Westminster Market maintains its "Green Light" rating as all product types continued to achieve strong absorptions in the Third Quarter. The High Rise Condominium sector was most impressive with 888 sales being reported, and three towers being reported sold out. Although overall sales in the Third Quarter were down 63 percent relative to the Second Quarter, demand remains strong for all product types. The decrease in sales can be attributed to the fact that the past three quarters have been historically high, with the launch of several significant High Rise projects in the Brentwood neighbourhood. Overall released inventory at the end of the Third Quarter was up 38 percent compared to the Second Quarter of 2016. The increase in available inventory is attributed to the release of the remaining units at Concord Brentwood and the late quarter launch of Fulton House.

New Development Highlights (Q3)

- Cressey sold its remaining units at *Kings Crossing Tower 1 and 2* during the quarter. The third and final tower was launched in the quarter and 206 of 234 units were reported sold.
- The third tower set a new benchmark in the Edmonds area at \$698 per square foot.
- Polygon launched its *Fulton House* High Rise and sold 175 units at an estimated average of \$749 per square foot.
- Amacon brought *The Dawson* to market and has sold a reported 56 units at an average of \$635 per square foot.
- Intergulf sold the remaining 18 units at its SFU concrete project *The Peak*.
- New Metro Holdings began selling *The River* in Queensborough.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	↓ 15	↓ 888	↑ 405	\$600 - \$750
Low Rise	↓ 7	↓ 140	↓ 73	\$500 - \$630
Townhome	↑ 6	↓ 44	↑ 67	\$515 - \$610

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 Highlights (Q3)

- Total overall resales in the Third Quarter of 2016 were 26 percent lower relative to the same period in 2015
- The Low Rise sector achieved the only increase in sales over year with 23 more sales being reported relative to the Third Quarter of 2015.
- All average product values increased over the year as follows: High Rise increased by \$96, while Low Rise increased by \$100 and Townhomes by \$226.
- The two bedroom Townhome product experienced a substantial increase in average per square foot values, increasing \$298 over the 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	183	1.8	233	57%	\$641	22	\$360,000 - \$725,000
Low Rise	43	0.9	134	33%	\$548	22	\$320,000 - \$560,000
Townhome	42	1.9	41	10%	\$642	26	\$496,000 - \$903,000

MLS Resale by Unit Type

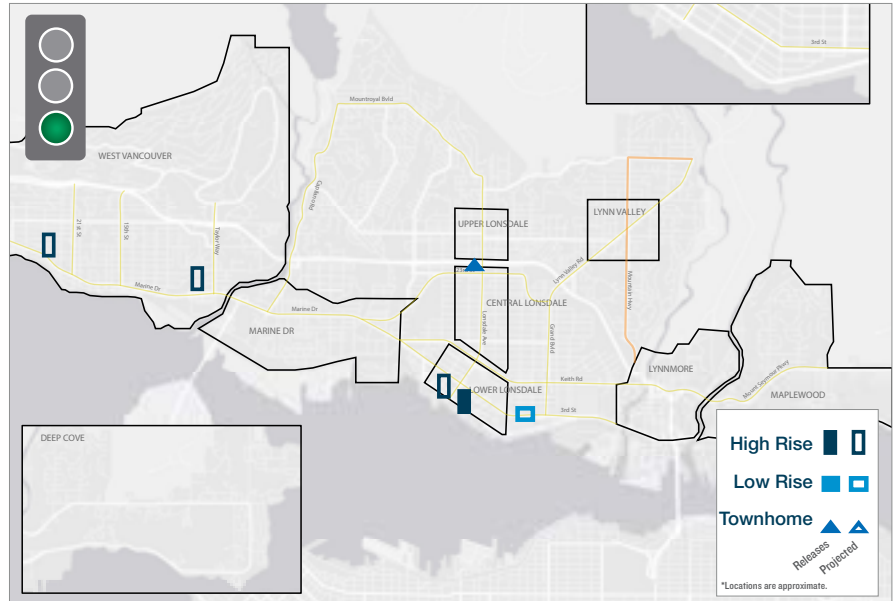
Product	1 Bedroom		2 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
High Rise	\$401,008	\$664	\$570,980	\$625
Low Rise	\$354,143	\$541	\$484,112	\$547
Product	2 Bedroom		3 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
Townhome	\$611,689	\$720	\$794,774	\$587

MARKET PROFILE: NORTH SHORE

The North Shore market retains its 'Green Light' rating in spite of lower sales reported across all product types. Decreasing inventory and the number of actively selling projects contributed to the decline in absorptions. 120 of the 177 sales reported in the quarter occurred at Pinnacle's newest Lonsdale project Cascade at the Pier. Anecdotally it is worth noting that several concrete High Rise condominium projects increased prices in the quarter as low inventory continues to warrant a seller's market. There are only three wood frame Low Rise condominium units available to purchase in the entire North Shore at the end of the Third Quarter; all homes are located in Vivagrاند's X61 project.

