

THE FIFTH DIMENSION

Fall Edition

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

FALL 2019

DATA PROVIDED BY:



WELCOME TO THE FIFTH DIMENSION

Fifth Avenue is a full-service, suburban market focussed, residential real estate sales and project marketing organization with nearly 40 years of experience. We welcome you to the Fall edition of the Fifth Dimension.

This next to final edition of this report for 2019 provides a concise overview of new multifamily market conditions experienced and provides a succinct commentary with respect to trends and raises questions for contemplation.

As always, the supporting data for this report is objectively collected and presented by renowned 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.

The fall is like a second start of the year to me. In some cultures and religions it actually is more of a fresh start than January. Summer comes to an end, days shorten, school and community-related activities accelerate and before we all know it the holiday season is here.

The older I get, the more I appreciate the splendor of the fall colours. This change fascinates and exhilarates me. This seems to also be an appropriate way to describe the market for new multifamily homes in Metro Vancouver.

Speaking of fascinating, on October 16th Fifth Avenue and Bosa Properties once again sponsored a presentation by Michael Ferreira, Principal of Urban Analytics to the Urban Development Institute (UDI). The audience has grown each year as Michael becomes a more and more influential and sought after speaker. His talk for this sold out session was appropriately entitled "What's Going On?"

Michael's presentation began with a collection of recent headlines on our market. He acknowledged that the market has shifted further from this time last year but that signs of stabilization are on the horizon.

With the federal election campaign in full-force, Michael concentrated on the single biggest influencer on market today... politicians. He highlighted a number of government causes of the current market conditions and the effects on the market. These included: the provincial foreign buyer's tax, the Vancouver empty homes tax, the federal mandated stress test, and additional NDP moves including the "school" or "not so school tax" and rent controls. He was certainly critical and I would say it is safe to say his view was aligned with the majority of the attentive crowd.

One of Michael's more compelling talking points pertained to "(the)...government addiction to fees and taxes". By his firm's math, over 26 percent of the cost of a new home can be attributed to government taxes and fees. Does the consumer understand this? How can this be? Next to fuel, can you think of another consumer good taxed this heavily?

In an interesting segway, Ferreira did address the supply issue with a unique take on rental. Given the tax base and escalating construction costs, Michael predicts a greater percentage of residents opting to rent vs. own. As in world cities such as Central London and Manhattan, there is no longer any shame in that. The issue, however, is the serious lack of supply and the inability of bureaucracy to address this in a compelling and timely manner. As a result, he expected significant inflation with respect to rental rates for new offerings. Michael looked south of the border to Seattle for a solution and apparently he is not the only one as Vancouver's mayor was quoted saying "I want to get a better understanding of how Seattle has developed so much rental housing". Hmm...

Michael, who remained calm yet passionate, attacking the anti-development sentiment of some and calling out one municipality in particular.

He concluded with a look ahead stating a continued improvement in the market, led strangely in a non-traditional "reversed geographic" pattern highlighting successes such as Scott & Nicholson in North Delta and Fleetwood Village in Surrey. He sees continued success South of the Fraser River and more of a "wait and see" approach prior to 2020, North of the Fraser River. He commented on the uncertainty with respect to the luxury market and pushed for government reform regarding fees and restrictive REDMA policies such as the allowed timeframe for pre-sales.

Based on Daryl Simpson of Bosa's complimentary remarks and the audience's response, we look forward to working together with Michael, Jon Bennest, co-principal and their team at UA as we navigate what's going on, add Mission and possibly Squamish and Chilliwack to this report and sponsor this speech in the same time of 2020, our 40th year in business.



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Fifth Avenue is part of the Peerage Realty Partners family. Our sister companies include leading Toronto based project marketing and sales organizations, Baker Real Estate and Chestnut Park, the Christie's affiliate for Ontario.

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OVERALL MARKET SUMMARY

In this third edition of the Fifth Dimension for 2019, our data collection and analysis partner Urban Analytics (UA) shares its commentary on the most recent quarter, market performance year to date, and what to expect in the upcoming quarter with respect to Metro Vancouver's multifamily residential real estate market.

