

# VANCOUVER MARKET UPDATE



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CMHC MARKET ANALYSIS  
BC REGION

JANUARY, 2007

Canada 



# BC HOUSING MARKET UPDATE

- ✓ Economic Fundamentals
- ✓ New Home Construction
- ✓ Resale Market



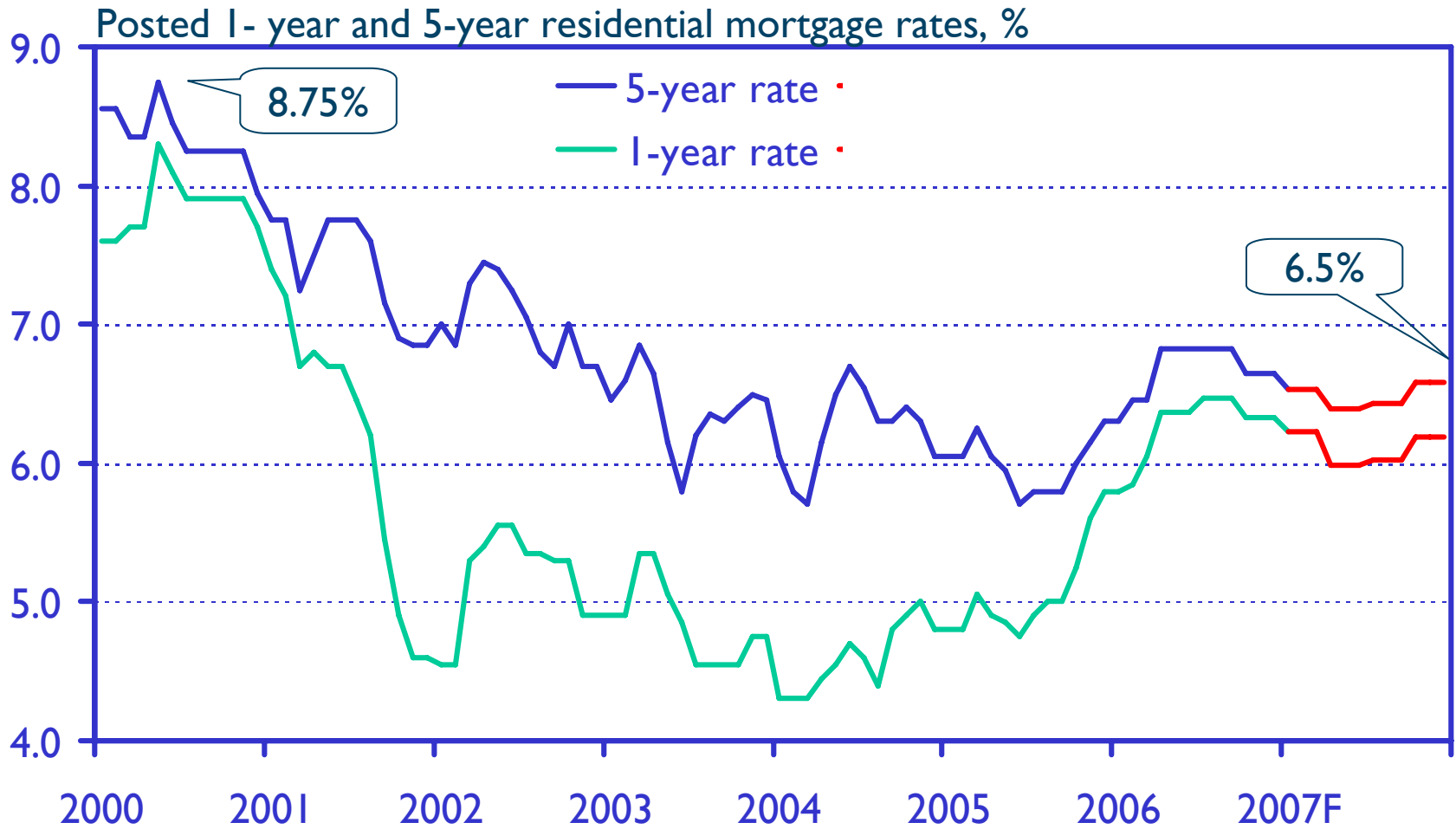
# ECONOMIC FUNDAMENTALS

## MAIN FACTORS DRIVING HOUSING DEMAND

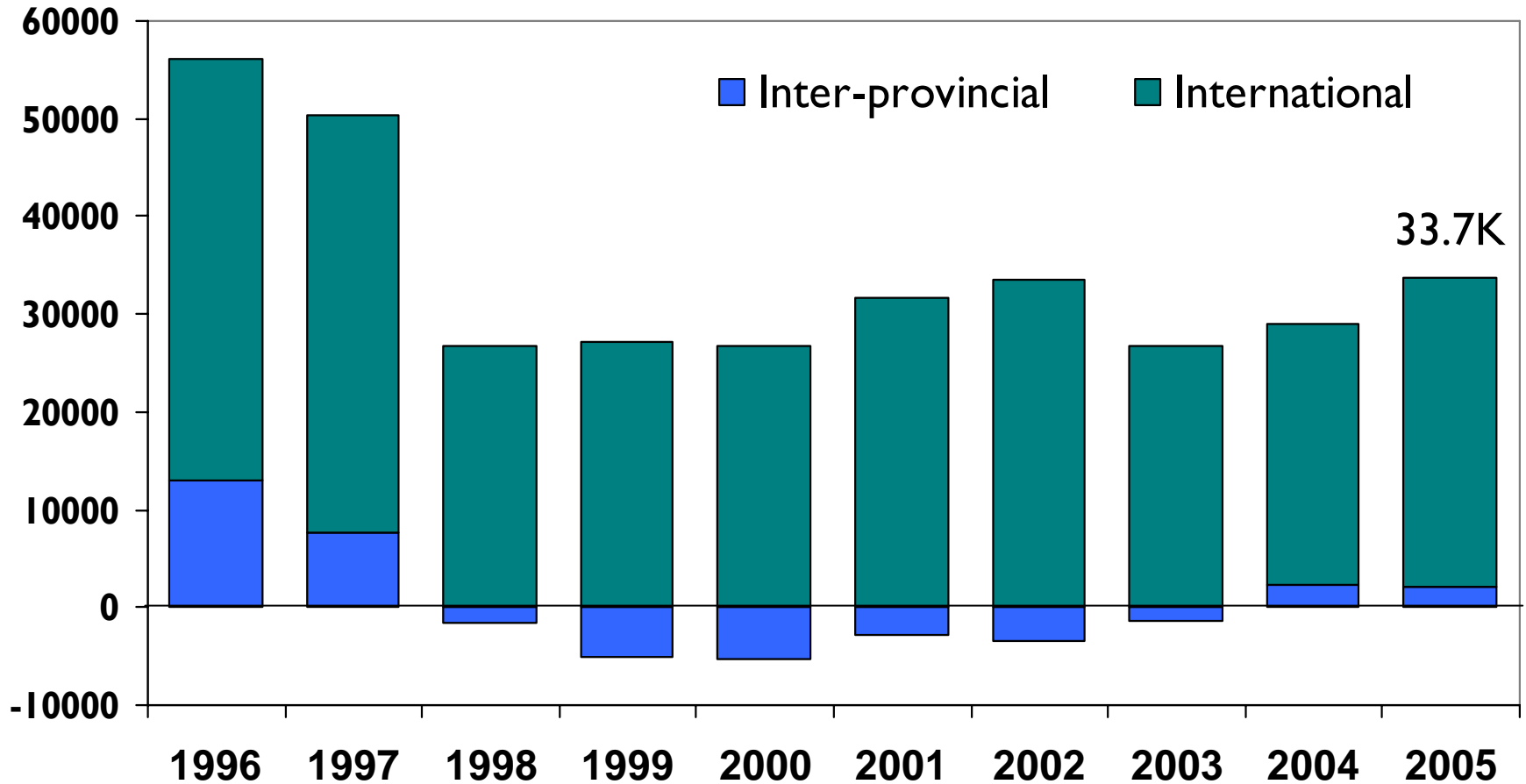
- LOW MORTGAGE RATES
- POSITIVE MIGRATION
- ECONOMIC GROWTH
- EMPLOYMENT GROWTH
- STRONG CONSUMER CONFIDENCE



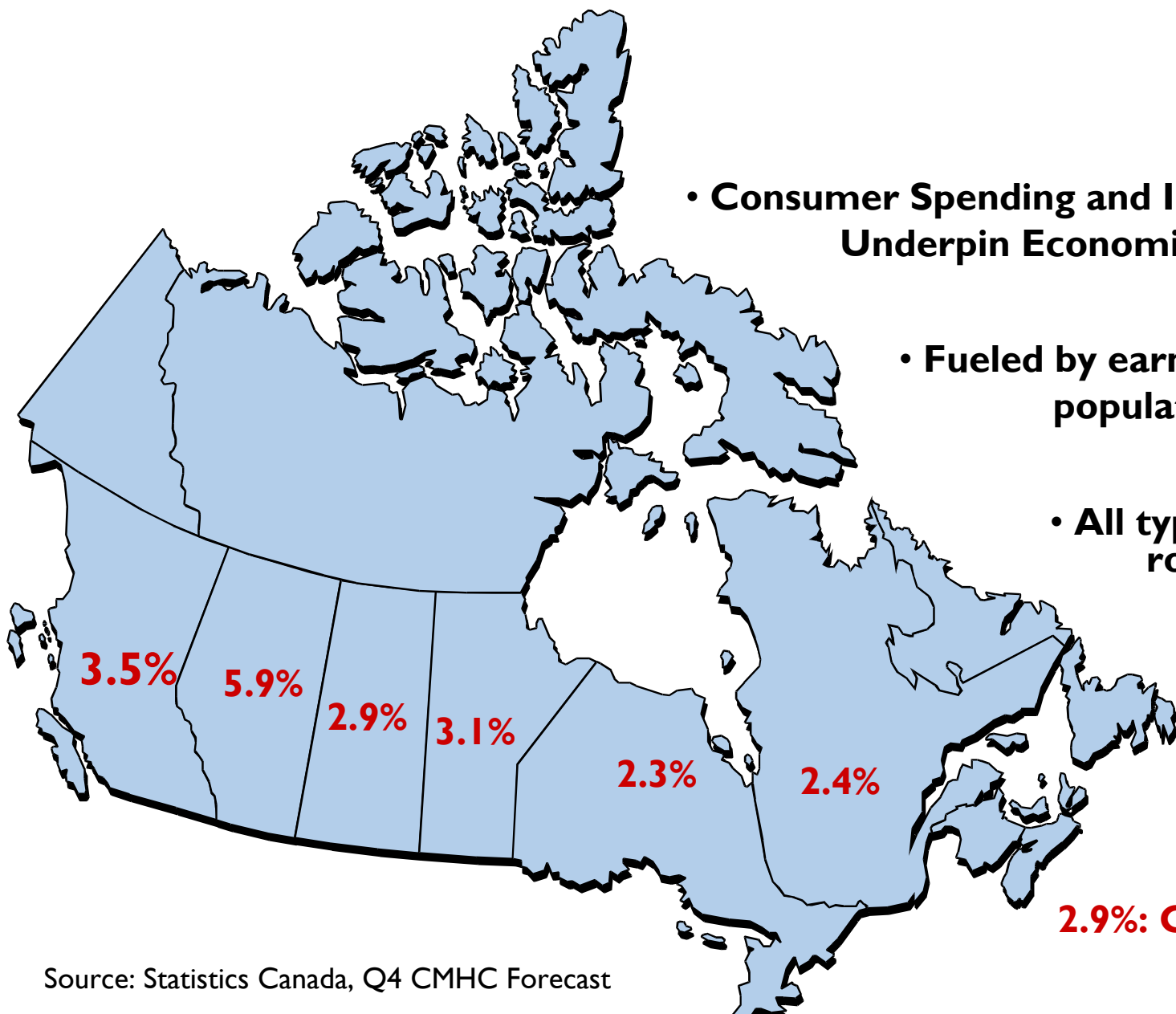
# MORTGAGE RATES FLAT



# MIGRATION TO VANCOUVER STRONG DESPITE BOOMING ALBERTA



# BC A LEADER OF GROWTH IN CANADA IN 2006



- **Consumer Spending and Investment Underpin Economic Output**
- **Fueled by earnings and population growth**
- **All types of construction robust**