New Development Highlights (Q3)

- Pinnacle launched *Cascade at the Pier* in the Third Quarter of 2016 at an estimated average per square foot value of \$1,215.
- The majority of purchasers were North Shore downsizers attracted to the location and large units.
- *Decato* by HRA Developments was introduced to the market in the Third Quarter of 2016, adding an additional 18 units of much needed Townhome inventory to the market.
- Polygon is anticipated to launch its *Juniper* Low Rise development in Lynn Valley and its *Promenade at The Quay* High Rise development in Lower Lonsdale next quarter.
- Fairborne will launch its next Lonsdale wood frame project *Kindred* in the Fourth Quarter of 2016.
- Cressey's *Bellevue* and Grosvenor's second phase of *Ambleside* are also slated to commence sales before the end of the year.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	11	177	255	\$630 - \$1,500*
Low Rise	2	4	3	\$550 - \$700
Townhome	3	2	28	\$280 - \$360

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

*Note: The greater variation in active Sales Price Range for High Rise is the result of the achievable sale value differential between product in North Vancouver vs. West Vancouver.

MLS Resale Highlights (Q3)

- The number of active listings at the end of the Third Quarter of 2016 were down 28 percent from the same quarter in 2015.
- Townhome supply continued to remain extremely low with only 3 active listings available at the end of the quarter.
- Values in the High Rise sector were on average \$188 per square foot higher in comparison to the Third Quarter of 2015.
- Townhome product remains undersupplied with 0.5 months of supply remaining.

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	29	2.2	23	28%	\$830	19	\$460,000 - \$915,000
Low Rise	22	0.9	53	64%	\$684	21	\$420,000 - \$685,000
Townhome	3	0.5	7	8%	\$609	27	\$745,000 - \$910,000

MLS Resale by Unit Type

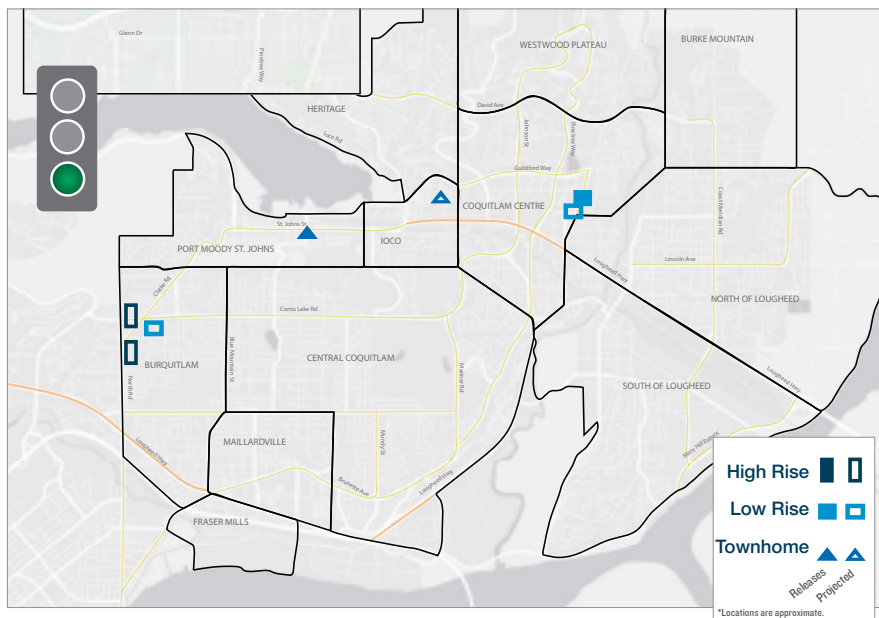
Product	1 Bedroom		2 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
High Rise	\$517,786	\$819	\$8,133,944	\$849
Low Rise	\$445,389	\$676	\$616,572	\$690
Product	2 Bedroom		3 Bedroom	
Townhome	\$773,333	\$633	\$879,500	\$621

MARKET PROFILE: TRI-CITIES

The Tri-Cities market retains a 'Green Light' rating as inventory levels for all product types continued to diminish through the Third Quarter of 2016. With the completion of the Evergreen line fast approaching, High Rise product located within close proximity to the line continued to be absorbed; only 22 units remain unsold at the end of the Third Quarter of 2016. Polygon launched its final Low Rise component a part of its Windsor Gate community Parker House at the end of the quarter and reported 53 of 73 homes sold. The second building a part of Parker House will launch early in the Fourth Quarter. Demand for Townhome product throughout the Tri-Cities remained strong, with Mosaic Homes reporting 31 new sales at its Fremont Indigo III and Trillium's 12-unit Sutherland selling out in its first few weeks of sales.