Q3 - New Home Market

Overall sales activity in the Metro Vancouver new home market continues to remain sluggish when compared to previous robust years, but is starting to show signs of improvement. 1,826 new home sales were recorded in the Third Quarter of 2019. This figure is down 47 percent from the same quarter last year but is up eight percent from last quarter. Both Low Rise and Townhome sectors performed particularly well compared to last quarter. Low Rise and Townhome sales were both up 11 percent compared to last quarter. Overall released and unsold inventory levels have steadied somewhat but are still up significantly compared to last year. The 8,775 units that were released and unsold at the end of the Third Quarter are up by less than one percent from last quarter but are 96 percent from the same quarter last year. There were 579 completed and unsold new multifamily homes available to purchase at the end of the Third Quarter; up 14 percent from last quarter and up 78 percent compared to the same quarter last year.

617 total new High Rise sales were recorded in the Third Quarter of 2019. This figure is down seven percent from last quarter and is down 65 percent from the same quarter last year. Very low sales activity in the High Rise condominium sector can again be rationalized by the higher associated pricing of this product form relative to Low Rise condominiums and a lack of confidence from the High Rise investor purchaser. This buyer for the most part has been absent in the market over the past year. Market conditions have resulted in a lack of new High Rise project launches which we predict will eventually lead to lower overall inventory levels of High Rise product in the coming year. A total of 4,998 High Rise units were released and unsold at the end of the Third Quarter; up 97 percent from the same quarter last year but down four percent compared to last quarter. Successfully selling High Rise projects in the Third Quarter either offered a unique product, were well priced, or offered significant short-term purchaser incentives. Notable sales activity was reported at the following High Rise projects: Liberty Homes' Crescent Court (SFU), Aspac's Hollybridge at River Green (Richmond), Grand Long's One Park (Richmond), Shape Properties' City of Lougheed (Burnaby) and Polygon's Sephora at the Park (Coquitlam)

The Low Rise condominium sector continued to show signs of improvement compared to earlier in the year. A total of 646 Low Rise condominiums were sold in the Third Quarter; down 46 percent compared to last year but up 11 percent from last quarter. A total of 2,093 Low Rise condominium units were released and unsold at the end of the Third Quarter; up five percent compared to last quarter and 110 percent compared to the same quarter last year. Notable sales activity recently occurred the following projects - Dawson + Sawyer's Fleetwood Village Condos (Fleetwood), Mosaic's Parker (Surrey City Centre), Vesta Properties' Latimer Village Condos (Langley), Polygon's Elmstone at Westerleigh (Abbotsford) and Realco Properties' Scott & Nicholson (North Delta).

The Townhome sector of the market has also shown noticeable signs of improvement over the past six months. A total of 563 new Townhome sales were recorded in the Third Quarter of 2019; up 27 percent from last quarter and up 17 percent from the same quarter last year. There were 1,545 new released and unsold townhome units at the end the Third Quarter, up nine percent from last quarter and up 79 percent compared to the same quarter last year. Notable sales activity occurred at Vesta Properties' Latimer Heights (Yorkson), Dawson + Sawyer's Fleetwood Village Townhomes (Fleetwood), Platinum Group's Liberty at Fleetwood (Fleetwood), and Sunmark Development's Vantage (Newton).

Q3 - Resale Market

A total of 2,597 newer multifamily homes sold in the Third Quarter of 2019. This total is up 10 percent from last quarter and up 16 percent from the same quarter last year. Re-sales are up 12 percent for High Rise condominiums, up 19 percent for Low Rise condominiums and up 19 percent for Townhomes compared to the same quarter last year. Overall active listings were lower compared to last quarter but were higher when compared to the same quarter last year - a total of 3,333 listings which are up by eight percent compared to last year.

Q3 - Observation and Opinions

The Third Quarter of 2019 was a slightly improved version of the Second Quarter of the year. The current demand trend has resulted in an increase in new Townhome and Low Rise condominium sales relative to the past two quarters and continued activity in the more affordable areas South of the Fraser River. The Fleetwood and Surrey City Centre neighbourhoods in particular were extremely active in the Third Quarter. Townhome projects in these locations were successful in attracting investor demand looking to purchase in advance of the arrival of the pending Skytrain Line arrival in Fleetwood (estimated by 2025).