**2.9%: Canada**

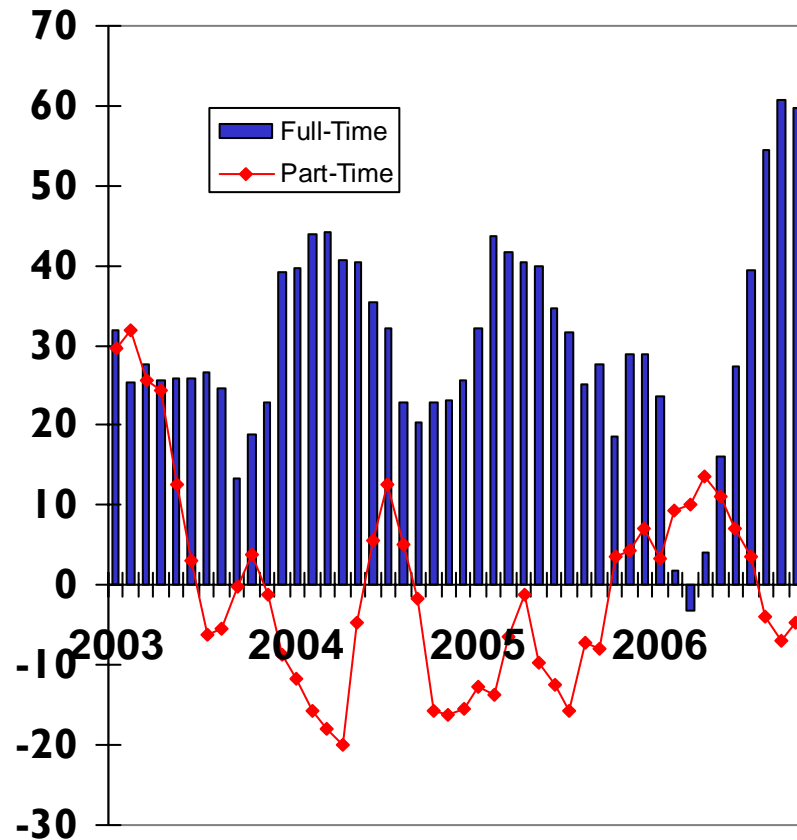
Source: Statistics Canada, Q4 CMHC Forecast



# TIGHT LABOUR MARKETS IN GREATER VANCOUVER

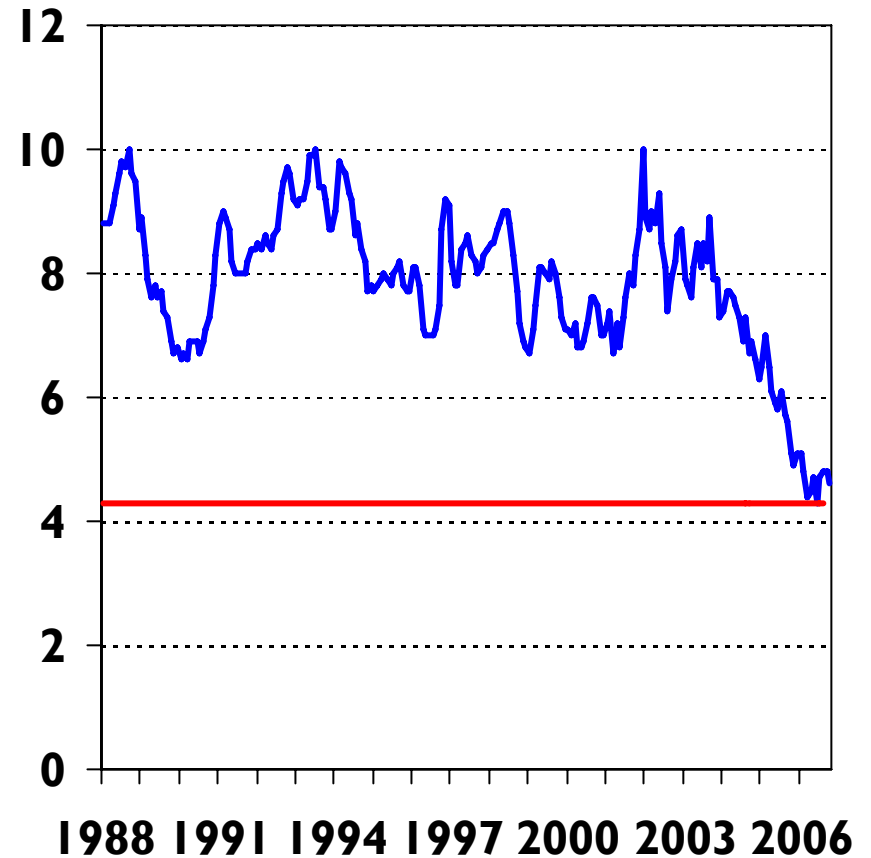
## Employment Gains

Yr/yr Change (in thousands)