New Development Highlights (Q3)

- Trillium Projects' *Sutherland*, a 12 unit Townhome project in Port Moody launched and sold out in the Third Quarter of 2016.
- Overall sales in the Third Quarter of 2016 were down 84 percent relative to the previous quarter.
- Total inventory levels in the Tri-Cities at the end of the Third Quarter of 2016 are the lowest in the past six years.
- Notable projects anticipated to launch in the final quarter of 2016 include Bluesky Properties final phase at Lougheed Heights' development *Marquee*, along with Otivo Developments wood frame *Simon* project, Both projects are located in the Burquitlam neighbourhood.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	4	17	22	\$480 - \$600
Low Rise	4	61	23	\$350 - \$515
Townhome	3	46	9	\$400 - \$500

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

*Note: The greater variation in active Sales Price Range is the result of the achievable sales value differential between comparable product in Port Coquitlam vs. Coquitlam and Port Moody.

MLS Resale Highlights (Q3)

- Total resales were up slightly by 12 percent from Third Quarter of 2015.
- Average per square foot values for all product types have increased from the Second Quarter of 2016 as follows: High Rise increased by \$119, Low Rise increased by \$89 and Townhomes increased by \$112.
- Days on market for all product types have decreased from 12 months ago as follows: High Rise decreased by 28 days, while Low Rise and Townhome decreased by 41 and 16 days respectively.
- The Townhome sector was the only one to experience an increase in listings; 19 more units are available relative to the same period 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	78	1.2	163	46%	\$566	25	\$338,000 - \$615,000
Low Rise	60	1.2	141	40%	\$460	16	\$275,000 - \$496,000
Townhome	54	2.0	52	15%	\$457	20	\$539,000 - \$802,000

MLS Resale by Unit Type

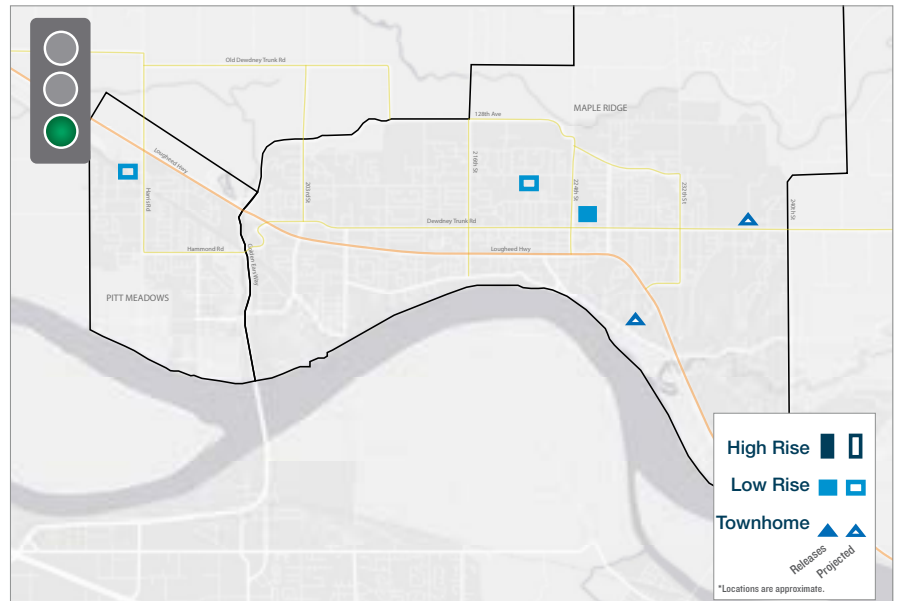
Product	1 Bedroom		2 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
High Rise	\$357,486	\$583	\$528,461	\$555
Low Rise	\$309,214	\$456	\$437,756	\$465
Product	2 Bedroom		3 Bedroom	
Townhome	\$553,767	\$451	\$658,043	\$475

MARKET PROFILE: RIDGE MEADOWS

Ridge Meadows retains its 'Green Light' rating due to continued strong demand for affordable product. Overall sales for the quarter were down 25 percent compared to the Second Quarter, which can be attributed to the lack of new product being brought to the market. Only one new project was released in during this quarter: Edge on Edge 2 by Maclean Homes. This market continues to attract young families and first time home buyers moving east seeking affordable Townhome product. There are currently no actively selling multifamily developments in Pitt Meadows.