Significant projects anticipated to launch in the Fourth Quarter of 2019 and First Quarter of 2020 include: In Downtown Vancouver - Landa Global's 1818 Alberni; in Vancouver West - Next Properties' Woodstock at Oakridge 2, Qualex-Landmark's Legacy and Holborn's Little Mountain; in Vancouver East - Trillium's Ella, Wesgroup's Paradigm and Portliving's Main Street Arts; in Burnaby - Ledingham McAllister's Cedar Creek 2, Beedie's Slate and Concord Pacific's Metrotown; on the North Shore - Anthem's Founder's Block; in Coquitlam/Port Moody - Porte's Clyde, Centred Development's Horizon 21, StreetSide Developments' Port & Mill; in Port Coquitlam - Quantum Properties' Montrose Square; in Richmond - Anthem's Five Road, Polygon's Fiorella and Berkeley House, Concord Pacific's Picasso at Galleria, Dava Development's Parc Thompson and Alabaster Homes' Spires Gate; in South Surrey/White Rock - Hungerford Properties' Hazelwood; In Central Surrey/North Delta -Townline's The Holland and Mosaic's The Parker Building II; in Maple Ridge; SwissReal Group's Era, Concordia Homes' Highpoint and Polygon's Provenance; and in Langley/Cloverdale - Vesta Properties' Latimer Village Condos, Zenterra's Central, Oaken Developments' The Audley and future phases at Polygon's Union.

New Home Aggregates Q3-2019

	High Rise	Low Rise	Townhomes	Total
Total Q3-2019 Sales	617	646	563	1,826
Total Inventory	4,998	2,093	1,684	8,775
Standing Inventory	108	135	336	579
Total # of Projects	133	81	125	339

First Quarter Resale Activity

	High Rise	Low Rise	Townhomes	Total
Total Sales	1,052	794	751	2,597
Active Listings	1,367	956	1,010	3,333

New Home Market YTD Comparison

	YTD 2017 Sales	YTD 2018 Sales	YTD 2019 Sales	% Change from 2018
High Rise	6,545	6,175	2,512	-59%
Low Rise	3,708	2,850	1,484	-48%
Townhomes	2,752	2,191	1,306	-40%
Total	13,005	11,216	5,302	-53%

MARKET SUMMARY

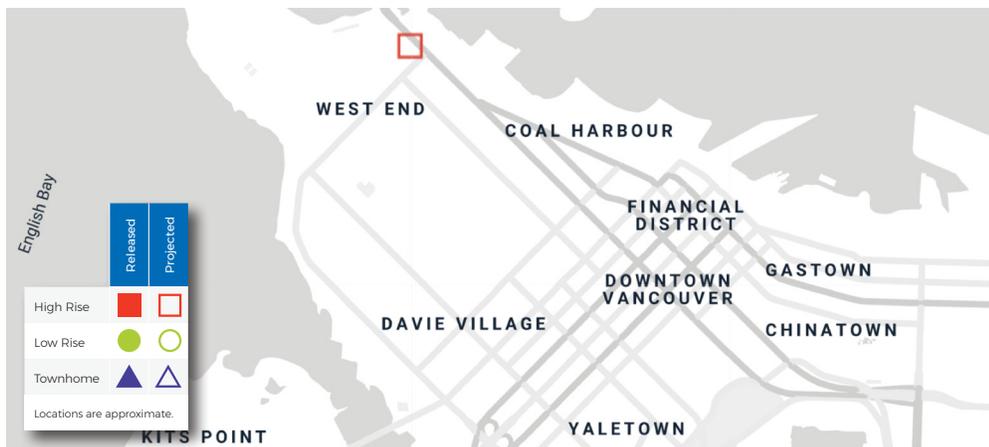
VANCOUVER DOWNTOWN

The Vancouver Downtown area is accredited with a 'Red Light' status given the decrease in sales volume following a moderate increase in sales the Second Quarter of 2019. Various sales teams have noted slow activity across the market due to the high price point the projects are looking to achieve. There is still interest in the market but urgency to purchase is very low thus the red light rating is expected to be short lived. The market saw no new project launches over the Third Quarter and absorptions were below one percent of all inventory available. Only two of the 11 active projects recorded a sale. Many developers who own properties in Downtown Vancouver are holding back on launching until conditions improve and demand increases. As a result there are no projects expected to come to market in the Fourth Quarter of 2019 in this area.