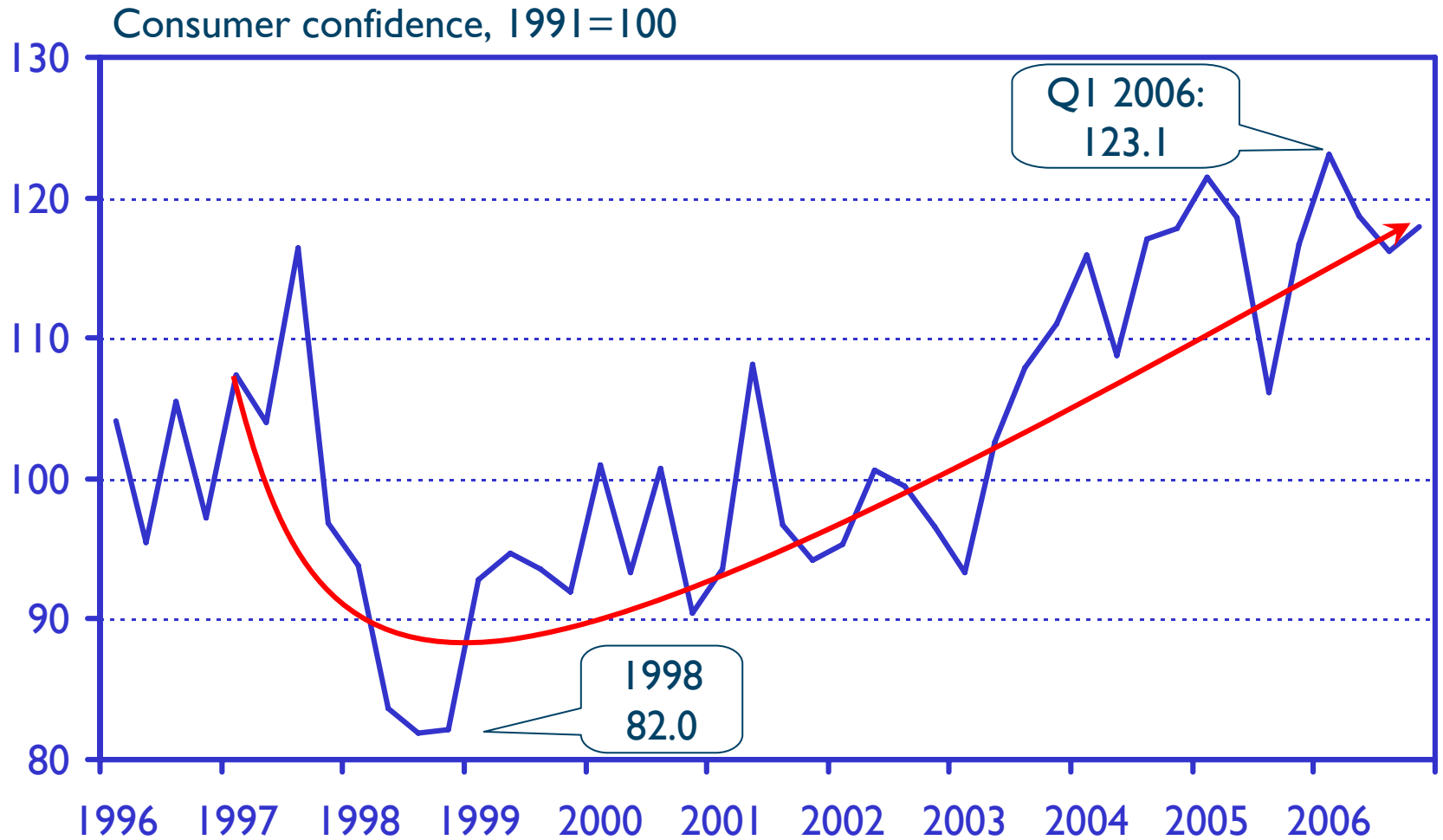


## Unemployment Rate

Percentage

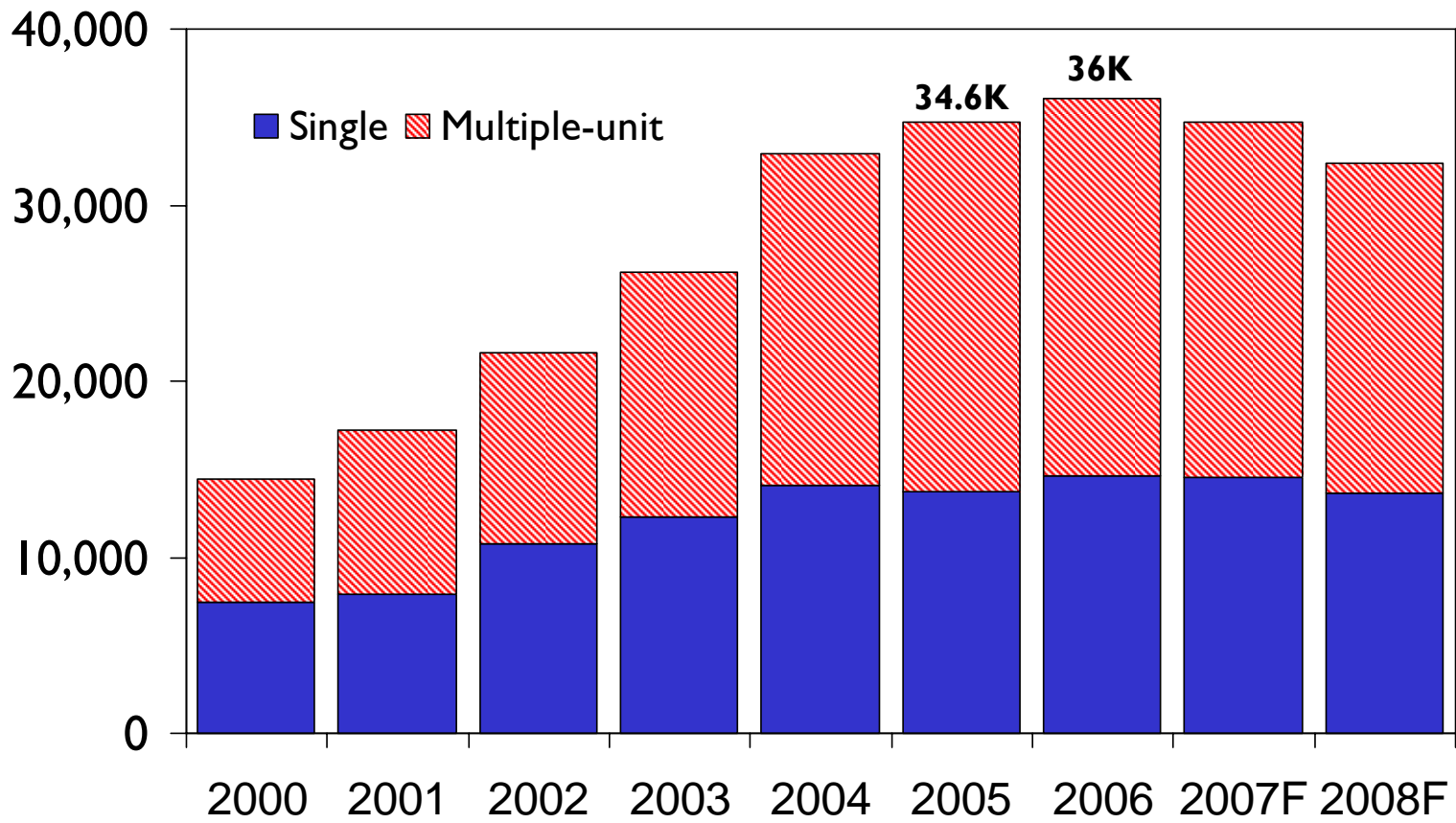


# CONSUMERS CONFIDENT

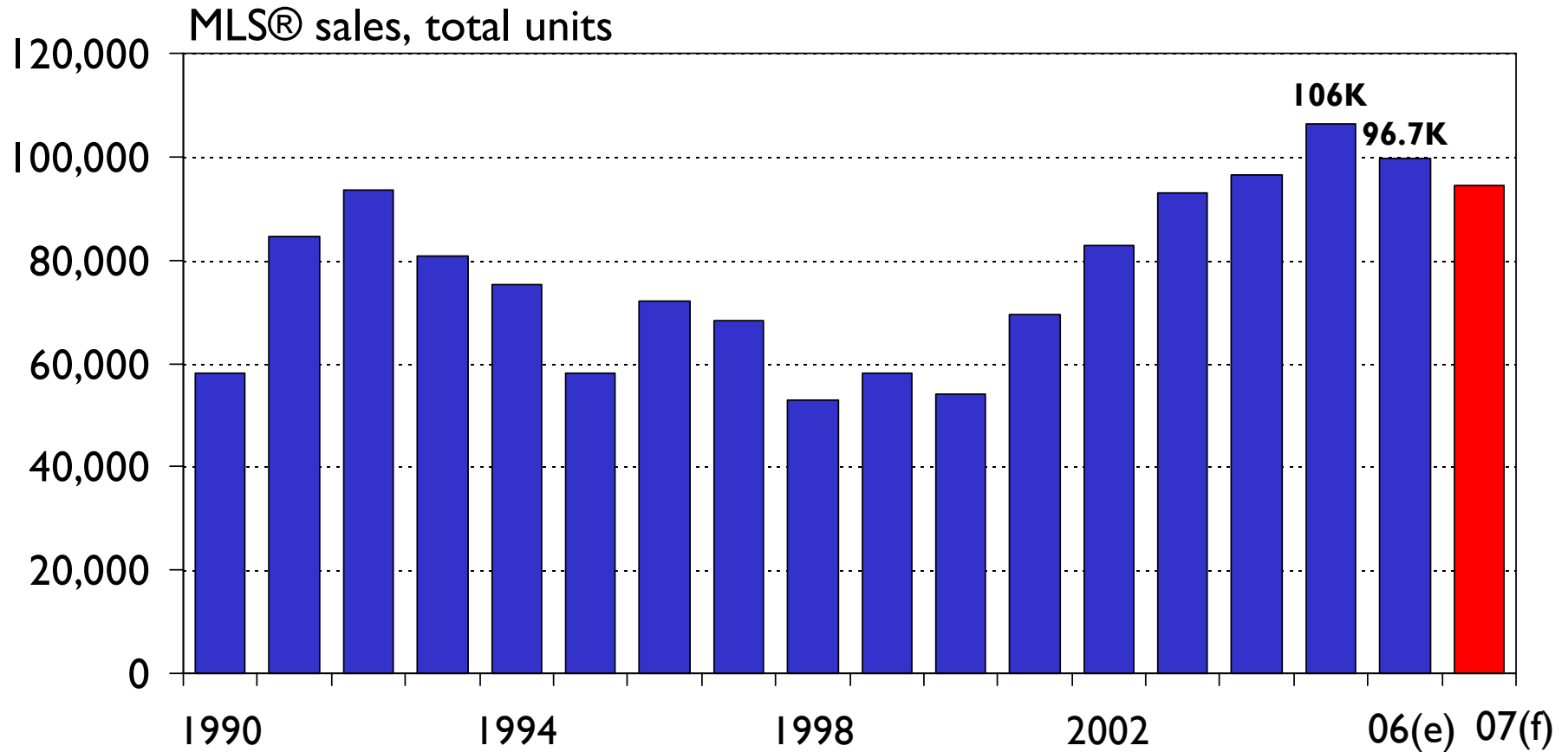




# HOUSING STARTS BRITISH COLUMBIA



# ACTIVE RESALE MARKETS IN BC



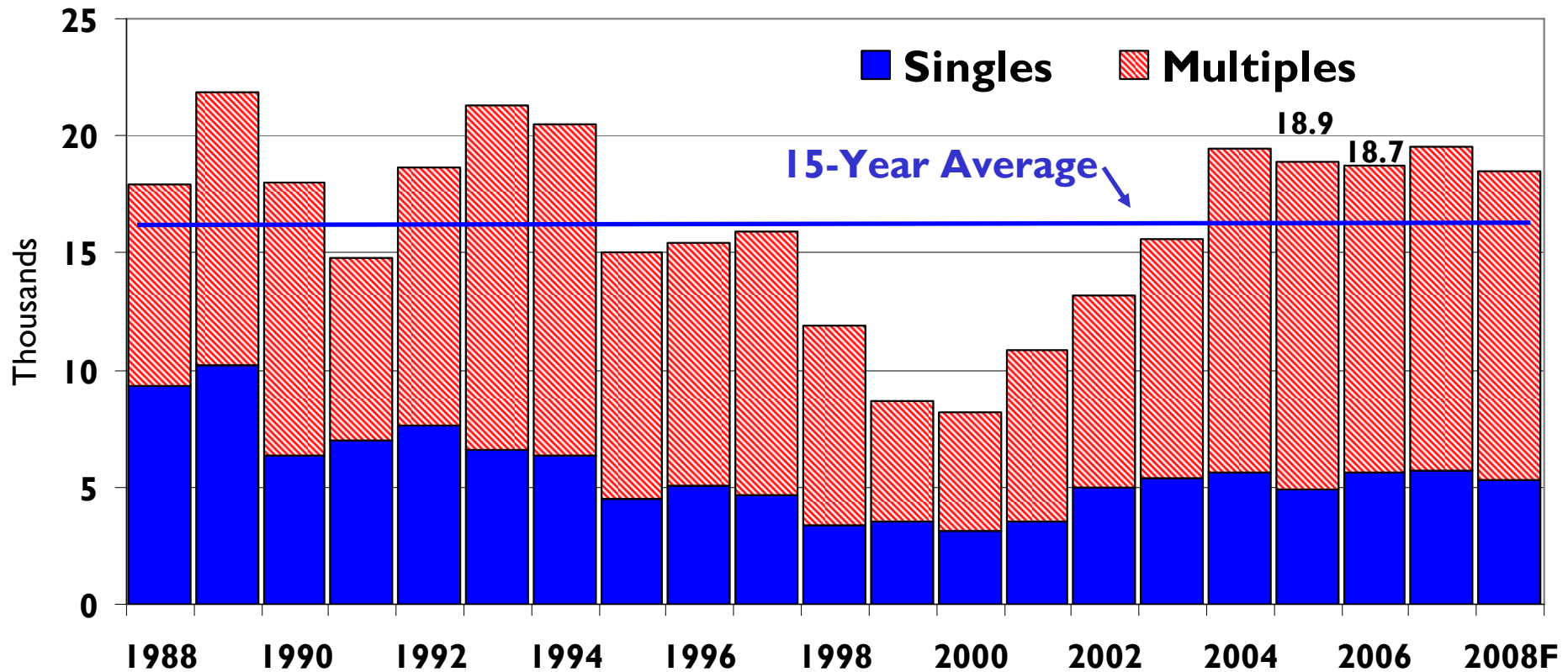
Sources: CREA and CMHC Forecast



# NEW HOME CONSTRUCTION

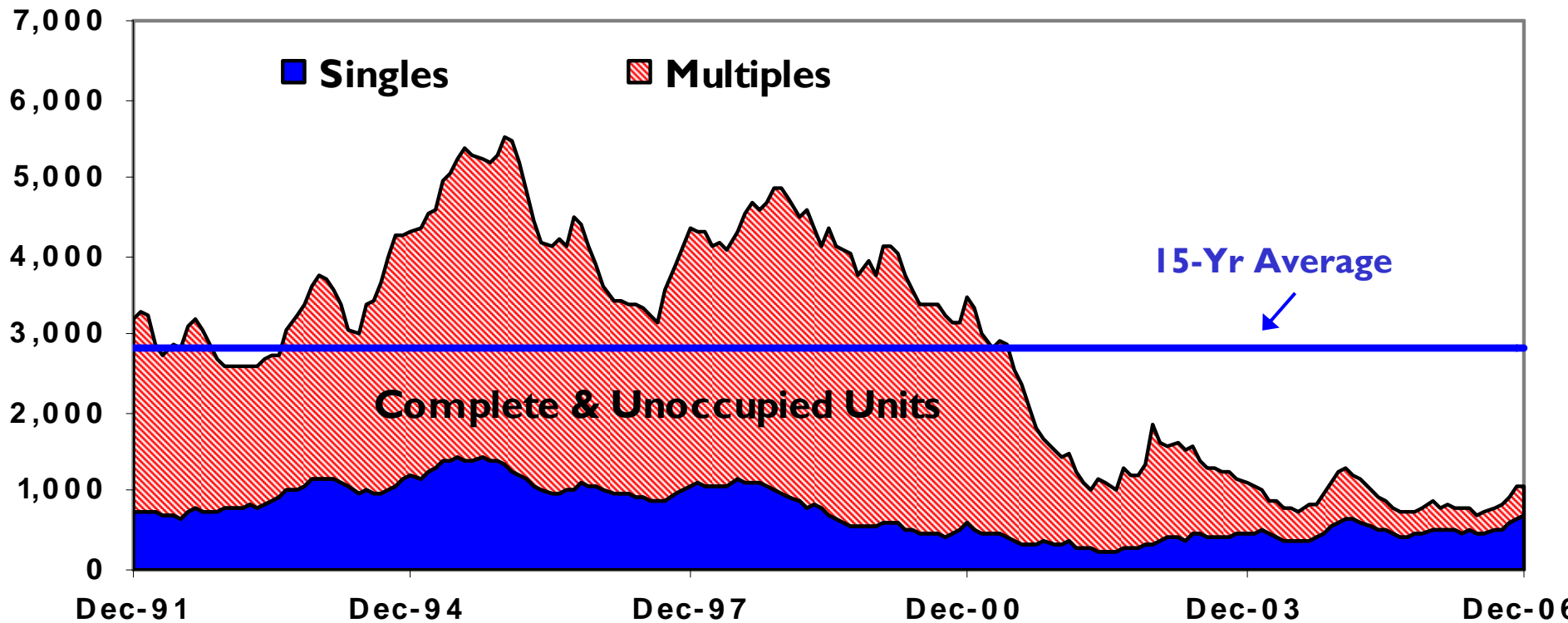