New Development Highlights (Q3)

- Maclean Homes launched its *Edge on Edge 2* wood frame project and reportedly sold 7 of 73 total units. It is worth noting this project was brought to market towards the end of the quarter.
- Isle of Mann's *Station One* Low Rise condominium project reported 16 new sales in the Third Quarter of 2016. All homes are move-in ready.
- Falcon Homes reportedly sold 11 units at its *Falcon House* project.
- Homesite Development reportedly sold 14 units at its Townhome project *Magnolia Grove*. The first phase of homes are anticipated to complete December 2016.
- Oaken Developments is anticipated to launch its *Ruxton Village* Townhome project in Maple Ridge next quarter.
- Other projects expected to commence sales in the final quarter of 2016 include ML Properties' 222 and Belmont Group's *Orion*.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	-	-	-	-
Low Rise	▼ 3	▼ 34	▲ 90	\$350 - \$400
Townhome	▼ 3	▼ 23	▼ 24	\$250 - \$310

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

MLS Resale Highlights (Q3)

- Resales increased by 100 percent while active listings increased by 75 percent when comparing the Third Quarter of 2015 to Third Quarter of 2016.
- The average per square foot value for Townhome product increased by \$83 relative to the same period last year.
- The Low Rise sector comprised 57 percent of the total sales in the Third Quarter of 2016.
- Two bedroom Townhome values increased by \$97 per square foot over the 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	0	n/a	2	1%	n/a	n/a	n/a
Low Rise	82	2.9	86	57%	\$335	53	\$222,057 - \$390,000
Townhome	57	2.6	62	41%	\$302	17	\$430,000 - \$590,000

MLS Resale by Unit Type

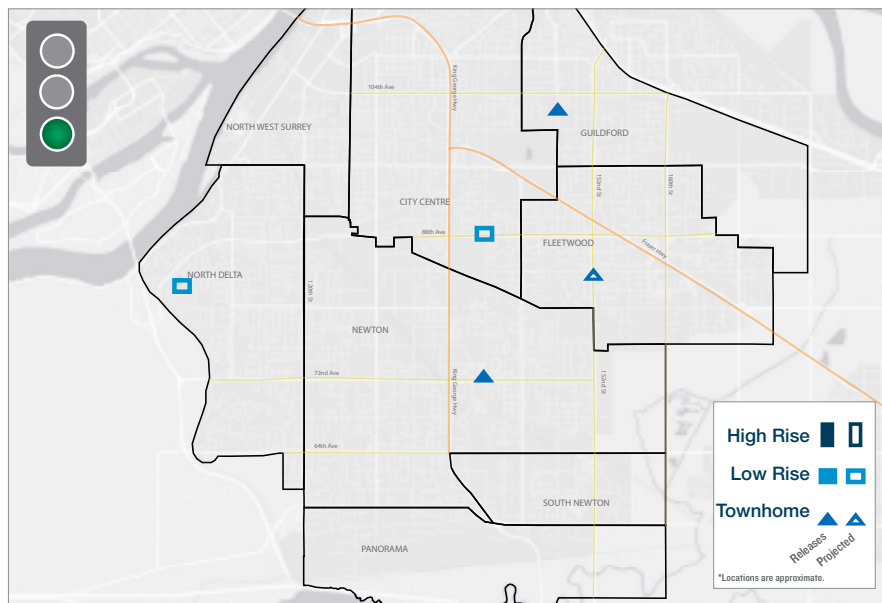
Product	AVG. PRICE	PSF	AVG. PRICE	PSF
	1 Bedroom		2 Bedroom	
High Rise	n/a	n/a	n/a	n/a
Low Rise	\$229,999	\$345	\$324,787	\$327
Product	2 Bedroom		3 Bedroom	
Townhome	\$453,900	\$357	\$522,212	\$312

MARKET PROFILE: SURREY CENTRAL/NORTH DELTA

Surrey Central/North Delta retains its 'Green Light' rating due to strong demand for all product types in the Third Quarter of 2016. The Townhome sector achieved the highest level of absorption amongst all product types, with a total of 98 sales reported for the quarter. A total of 143 condominium units were reported sold in the Third Quarter of 2016. The 90 sales achieved in the High Rise sector comprise of units located in buildings anticipated to complete over the next year. In spite of a 70 percent decline in overall sales in the quarter compared to the Second Quarter of 2016, demand for new supply remains strong. This substantial decrease in sales can be attributed to both dwindling supply and lack of new product being brought to market. Recent condominium sales in this market were largely driven by investors and first time buyers seeking affordable pre-sale product.

New Development Highlights (Q3)

- Overall inventory in this market is down 32 percent compared to the same quarter last year.
- Mosaic Homes' *Guildhouse* Townhome project in Guildford sold all 24 units in the quarter at an estimated price per square foot of \$366.
- Porte Developments plans to launch its six-storey, 214 unit wood frame condominium project *HQ* in the Surrey City Centre neighborhood in the Fourth Quarter.
- The final phase of the Sunstone master-planned community in North Delta will be brought to market early in the Fourth Quarter: *Sunstone Village Residences* features 54 units located within a four-storey wood frame building.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	5	90	167	\$450 - \$520
Low Rise	4	53	44	\$320 - \$410
Townhome	10	98	78	\$280 - \$360

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

MLS Resale Highlights (Q3)

- Overall total resales increased by 63 percent in comparison to the same quarter last year.
- Months of supply have decreased drastically for condominium product when compared to the Third Quarter of 2015. High Rise decreased by 11 months, while Low Rise decreased by 7.5 months.
- Average per square foot values for Townhomes have increased by \$85 over the year.
- 48 percent of the listings in this market are comprised of Townhome product.