Market Highlights (Q3-2019)

- Total quarterly sales remained quite low again in this quarter dropping 77 percent from the Second Quarter of 2019
- After launching and selling 12 units in the Second Quarter, Davie and Nicola by Vivagrand sold zero units and moved sales to "by appointment" only
- Onni's 1335 Howe sold two units over the Third Quarter of 2019 to give the project a total of 71 sales. This project is selling at a blended per square foot average of \$2,029
- Concord Pacific's The Arc, completed construction over the quarter but accounted for zero sales in the Third Quarter
- The Pacific by Grosvenor was the only other project to record a sale in the Vancouver Downtown area. This project is selling at a blended per square foot average of \$2,171
- There were no reported price changes at any of the active projects despite minimal sales activity



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	11 ↔	3 ↓	396 ↓	\$1,500 - \$2,500
Low Rise	-	-	-	-
Townhome	-	-	-	-

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

MLS Resale Highlights (Q3-2019)

- Average sales values per square foot have decreased by \$77 when compared with the Third Quarter of 2018 for High Rise product
- Total number of listings have decreased by 70 from the Third Quarter of 2018 for High Rise product, while total number of resales decreased by 11 when compared to the Third Quarter of 2018
- The average per square foot values of one and two bedroom High Rise condominiums have decreased by \$63 and \$82, respectively, since the Third Quarter of 2018
- Total resales of Townhome product have decreased by eight sales when compared to the Third Quarter of 2018
- The sales range has decreased by \$72,000 on the lower-end and by \$166,100 on the top-end over the past four quarters for High Rise product
- Two bedroom Townhome sales value increased by \$209,929 when compared to two bedroom Townhome sales from the Third Quarter of 2018

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

	Active Listings			Sold Listings			
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	192	4.4	131	99%	\$1,178	72	\$598,000-\$1,271,900
Low Rise	-	-	-	-	-	-	-
Townhome	10	30	1	1%	\$1,067	113	\$1,510,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$681,324	\$1,158	\$1,180,708	\$1,182
Low Rise	-	-	-	-
	2 Bedroom		3 Bedroom	
Townhome	\$1,510,000	\$1,067	-	-

MARKET SUMMARY

VANCOUVER WEST

Vancouver West will sustain its 'Yellow Light' for the third consecutive quarter, predominately due to a lack of urgent demand with respect to current available pre-sale product. The High Rise sector saw an increase in sales numbers due to a Westbank project launch that comprised of approximately 57 percent of the overall sales in the quarter. However, many of the other actively selling projects and new launches reported little to no new sales activity even with significant price adjustments. Over the quarter, 10 percent of released inventory was absorbed, with Low Rise product expressing the highest absorption rate, selling 45 percent of available inventory. All of the Low Rise sales were move-in ready product. With recent sales, move-in ready inventory across all product type appears to be the most successful, however, this inventory only represents 23 of 912 available units in the area, as pre-sale product with completions in later years comprises of the rest.



Market Highlights (Q3-2019)

- Late in the Second Quarter of 2019, Aragon launched Amber Douglas Park, a completed Low Rise project on the Cambie Corridor, collectively selling 23 of 31 units to date, at a gross per square foot average of \$1,281
- InHaus Development launched Joie, a luxury Townhome project in Fairview, which began selling at an estimated average of \$1,683 per square foot, before reducing prices by \$120 per square foot in the same quarter;
- The project is currently attempting to achieve an overall per square foot average of \$1,563, and has reported that two of 17 units have sold
- Origin Properties launched their four storey concrete building, The Arbutus in late August 2019, attempting to achieve an overall average of \$1,603 per square foot, however, no sales have occurred
- Approximately 54 of the 94 sales in the Third Quarter of 2019 were from Westbank's Oakridge Tower 7 (Phase 2 Clémande), with pricing close to \$2,152 per square foot



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	31 ↑	71 ↑	733 ↑	\$1,050 - \$1,850
Low Rise	3 ↓	17 ↑	21 ↑	\$1,245 - \$1,550
Townhome	11 ↔	6 ↓	64 ↑	\$1,000 - \$1,600

MLS Resale Highlights (Q3-2019)

- Total listings are up by 139 from 241 to 380 when compared to the Third Quarter of 2018, while total resales are also up 78 comparing to the same quarter last year
- The average time a unit is on the market has increased substantially across all product types since the Third Quarter of 2018; 38, 14, and 65 days longer for High Rise, Low Rise and Townhomes, respectively
- Average price per square foot sales values have decreased across two product types since the Third Quarter of 2018; High Rise and Townhome product saw \$101 and \$132 decreases, respectively
- One bedroom High Rise product observed an increase in average sales value by \$27,021 while the price per square foot decreased by \$87 in the same time period
- Two and three bedroom Townhome product saw decreases in sales price per square foot by \$62 and \$187, respectively, when compared to the Third Quarter of 2018

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

	Active Listings			Sold Listings			
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	223	4.5	148	71%	\$1,136	81	\$582,500-\$1,400,900
Low Rise	61	6.5	28	13%	\$1,050	80	\$679,000-\$1,409,000
Townhome	96	8.7	33	16%	\$957	123	\$1,069,000-\$1,749,900