# HOUSING STARTS VANCOUVER CMA



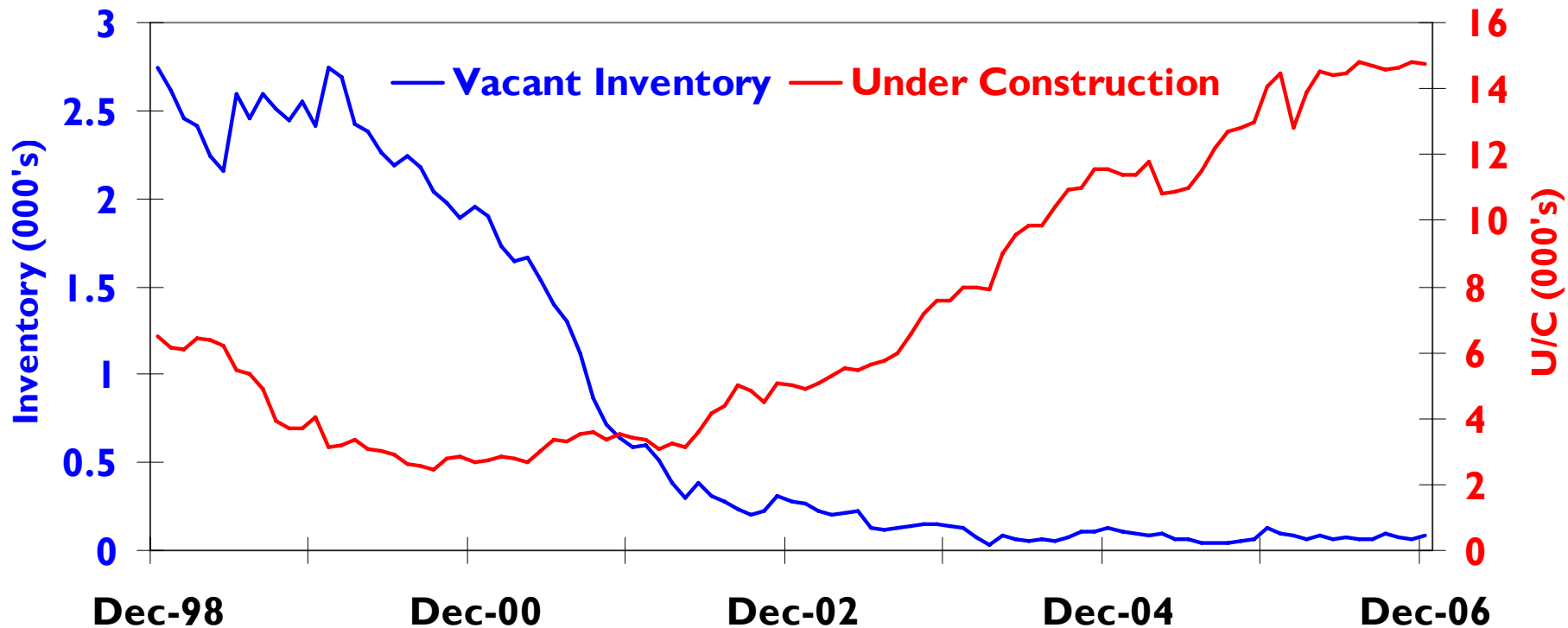
# NEW HOME INVENTORY

## VANCOUVER CMA

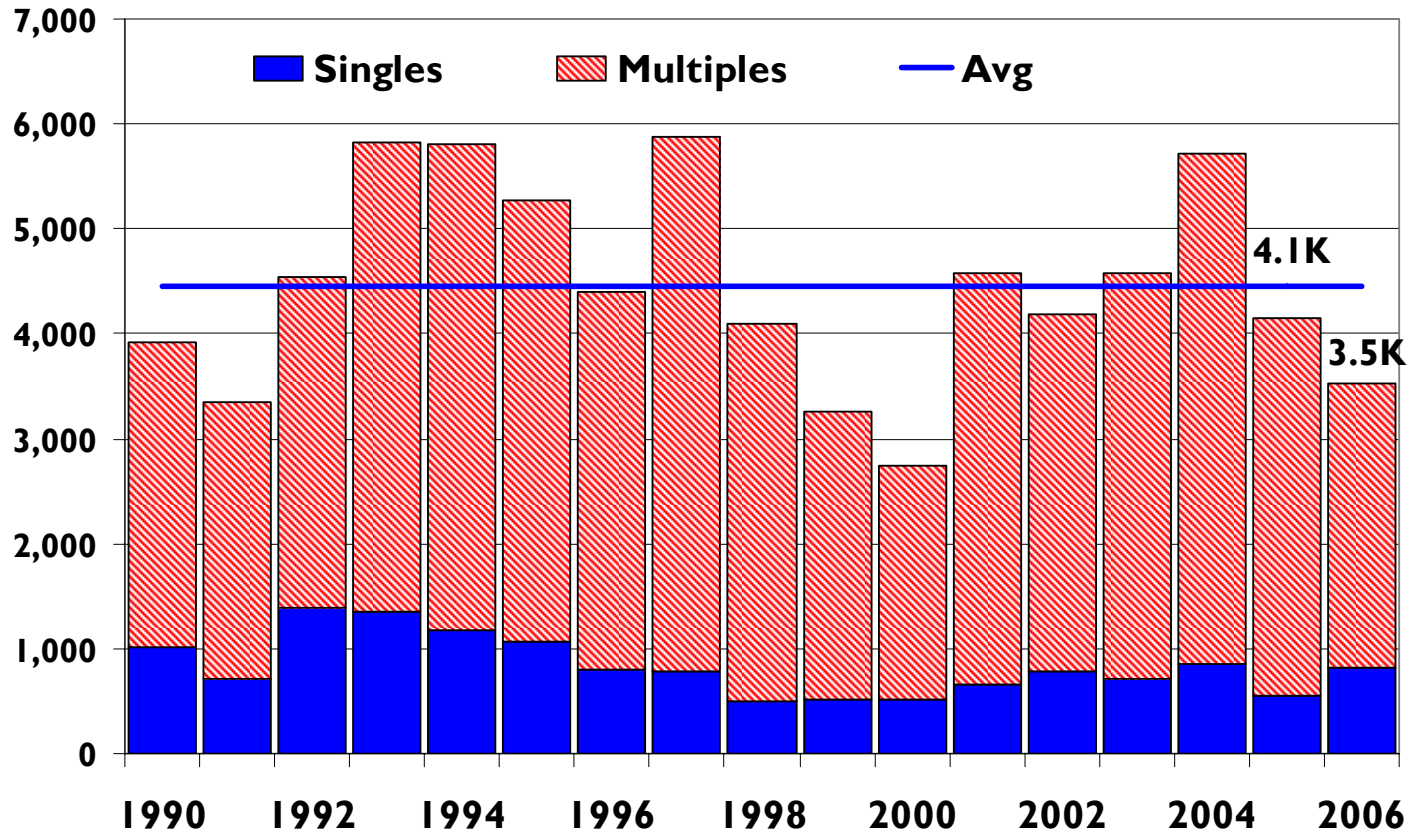


# APARTMENT CONDO SUPPLY

## VANCOUVER CMA



# HOUSING STARTS CITY OF VANCOUVER\*



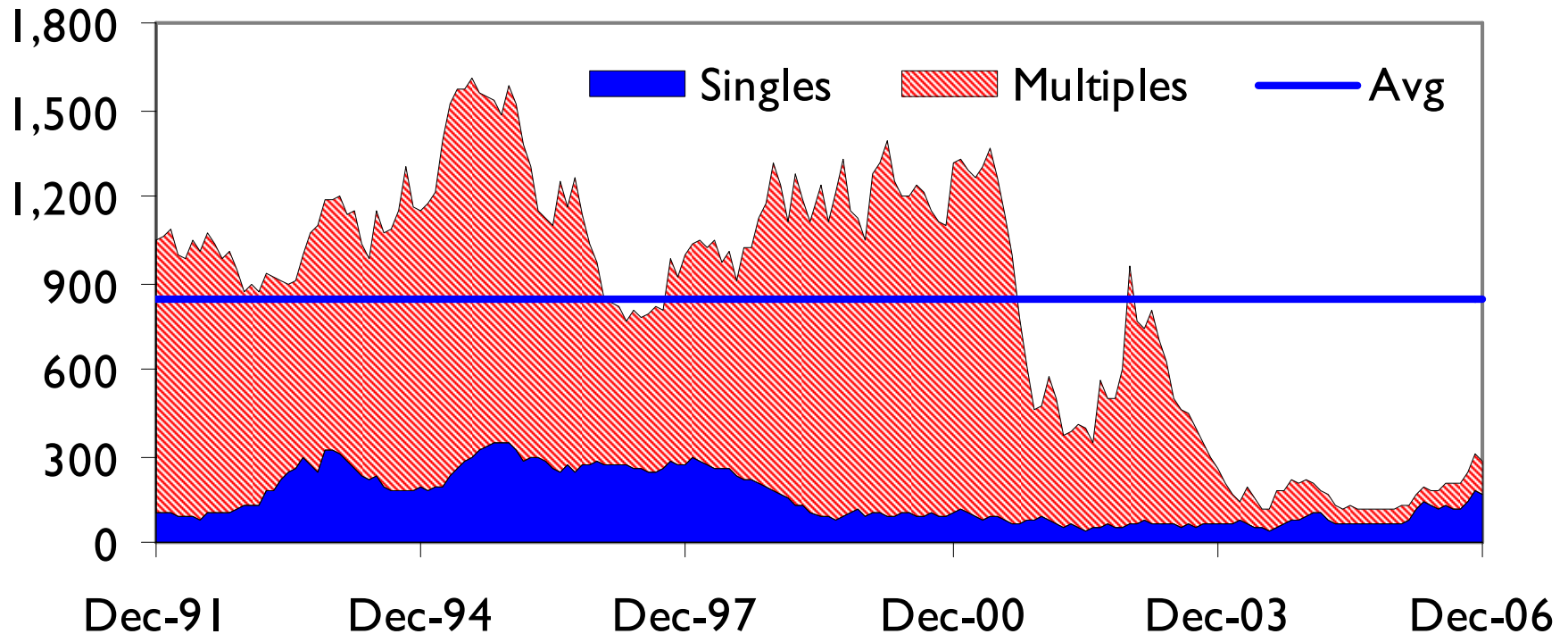
Source: CMHC, \*Includes Vancouver East & West