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	62	2.8	57	16%	\$410	58	\$186,500 - \$367,500
Low Rise	75	1.7	126	36%	\$325	51	\$185,000 - \$340,000
Townhome	126	2.0	164	47%	\$323	19	\$403,000 - \$591,500

MLS Resale by Unit Type

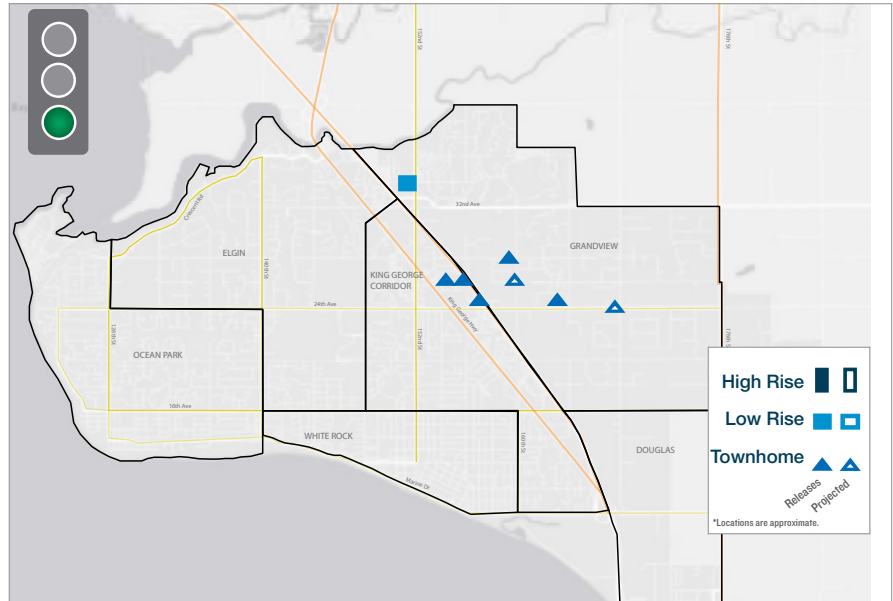
Product	1 Bedroom		2 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
High Rise	\$231,781	\$401	\$355,178	\$418
Low Rise	\$205,289	\$332	\$287,355	\$302
Product	2 Bedroom		3 Bedroom	
	AVG. PRICE	PSF	AVG. PRICE	PSF
Townhome	\$391,021	\$330	\$487,467	\$323

MARKET PROFILE: SOUTH SURREY/WHITE ROCK

The South Surrey/White Rock market retains its 'Green Light', however, this will be closely watched as Townhome project launches have pushed prices to the point where buyers have become more cautious. Although there were five Townhome projects brought to market in the Third Quarter of 2016, sales for this product type have decreased by 45 percent relative to the previous quarter. This is not indicative of lack of demand for Townhome product but can be attributed to the substantial price increases that have been seen in the South Surrey market over the past quarters.

New Development Highlights (Q3)

- A total of five new Townhome projects in the Grandview Heights neighbourhood launched in the Third Quarter of 2016 Dawson + Sawyer's *Old School*, Hayer Properties' *Zirkon*, Streetside's *Hycroft 2*, Woodbridge's *Olivia* and Adera's *Grandview at Southridge Club*.
- Apart from Streetside's *Hycroft 2*, which is a fee simple row home, the new projects are priced at an average per square foot value ranging from \$387 to \$460 a foot.
- Anecdotally it is worth noting that some of these recently launched projects have reduced prices since being brought to market, as sales activity at majority of these projects have been tepid.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	0	-	-	-
Low Rise	▲ 5	▼ 140	▲ 114	\$360 - \$500
Townhome	▲ 11	▼ 140	▲ 199	\$330 - \$400

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

MLS Resale Highlights (Q3)

- Overall total resales were relatively the same when compared to the same quarter in 2015.
- Average per square foot values for High Rise product increased substantially by \$144 compared to the same period last year.
- Townhome sales comprised nearly 50 percent of the sales this quarter; average values for this product type increased by \$84 per square foot over the year.
- Days on market decreased significantly across all product types: High Rise decreased by 82 days, while Low Rise and Townhome decreased by 67 and 34 days respectively.