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$648,207	\$1,092	\$1,069,203	\$1,147
Low Rise	\$665,650	\$1,034	\$955,236	\$982
Townhome	2 Bedroom		3 Bedroom	
	\$1,317,119	\$948	\$1,593,928	\$945

MARKET SUMMARY

VANCOUVER EAST

The Vancouver East area maintained its 'Yellow Light' for the Third Quarter of 2019. When compared to the Second Quarter of 2019, overall quarterly sales increased by 11 percent but had two Townhome projects and several High Rise units temporarily pulled from the market. Vancouver East saw 17 percent of available inventory absorbed over the quarter. This was five percentage points higher than the previous quarter but the total inventory that was available during the quarter decreased by 40 percent due to several concrete units being put on hold while construction progressed. Two Townhome projects were reportedly delayed for up to one year due to concerns regarding construction financing sales targets. There were no new project launches over the quarter but there is one new concrete project anticipated to launch this winter in Vancouver East's River District neighbourhood as well as one new woodframe project near Grant and Nanaimo.



Market Highlights (Q3-2019)

- Aragon's move-in ready, Low Rise project, Shift, sold 26 units by the end of the quarter at an overall blended price of \$1,095 per square foot;
- Shift's sales this quarter accounted for 51 percent of Vancouver East's overall quarterly sales and 84 percent of this area's quarterly Low Rise sales
- Wesgroup's MODE in the River District sold 18 units over the quarter, accounting for 35 percent of overall quarterly sales in Vancouver East and all of this area's High Rise sales
- Kensington Views by Open Concept completed construction and is now selling its final four units as move-in ready. The project sold one unit over the quarter and the project's overall blended price is \$957 per square foot
- Synchro by Bold Properties sold its final, move-in ready penthouse unit at a reduced price, ultimately achieving an overall blended price of \$1,049 per square foot



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	8 ↔	18 ↓	128 ↓	\$900 - \$1,300
Low Rise	9 ↓	31 ↑	84 ↓	\$900 - \$1,200
Townhome	4 ↓	2 ↓	37 ↓	\$690 - \$850
Total	21	51	249	

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

MLS Resale Highlights (Q3-2019)

- Total resales decreased by 15 from the Third Quarter of 2018 while total listings increased by 34 in that same time span
- The sales range widened by \$48,600 on the lower end and by \$40,000 on the upper end for Townhome product when comparing to the Third Quarter of 2018
- Average per square foot sales values of High Rise product decreased by \$71 when being compared to the Third Quarter of 2018
- The average price per square foot for a one bedroom unit in a High and Low Rise, is down \$47 and \$53, respectively, compared to the Third Quarter of 2018
- The average price per square foot for a two bedroom unit is down \$88 in a High Rise and is down \$127 for Low Rise product over the past four quarters
- The average price per square foot of a two bedroom Townhome is down \$13 and three bedroom Townhomes have also decreased by \$11 when compared to the Third Quarter of 2018

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

	Active Listings				Sold Listings		
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	113	2.8	123	61%	\$950	48	\$482,000-\$972,900
Low Rise	57	3.6	47	23%	\$855	46	\$530,000-\$859,900
Townhome	40	3.9	31	15%	\$838	66	\$740,000-\$1,250,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$547,627	\$949	\$844,391	\$954
Low Rise	\$596,094	\$913	\$706,997	\$813
	2 Bedroom		3 Bedroom	
Townhome	\$999,068	\$910	\$1,030,036	\$785