# NEW HOME INVENTORY

## CITY OF VANCOUVER\*

### Complete & Unoccupied Units



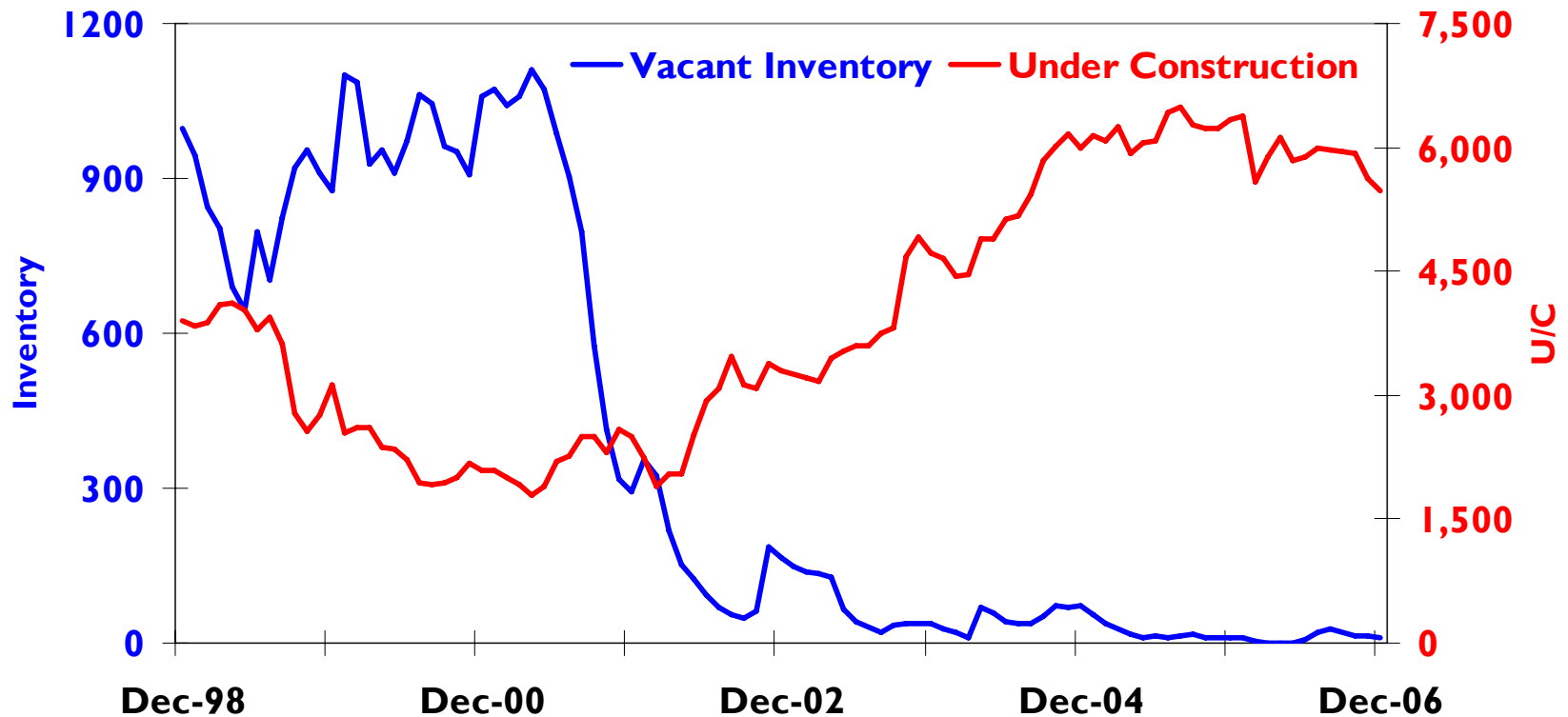
Source: CMHC, \*Includes Vancouver East & West