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	12	2.2	12	8%	\$671	58	\$481,000 - \$1,039,000
Low Rise	55	2.2	65	44%	\$437	25	\$279,000 - \$544,000
Townhome	71	2.0	72	48%	\$369	17	\$463,000 - \$790,000

MLS Resale by Unit Type

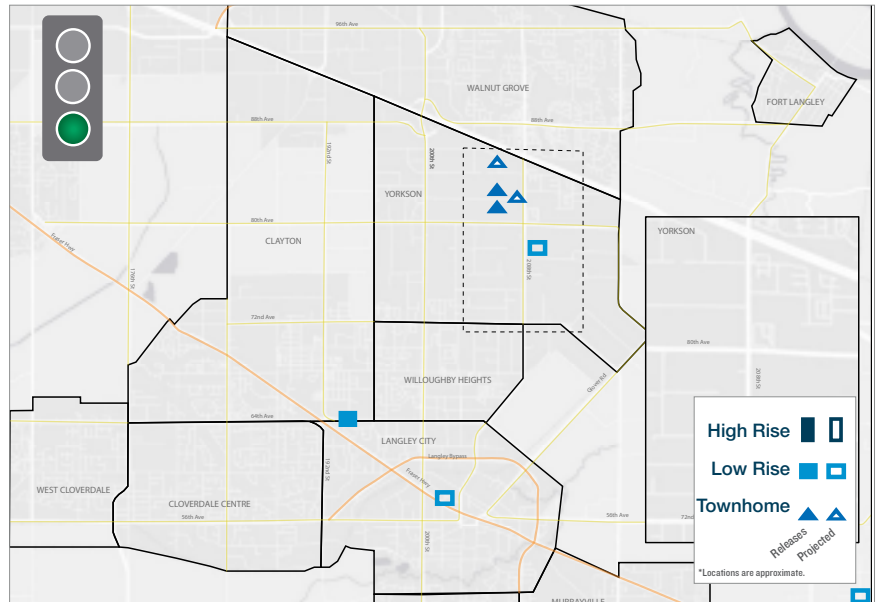
Product	AVG. PRICE	PSF	AVG. PRICE	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$448,000	\$623	\$753,990	\$680
Low Rise	\$299,098	\$411	\$437,708	\$445
Product	2 Bedroom		3 Bedroom	
Townhome	\$536,699	\$370	\$588,972	\$379

MARKET PROFILE: CLOVERDALE/LANGLEY

Declining levels of inventory of all product types affords the Langley/Cloverdale market a 'Green Light' rating. Lower absorptions are a product of low levels of new supply being added to available inventory. Only 50 new Townhomes and 73 new Low Rise units were brought to market this quarter. HJ Properties final phase at its Waterstone community, Esplanade Grande accounted for all 73 Low Rise units; 49 of these units were reported sold in the Third Quarter of 2016. Overall sales this quarter decreased by 307 percent to 153 units this quarter. This is due to the lack of supply.

New Development Highlights (Q3)

- HJ Properties' final phase of the master planned community at Waterstone, *Esplanade Grande* is achieving an estimated price per square foot of \$400.
- Only two Townhome projects and one wood frame project were brought to market in the quarter.
- Townhome releases included Streetside's *Everly Green* and Royale Properties' *Gabriola Park*, adding 50 units of new completed product to inventory
- Vesta Properties' *Lattice* at Milner Heights is anticipated to come to market in the Fourth Quarter.
- There are two Low Rise projects anticipated to launch in the final quarter of the year include Infinity Properties' *The Belmont at Heritage*, and RDG Managements' *The Wex*.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	-	-	-	-
Low Rise	↓ 12	↓ 54	↓ 24	\$321 - \$400
Townhome	↓ 5	↓ 99	↓ 96	\$244 - \$376

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

MLS Resale Highlights (Q3)

- Total resales in this market for Third Quarter of 2016 increased by 53 percent in comparison to the Third Quarter of 2015.
- Townhome average per square foot values increased by \$100 over the year, while Low Rise values increased by \$65.
- Months of supply for both product types continued to decrease over the year.
- Average days on market for both Low Rise and Townhome product decreased substantially over the year; Low Rise decreased by 57 days while Townhomes decreased by 32 days.