MARKET SUMMARY

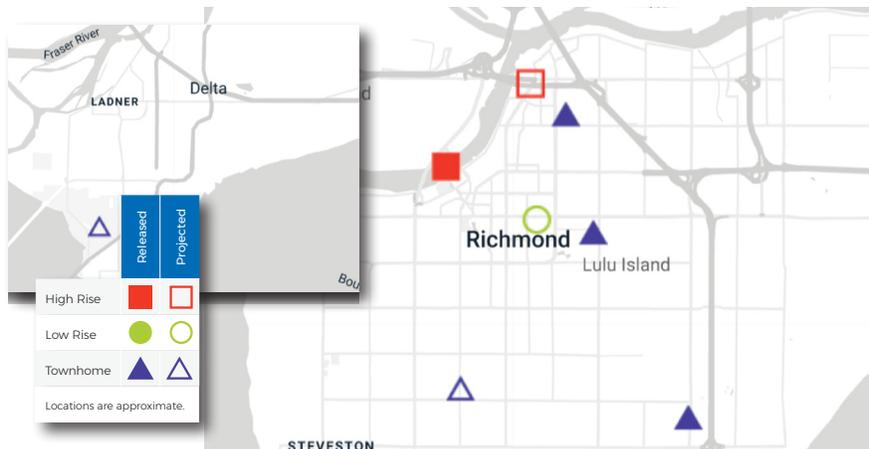
RICHMOND & SOUTH DELTA

The Richmond/South Delta market maintains a 'Yellow Light' rating over the Third Quarter of 2019. Available inventory increased by nine percent while overall quarterly sales performed three percent less than the Second Quarter. High Rise sales climbed 69 percent from the previous quarter, but 60 percent of these sales are solely contributed to one new released project resulting in a modest increase to the absorption rate at 14 percent. The lack of new supply illustrates a nine percent absorption rate of this area's total Low Rise sales this quarter. The Townhome sector saw 19 percent of its total available units absorbed this quarter, which may be affected by three new project launches and an increased Active Sales Price Range compared to the previous quarter. Overall, the Richmond/South Delta market absorbed 16 percent of the total released inventory this quarter, holding the same absorption rate as the Second Quarter of 2019.



Market Highlights (Q3-2019)

- Hollybridge is Aspac Development's High Rise project, the third phase of River Green. 70 units have been sold at an overall blended price of \$1,210 per square foot
- Low Rise projects in Richmond/South Delta continue to struggle with sales over the Third Quarter of 2019
- Pilothouse sold 10 units over the Third Quarter. This 87-unit Low Rise by Polygon mirrors a similar absorption rate to the previous quarter at 13 percent
- Anthem Properties launched Five Road, a 47 unit Townhome project, at the end of September 2019. The overall blended price for this project is \$706 per square foot and has recorded no sales thus far
- Camden Walk is Westmark Development's Townhome project, releasing 33 of 59 units. The overall price per square foot is \$689
- Treviso Development's Townhome project Hamilton Walk sold all 11 units within the quarter since launching in late June 2019, achieving an overall blended price of \$541 per square foot



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	17 ↔	116 ↑	715 ↑	\$800 - \$1200
Low Rise	5 ↓	13 ↓	127 ↓	\$650 - \$940
Townhome	15 ↑	47 ↓	232 ↑	\$500 - \$800
Total	37	176	1074	

**Note: The greater variation in active Sales Price Range is the result of the achievable sale value differential between comparable product in Richmond and South Delta.

MLS Resale Highlights (Q3-2019)

- The average price per square foot decreased for High Rise, Low Rise and Townhome product by \$59, \$76 and \$30, respectively, since the Third Quarter of 2018
- The upper end of the Sales Range for High Rise product decreased by \$68,000 while the lower end remained the same when compared to four quarters ago
- The average days on the market has increased substantially across all product types when comparing to this quarter of last year; High Rise up 45 days, Low Rise up 37 days, and Townhomes up 47 days
- Price per square foot sales values decreased for one bedroom High Rise and Low Rise product by \$40 and \$50 over the past four quarters
- The average per square foot sales value of two and three bedroom Townhome units increased by \$89 and decreased by \$83, respectively, since the Third Quarter of 2018

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

	Active Listings			Sold Listings			
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	235	5.2	135	52%	\$803	99	\$499,000-\$850,000
Low Rise	144	7.1	61	24%	\$676	73	\$443,000-\$748,000
Townhome	172	8.3	62	24%	587	102	\$645,000-\$968,800

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$526,274	\$839	\$717,338	\$784
Low Rise	\$444,654	\$746	\$630,207	\$657
Townhome	2 Bedroom		3 Bedroom	
	\$731,129	\$676	\$781,485	\$586