# APARTMENT CONDO SUPPLY

## CITY OF VANCOUVER\*



Source: CMHC, \*Includes Vancouver East & West

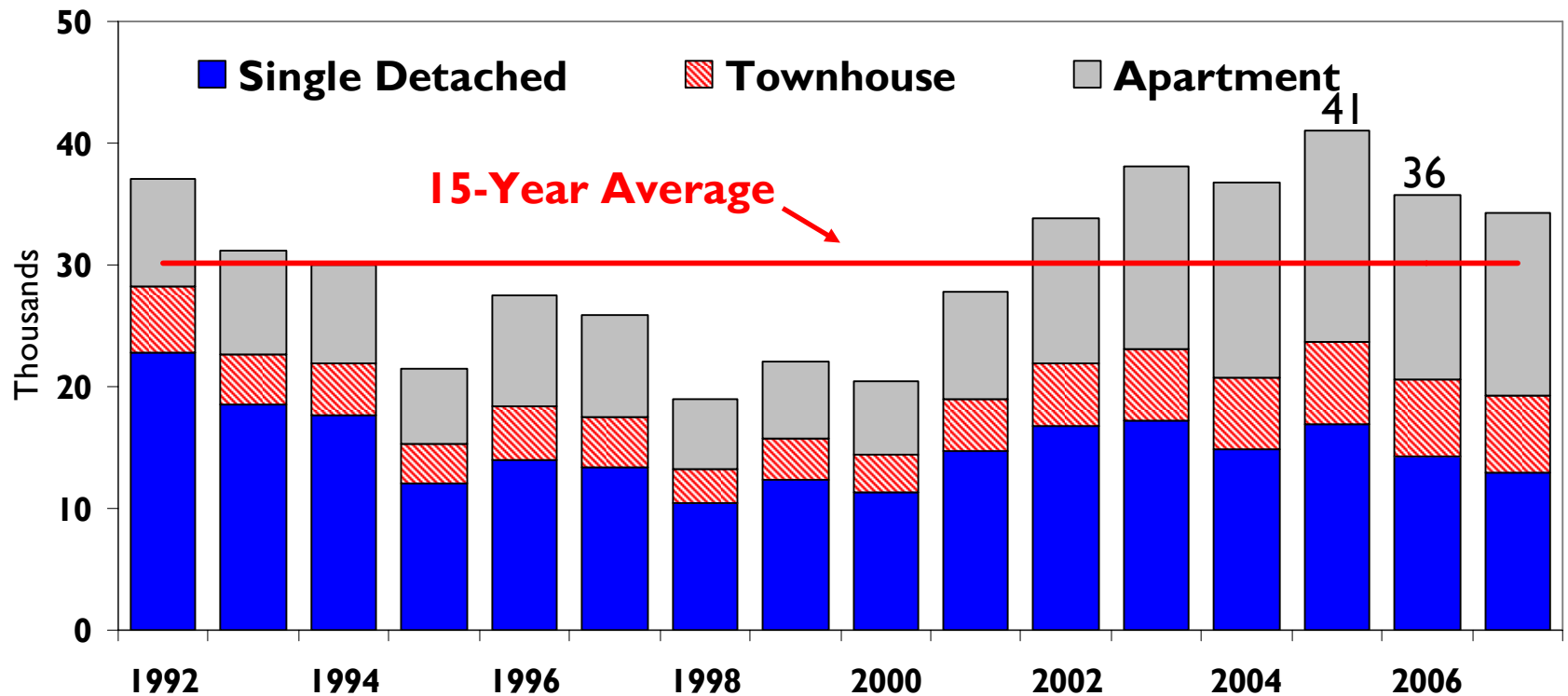


# RESALE MARKET

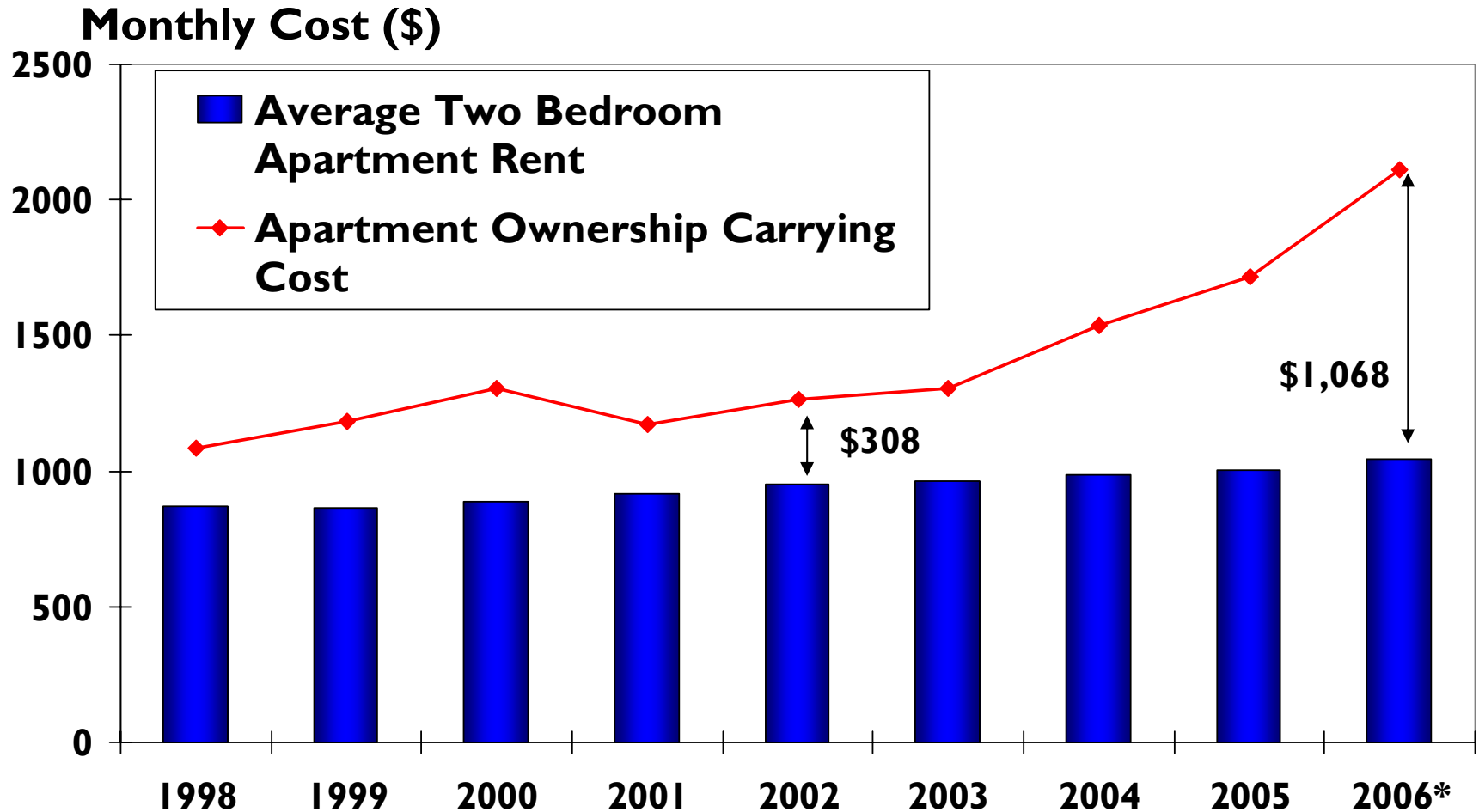


# GREATER VANCOUVER

## RESALE ACTIVITY DOWN OFF RECORD



# COST TO OWN WIDENS AS PRICES SURGE



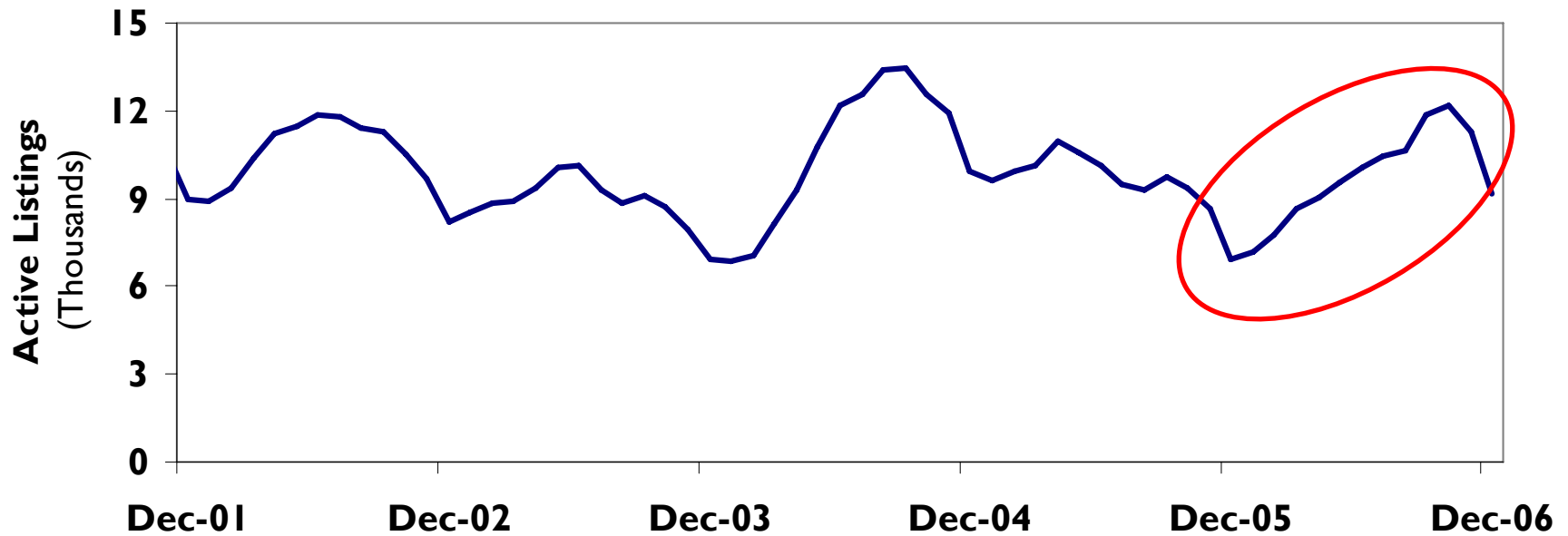
\*2006 YTD Carrying Cost, 2 bedroom rent forecast

Assumes: 10% down-payment, 25 year amortization, 5-year fixed rates

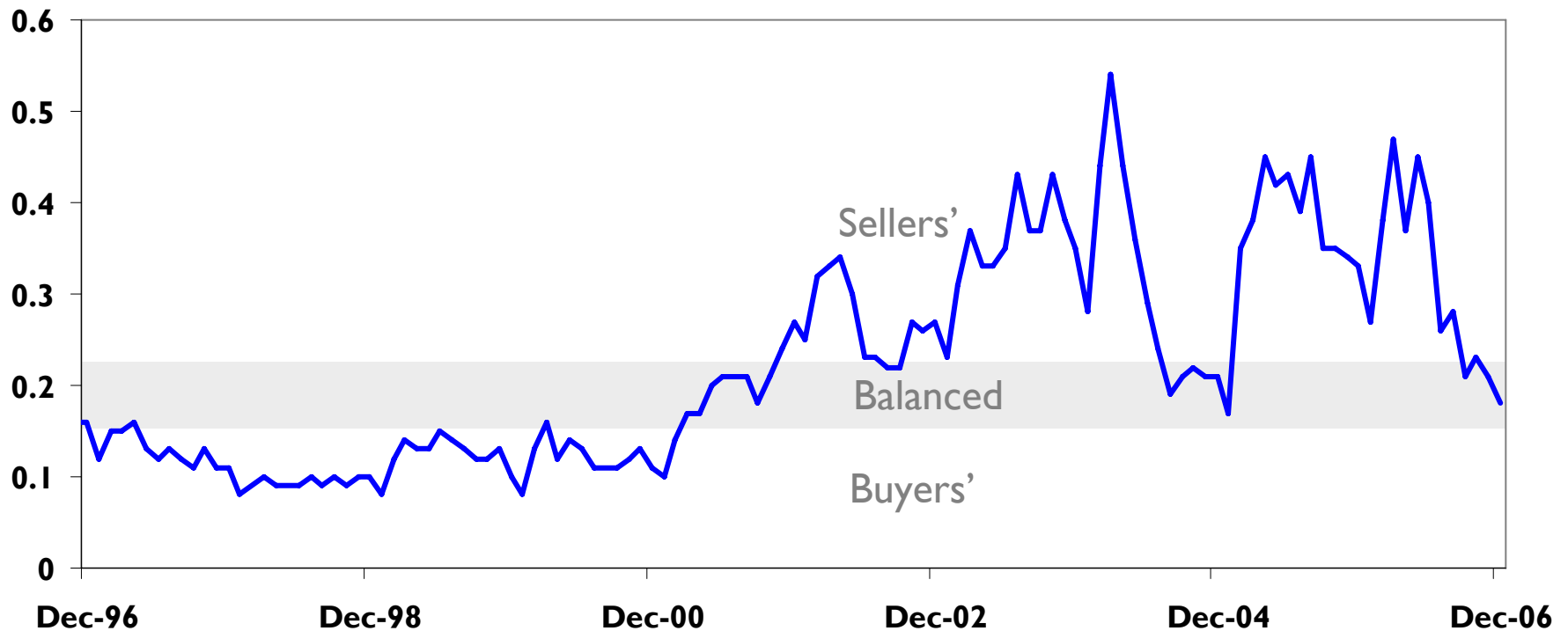
Source: Bank of Canada, CMHC Forecast, REBGV, CMHC Rental Market Survey