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	82	1.4	167	47%	\$351	20	\$210,000 - \$410,000
Townhome	67	0.8	192	53%	\$326	14	\$388,000 - \$595,000

MLS Resale by Unit Type

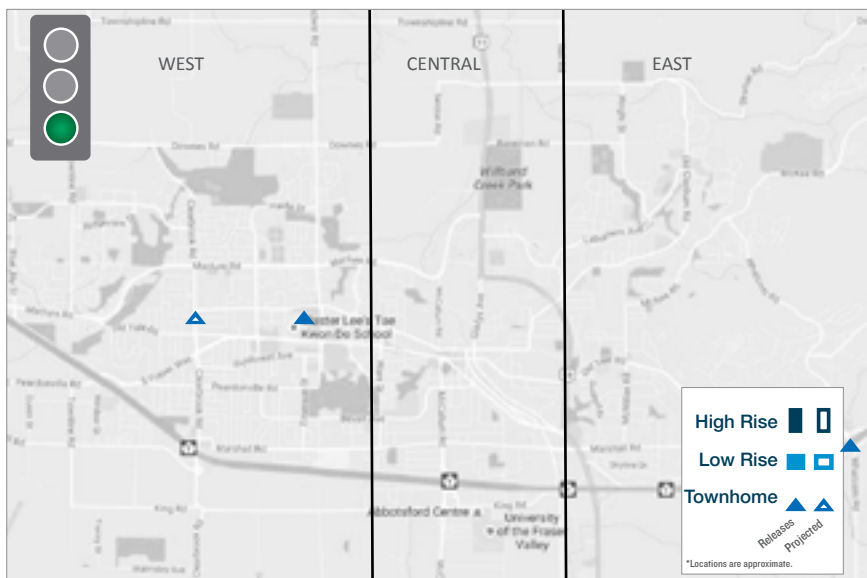
Product	AVG. PRICE	PSF	AVG. PRICE	PSF
	1 Bedroom		2 Bedroom	
High Rise	-	-	-	-
Low Rise	\$229,999	\$352	\$343,850	\$350
Product	2 Bedroom		3 Bedroom	
Townhome	\$429,251	\$352	\$481,263	\$313

MARKET PROFILE: ABBOTSFORD

The Abbotsford market retains its 'Green Light' rating due to continued strong absorption for both Townhome and Low Rise product. With only one High Rise project marketing at the moment, this product type would be afforded a red light due to slow absorptions. Compared to the previous quarter, overall sales were down 69 percent in the Third quarter of 2016. The substantial decrease in sales is due to the lack of new available inventory for all product types. No new Low Rise products were launched during the quarter and 15 units remained unsold at the end of the Third Quarter of 2016. There were only three Townhome units available before the launch of three new projects near the end of the quarter: Onnis' Allwood Place, Diverse Properties' Parallel North & Abbotsford Central Developments' Mount Waddington. Affordable Townhome & Low Rise product continues to attract both first-time buyer and downsizer prospects from Abbotsford, along with various parts of the Fraser Valley. Strong demand could result in price increases as supply continues to diminish in the market.

New Development Highlights (Q3)

- Phase 2 of Myriad Pacific Development Group's *Waterleaf* project and Palcor Construction's *Sandstone* project each sold their final remaining unit.
- Quantum Properties sold 17 units at its concrete High Rise *Mahogany*.
- Quadra Homes sold 24 out of the remaining 26 homes at its *La Galleria Two* project; the first building was reported sold out in the quarter.
- Diverse Properties brought its *Parallel North* project to market and sold 11 of 21 homes.
- Onni began selling the first phase of its 224 unit Townhome development *Allwood Place*. 32 homes were released and only four units were reported sold at the end of the Third Quarter of 2016.
- Abbotsford Central Developments launched its *Mount Waddington* Townhome project in the final week of this quarter.



New Development Sales Statistics

Product	Active Projects	Sales	Unsold Inventory	Active Sales Range (PSF)
High Rise	↔ 1	↓ 17	↓ 40	\$480
Low Rise	↔ 3	↓ 30	↓ 15	\$310 - \$350
Townhome	▲ 6	↓ 19	▲ 48	\$270 - \$330

Change over the last quarter: Increase, ▲ Decrease, ▼ No Change ↔

MLS Resale Highlights (Q3)

- Total resales in this market for Third Quarter of 2016 increased by 89 percent in comparison to Third Quarter of 2015.
- Average Low Rise per square foot values increased by \$56 over the year, while Townhome averages increased by \$60.
- Average days on market decreased significantly for both product types: Low Rise decreased by 41 day and Townhome decreased by 33.
- The Low Rise sector comprises 73 percent of the total listings in this market.

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	52	2.6	55	62%	\$257	42	\$160,000 - \$305,000
Townhome	19	1.4	34	38%	\$254	20	\$342,000 - \$548,000

MLS Resale by Unit Type

	AVG. PRICE	PSF	AVG. PRICE	PSF
Product	1 Bedroom		2 Bedroom	
	High Rise	-	-	-
Low Rise	\$172,969	\$246	\$255,515	\$261
Product	2 Bedroom		3 Bedroom	
	Townhome	\$351,000	\$284	\$399,983

The introduction of the highly publicized foreign buyer tax in early August has brought an end to the year and a half year long trend of consecutive quarters with new multifamily sales surpassing the 4,000+ mark. Despite market uncertainty and the consumer angst that has transpired in the Third Quarter, 3,004 new multifamily sales were generated. This has occurred while for the most part holding the significant price increases experienced in the 100 day period prior to the new tax. Limited supply also remains a factor and thus new development remains a “green light” rated opportunity in each and every market area within the Metro Vancouver market.