MARKET SUMMARY

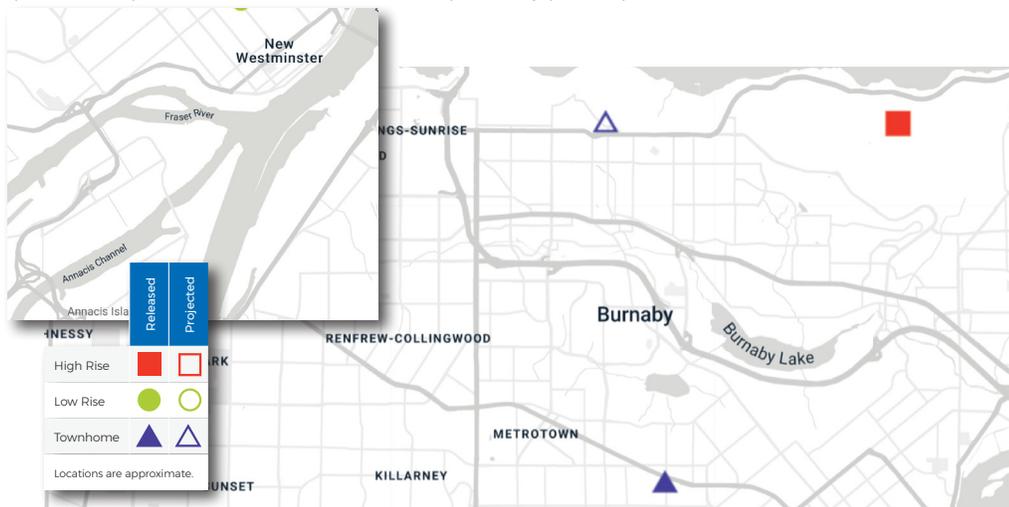
BURNABY & NEW WESTMINSTER

The Burnaby/New Westminster market has been upgraded to a "Green Light" for the Third Quarter due to increased absorption rates of concrete High Rise product. Concrete High Rise sales nearly doubled from the previous quarter, absorbing 18 percent of the available inventory. The highlighted increase in absorption rates is a result of higher incentive offerings and a new launch at Burnaby-SFU that comprised of 47 percent of all High Rise sales. Select High Rise projects experienced higher absorptions due to increased incentives provided by the developers, and a potential uptake in demand. Low Rise and Townhome product continue to comprise of a small proportion of the area, which reflect lower sales activity compared to the High Rise sector. Townhome absorptions are similar to the prior quarter, despite two new launches of competitively priced product in the area.



Market Highlights (Q3-2019)

- Liberty Homes launched university-oriented concrete high-rise project, Crescent Court in early July and has achieved 117 sales out of the 199 released units at a blended average of \$668 per square foot
- Akimbo, by Imani Development, sold an additional 50 units at their Brentwood High Rise tower, cumulatively selling 175 out of 350 released, accompanied by the same incentive from previous quarter with additional discount on the 1-2 bed units at blended net value of approximately \$1,020 per square foot
- Canada West Development launched sales of townhome project, Elina on Eighth in mid-September achieving 5 firm sales out of 22 released units at a net blended per square foot average of \$616
- Storia by Beedie, achieved an additional 11 sales with only 5 units remaining out of the 39 total units
- City of Lougheed Phase 1 (Tower 1) by Shape Properties has achieved 25 sales, cumulatively selling 441 out of the 566 total units



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	28 ↑	249 ↑	1,148 ↓	\$670 - \$1100*
Low Rise	7 ↓	20 ↓	145 ↓	\$790 - \$875
Townhome	7 ↑	14 ↑	112 ↑	\$550 - \$820

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

MLS Resale Highlights (Q3-2019)

- Total resales have increased by 57 percent when compared to the Third Quarter of 2018;
- Total listings have also increased by 35 percent since the same quarter last year since last year
- The sales range for Low Rise product has widened by \$68,000 on the lower end and \$144,524
- Average per square foot sales values have decreased across all product types: High Rise is down \$6, Low Rise is down \$7, and Townhomes have decreased by \$79 since the Third Quarter of 2018
- The price of the average one bedroom and two bedroom High Rise has gone down by \$7,656 and \$41,089 respectively, since the same quarter of last year
- The average price per square foot of two and three bedroom townhomes has decreased by \$67 and \$86, respectively, over the past year
- The average sales price of one and two bedroom Low Rise product has decreased by \$34,850 and \$3,508

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

	Active Listings			Sold Listings			
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	258	3.2	243	62%	\$851	69	\$455,500-\$827,982
Low Rise	108	3.1	105	27%	\$714	71	\$407,000-\$809,524
Townhome	63	4.3	44	11%	\$628	55	\$589,000-\$944,500

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$522,286	\$871	\$732,271	\$825
Low Rise	\$452,718	\$723	\$619,435	\$712
	2 Bedroom		3 Bedroom	
Townhome	\$701,109	\$679	\$821,522	\$574