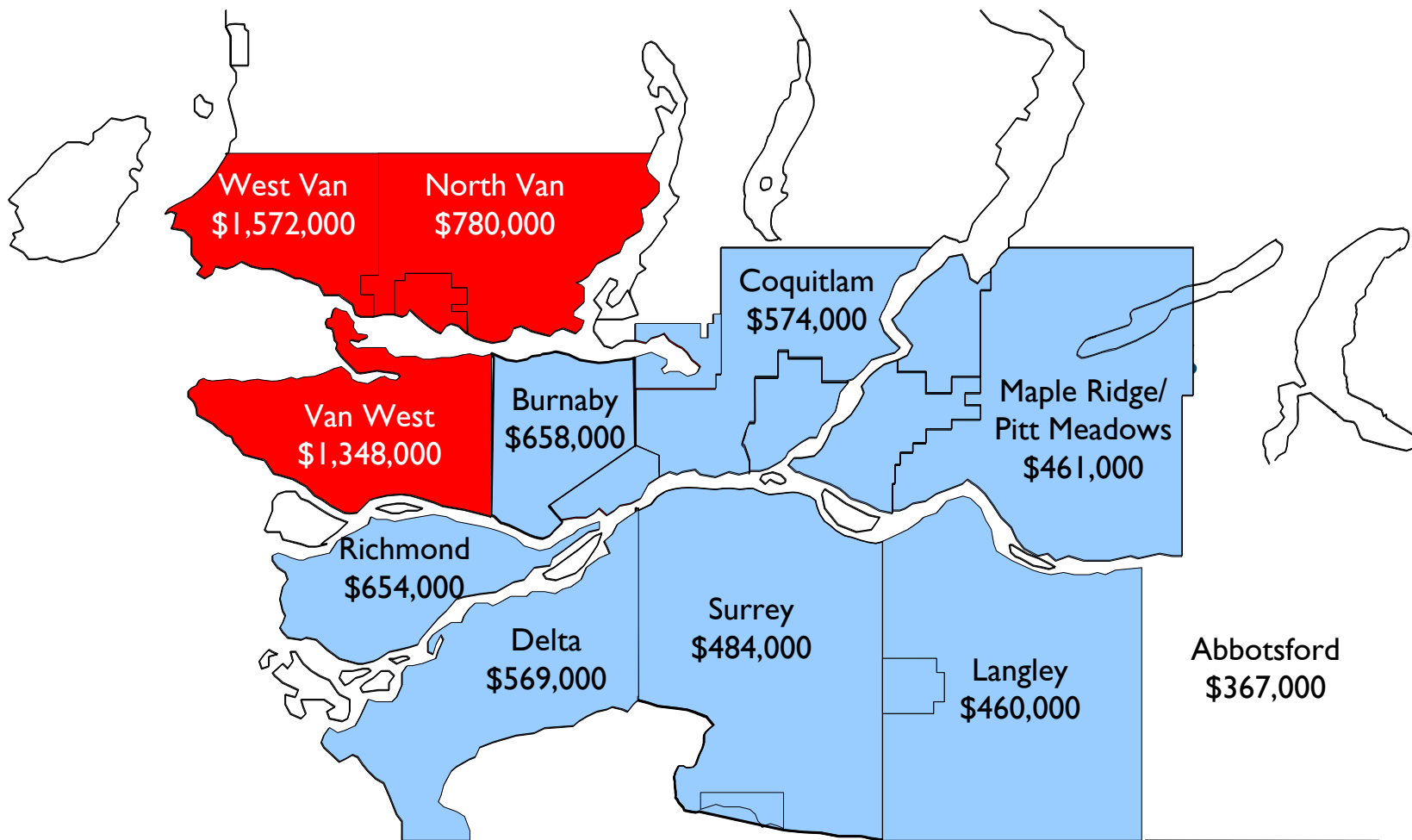
# GREATER VANCOUVER RESALE INVENTORIES



# GREATER VANCOUVER SALES TO ACTIVE LISTINGS RATIO



# LOWER MAINLAND AVERAGE MLS® SINGLE DETACHED HOME PRICES



# GREATER VANCOUVER

## AVERAGE MLS PRICE FORECAST

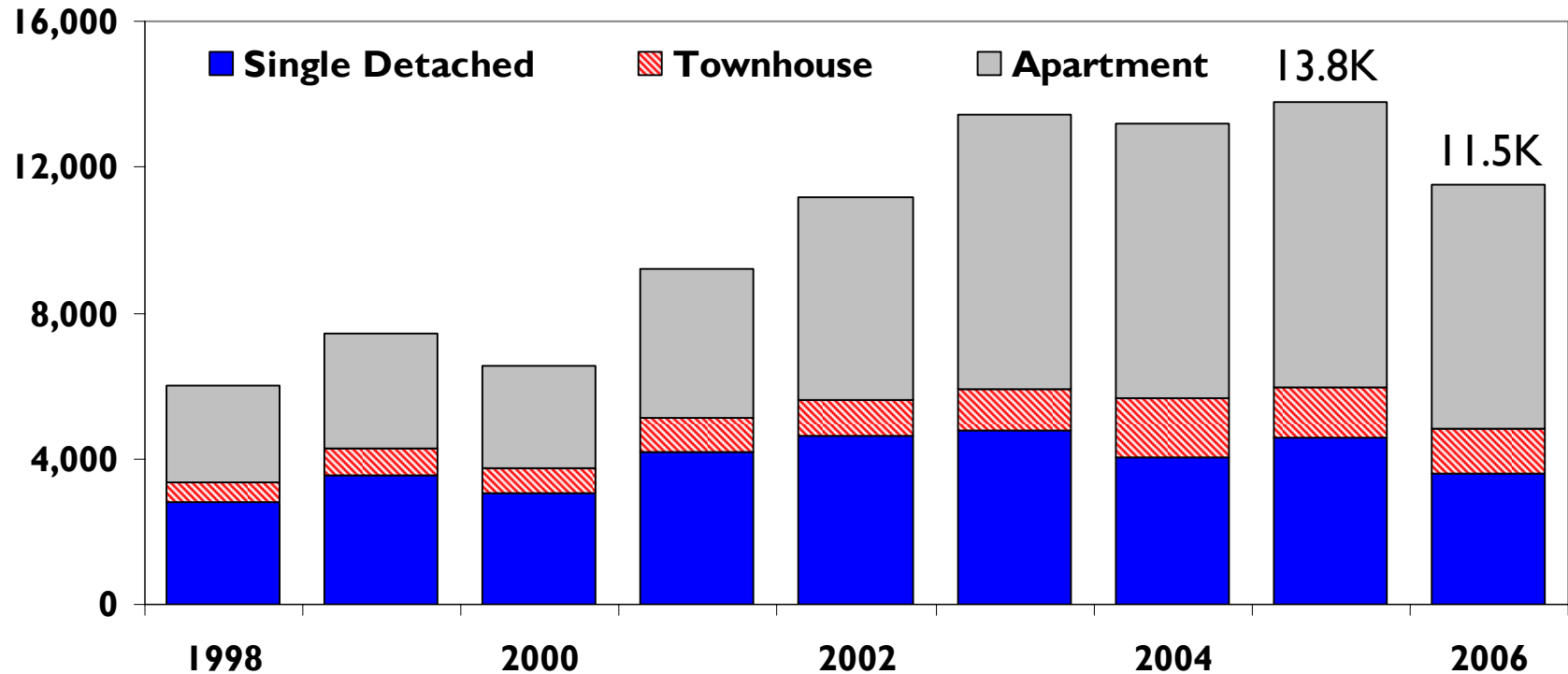
	2005	2006	2007(F)
Single Detached	\$587,484 ↑ 12%	\$729,705 ↑ 24%	\$773,000 ↑ 6%
Townhouse	\$362,847 ↑ 15%	\$420,470 ↑ 16%	\$445,000 ↑ 6%
Apartment	\$296,036 ↑ 14%	\$343,505 ↑ 16%	\$375,000 ↑ 9%