Looking Back

In this section of our previous edition we referred to the fall out of the tax as a “hangover”. At that time, we stated that we expected the impact on resale volumes and projected a cooling effect on new home sales. This has transpired. We did project the tax “hangover” to pass by mid – September. It has not. The hangover has been compounded by unforeseen changes in lending requirements that have created a new barrier to ownership for many first time home buyers.

Our projection of a new home sales figure for the Third Quarter of 2016 was 2,500 to 3,500 units. The figure posted was smack dab in the middle of that range. Thus, our prognostication of considerable sustained demand rang true. The quarter total was, however, less than the total number of sales produced in the same quarter in 2014 and 2015 by 8 percent and 38 percent, respectively.

While demand for new homes remains strong the uncertain times of late certainly created the consumer angst we projected. These circumstances have impacted the urgency with which consumers act of late. In response, we did expect a number of developers wishing to generate urgency and kick start late summer and early fall sales campaigns to elect to selectively introduce moderate, time limited incentives. This has occurred somewhat but not across all product types and/or market areas and not in a highly publicized manner.

We also anticipated positive sales activity outside the Metro Vancouver area. According to the Okanagan Mainland Real Estate Board there was an increase of 25.4 percent in sales in September of this year alone compared to last year. Finally, we stated that we did not expect the slowing of the market or cooling to erode the overall price gains of the year to date to a meaningful degree. This has been the case.

Looking Ahead

Back in August we commented that the first half of 2016 represented possibly the greatest half year total ever - 12,968 new multifamily homes sold. Accordingly we projected an annual sales figure for 2016 of 18,000+ units sold and a probable breach of the 20,000 units sold mark. In light of recent events we have refined our forecast. We project Fourth Quarter results between 3,250 to 3,750 sales. This means that the 18,000 unit mark will certainly be breached but it is unlikely the 20,000 units sold mark will be surpassed. That all being said, 18,000 units of absorption will represent an increase in annual sales greater than six percent over last years record setting pace. Taking a longer term view we expect 2017 to be another strong year as supply levels remain stressed and as both foreign and local buyers get accustomed to the new realities that have transpired.

What Are We Thinking About As We Look Through the Fourth Quarter and into 2017?

As the final quarter of another year passes and we closely monitor the market and the success of new launches, there are a number of questions that are on our minds at Fifth Avenue. These include:

What will the outcome of the US election have on our national, regional and local economy, if any?

In yet another election the pollsters were misled. Trump trumped Clinton. With Trump in the White House can we expect more foreign buying? What will this mean for the local, regional and national economy?

Will the new mortgage rules or “stress testing” be applied more broadly? If so, how significant of an impact will this have on the market?

For nearly a year we have been tracking growing concerns with respect to the level of consumer debt Canadians are carrying. Is it me or is the new federal government on what some call a “spending binge”, amassing debt while expressing concern about its average citizens? This seems a bit like an old school parent saying, “Do as I say, not as I do.”

Consumers are hoping and expecting price decreases. Will these materialize?

We believe the overwhelming majority of developers in the Metro market currently marketing projects have the wherewithal to adjust to slower absorptions without price discounting. We also expect developers to carefully manage supply levels to maintain urgency and pricing in the coming months. Accordingly, we do not foresee a significant drop in multifamily prices in the near term and in certain locations and instances we project price increases early in 2017.

If you have a view you would like to share and/or questions you would like to discuss please contact scott@fifthave.ca.

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

Urban Analytics Inc. (UA) 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, UA 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, UA 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, UA 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, UA 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

Why UA? Urban Analytics has been tracking the new multi-family home market in Metro Vancouver and beyond since 1994. In addition to providing clients with our web-based New Home Source data subscription product at nhslive.ca, Vancouver and Calgary's most current and comprehensive data provider of active and contemplated new condominium and townhome projects, UA 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. Let's chat about how we can help you with your project or set you up with a subscription to the New Home Source at nhslive.ca.



(604) 569-3535
www.urbananalytics.ca

Michael Ferreira
PRINCIPAL
URBAN ANALYTICS INC.
michael@urbananalytics.ca

Jon Bennest
PRINCIPAL
URBAN ANALYTICS
jon@urbananalytics.ca



FIFTH AVENUE REAL ESTATE MARKETING LTD.

W. Scott Brown, President
8 - 15243 91st Avenue
Surrey, BC V3R 8P8

PHONE: 604.583.2212
FAX: 604.583.3264
Email: scott@fifthave.ca

WWW.FIFTHAVE.CA