# VANCOUVER CITY\*

## RESALE ACTIVITY

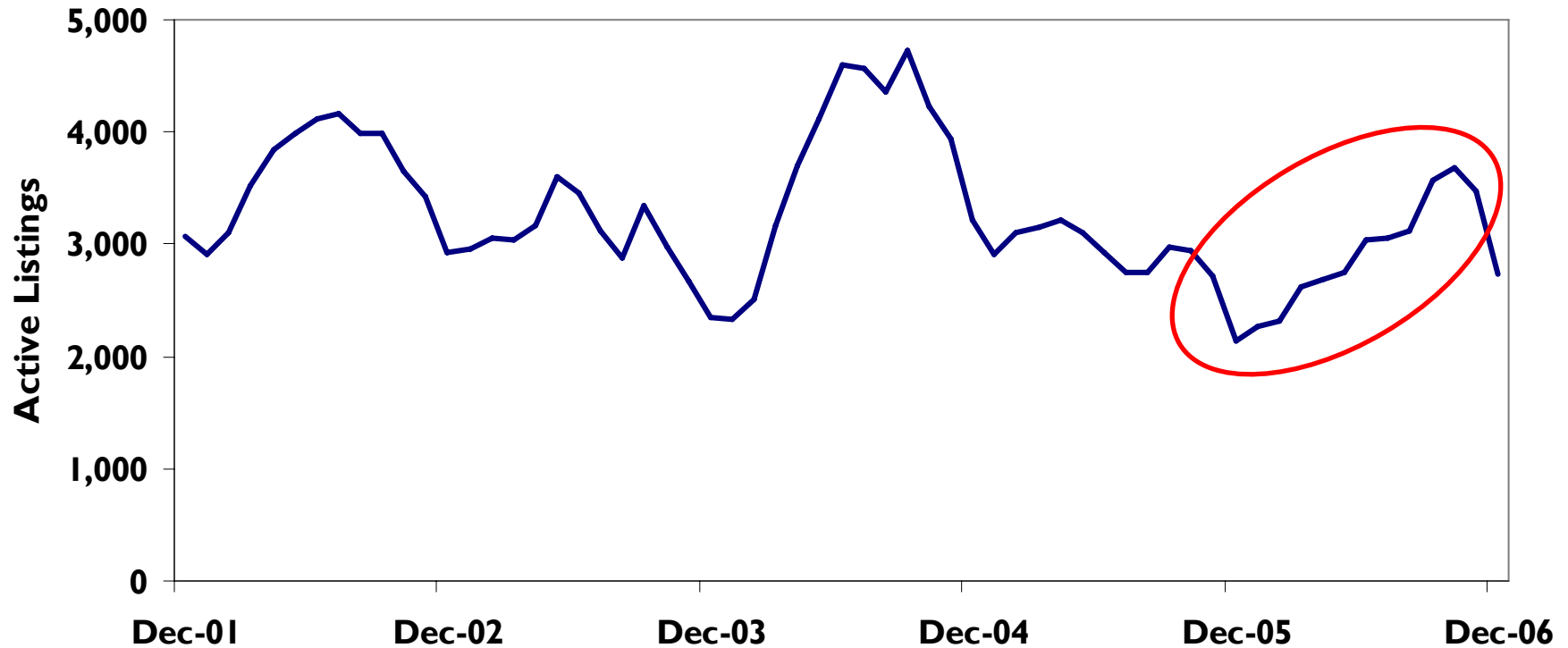


Source: REBGV, \*Includes Vancouver East & West



# VANCOUVER CITY\*

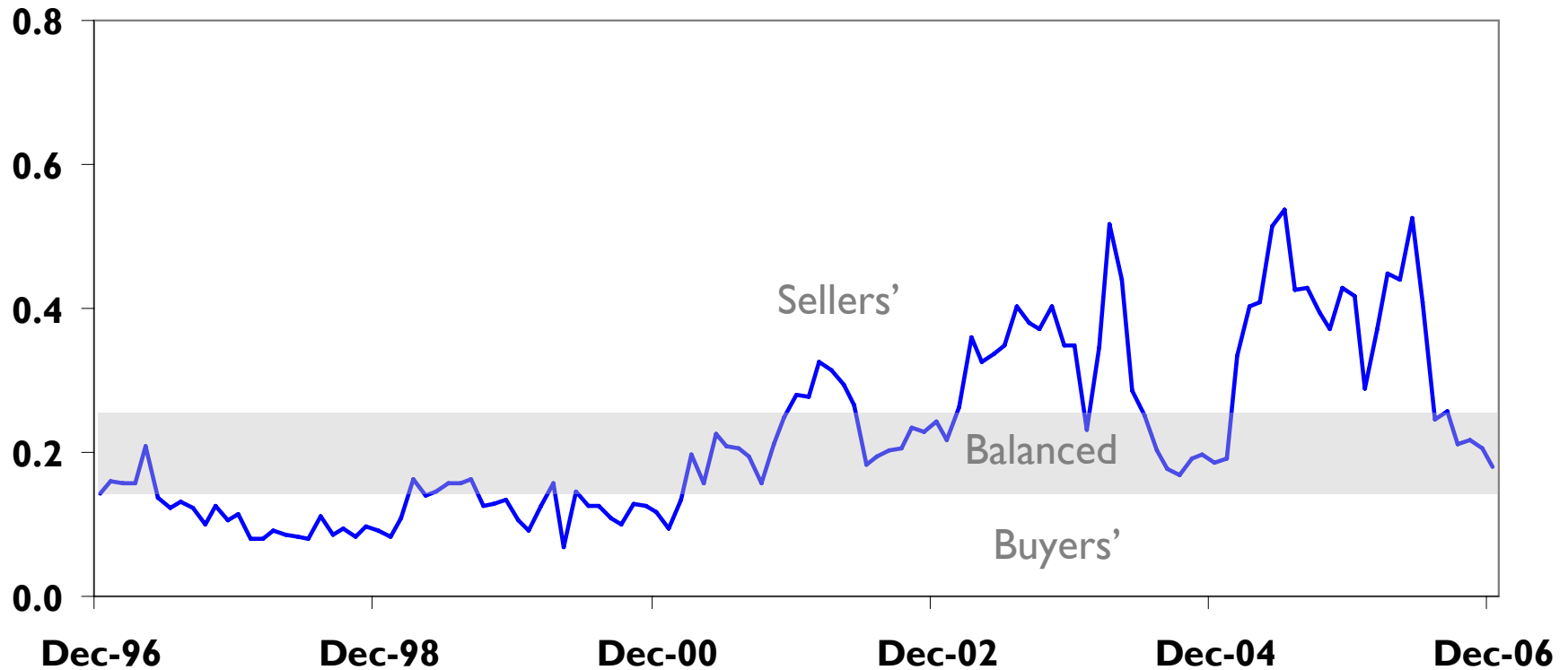
## RESALE INVENTORIES



Source: REBGV, \*Includes Vancouver East & West



# VANCOUVER EAST SALES TO ACTIVE LISTINGS RATIO



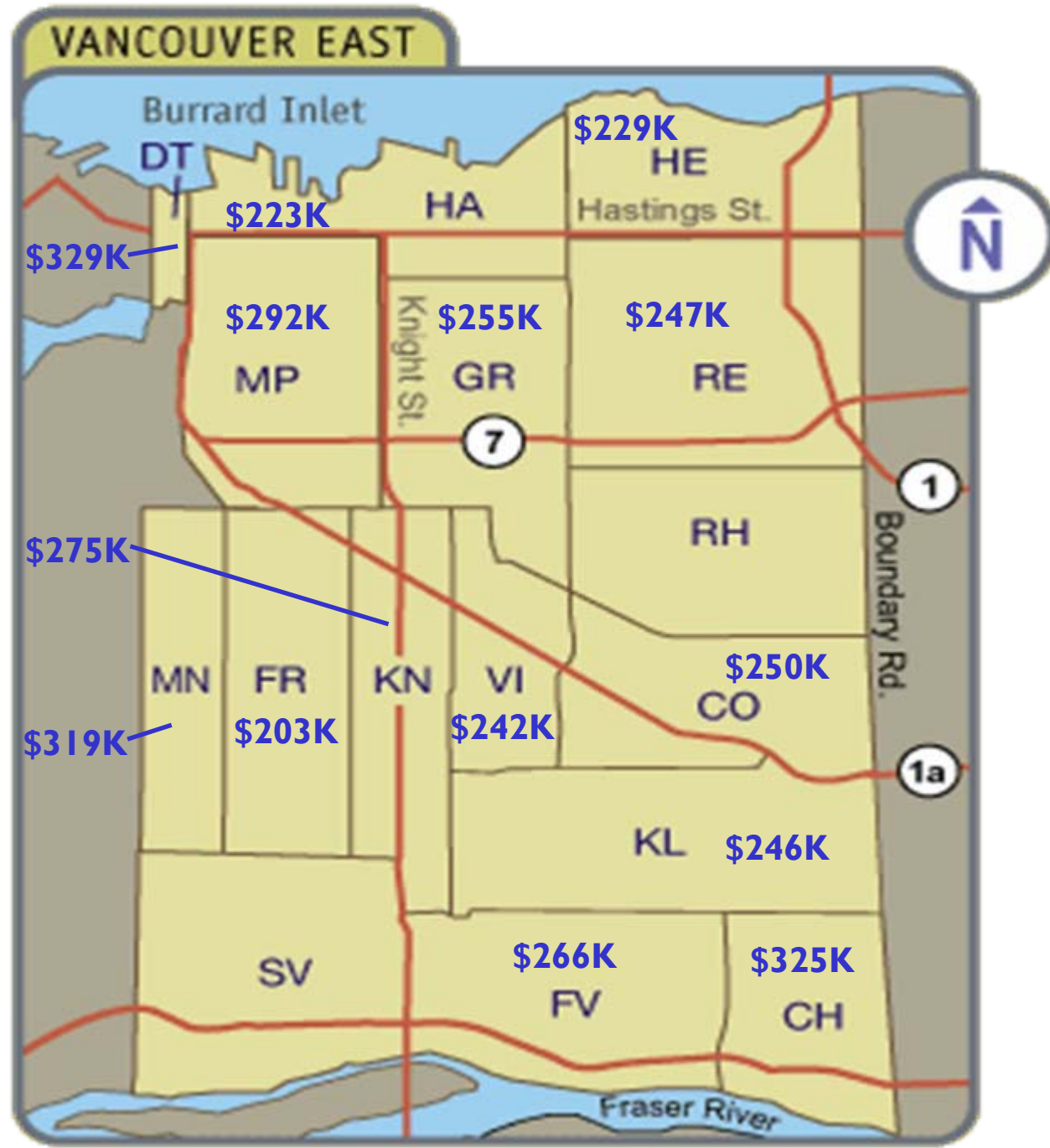
# VANCOUVER EAST

## AVERAGE MLS PRICE

	2005		2006	
Single Detached	\$498,709	↑ 14%	\$599,822	↑ 20%
Townhouse	\$361,150	↑ 27%	\$438,069	↑ 21%
Apartment	\$224,327	↑ 22%	\$264,904	↑ 18%

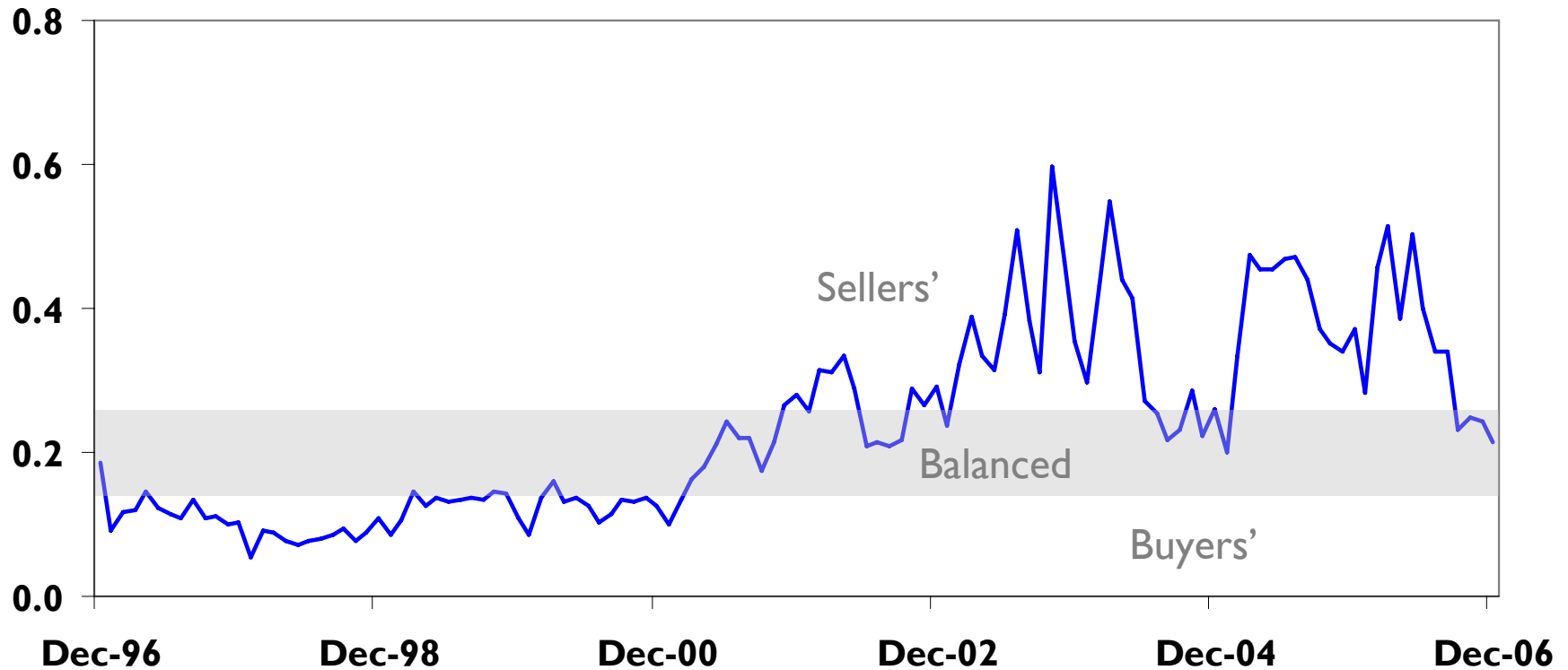


# Average Apt Condo Prices (2006)



Note: Insufficient data for South Vancouver & Renfrew Heights.

# VANCOUVER WEST SALES TO ACTIVE LISTINGS RATIO



# VANCOUVER WEST AVERAGE MLS PRICE

	2005		2006
Single Detached	\$1,052,795	↑ 18%	\$1,348,442 ↑ 28%
Townhouse	\$561,398	↑ 30%	\$661,502 ↑ 18%
Apartment	\$409,972	↑ 16%	\$468,468 ↑ 14%



# Average Apt Condo Prices (2006)

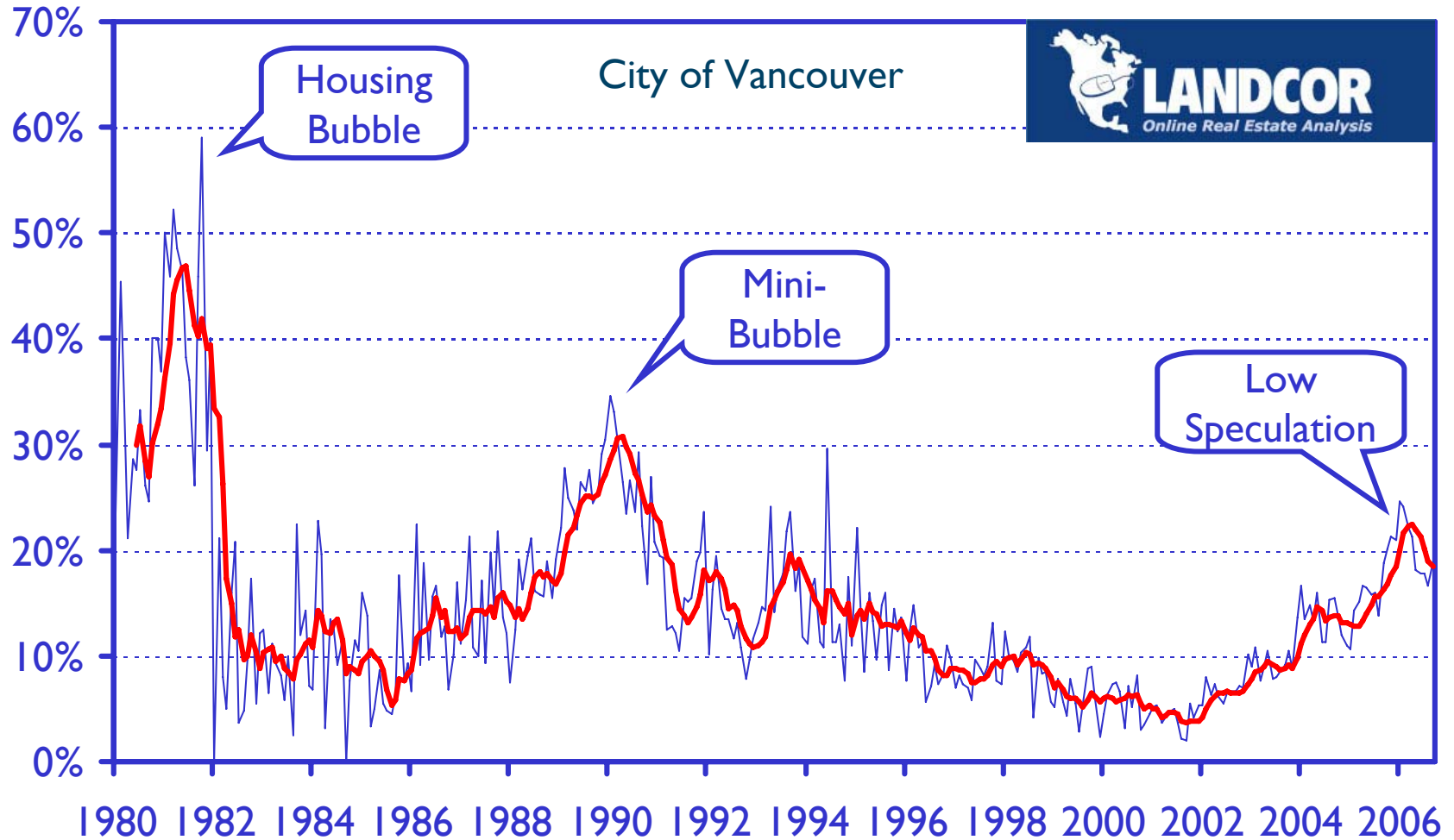


Note: Insufficient data for Arbutus, Mackenzie Heights, & South Granville



# SPECULATIVE ACTIVITY

% of Condominium Units Held Less Than One Year




Source: Landcor and CMHC

# IS THE MARKET SUSTAINABLE?

- MARKET FUNDAMENTALS STRONG, DEMAND STABLE
- NEW CONSTRUCTION LEVELLING OFF
- RESALE MARKET MODERATING, PRICE GROWTH TO SLOW



# MARKET REPORTS NOW FREE ON THE WEB

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