MARKET SUMMARY

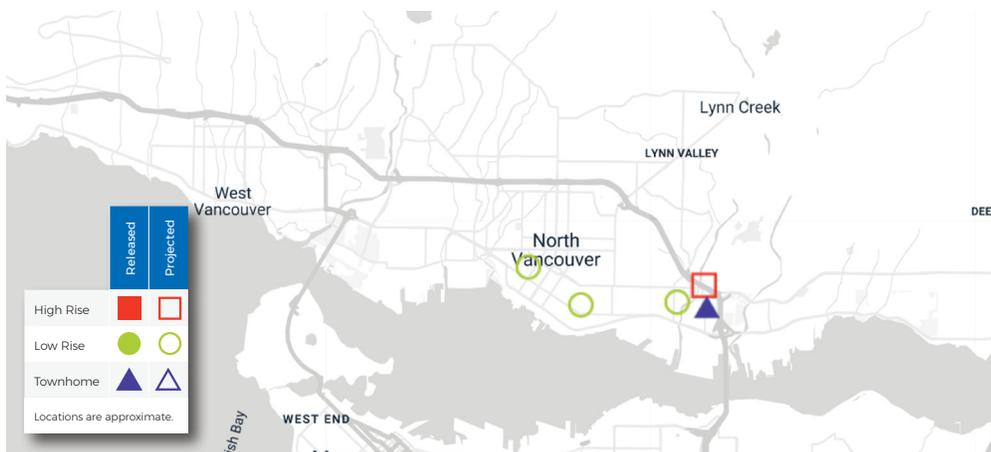
NORTH SHORE

The North Shore receives a 'Yellow Light', despite a 26 percent sales increase when comparing the prior quarter. Although sales increased and one project sold out over the quarter, there are still mixed signals surrounding new project launches and high levels of unsold inventory. The area saw one new project launch in the Townhome sector; however, it was unable to report any sales. Despite no launches in the High Rise sector, sales of this product type in the Third Quarter of 2019 increased by 61 percent due to lowered pricing. Sales of all product over the Third Quarter of 2019 managed to absorb 12 percent of the available inventory in the market. The Low Rise sector currently has the lowest levels of inventory available with just 30 units available, compared to the High Rise and Townhome sector with 341 and 227 units available, respectively.



Market Highlights (Q3-2019)

- Boffo Properties Townhome project Edgemont Walk sold its last 12 units over a period of 3.5 weeks after lowering prices by approximately 15 percent;
- These 12 sales represent half of the total units in the project, with the overall project achieving a blended per square foot average of \$777
- Keltic Canada Development's Park West at Lions Gate recorded 20 new sales in the Third Quarter of 2019
- Seymour Village, by Aquilini Group, ran a significant incentive program and sold 5 units in the Third Quarter leaving 8 units remaining
- Areva Living's new Townhome development, 1515 Rupert, launched in July 2019 and registered no sales before putting sales on hold
- Anthem Properties Low Rise project Marine + Fell recorded 10 sales over the Third Quarter, leaving 1 unit left in the development;
- The developer is anticipated to launch completed product in the Fourth Quarter of 2019 that comprises of a 57 unit concrete building and a 36 unit Townhome project



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	12 ↔	36 ↑	341 ↓	\$900 - \$2,200*
Low Rise	4 ↔	13 ↑	30 ↓	\$830 - \$925
Townhome	13 ↔	32 ↓	227 ↓	\$750 - \$920

*Note that the large sales range is due to the price differences observed in West and North Vancouver.

MLS Resale Highlights (Q3-2019)

- Total listings compared to the Third Quarter of 2018 are up 19 percent from 161 to 191 when compared to the Third Quarter of 2018
- All product types saw significant increases in the average days on the market for a resale unit over the past four quarters with High Rise product raising the most by 60 days
- Over the past four quarters, the average one and two bedroom Low Rise sales price has decreased by \$6,800 and \$62,701, respectively
- The average per square foot price has decreased across all product types when compared to the Third Quarter of 2018; High Rise by \$134, Low Rise by \$33, and Townhomes by \$83
- One bedroom Low Rise product was the only specific unit type that increased in per square foot sales values when compared to the Third Quarter of 2018;
- These units observed a \$1 increase in per square foot sales values

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

	Active Listings				Sold Listings		
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	89	4.7	57	41%	\$1,002	93	\$546,000-\$1,287,000
Low Rise	63	3.3	58	42%	\$821	66	\$504,667-\$805,000
Townhome	39	4.9	24	17%	\$710	79	\$910,500-\$1,670,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$603,395	\$1,004	\$1,015,063	\$991
Low Rise	\$537,088	\$830	\$740,577	\$820
	2 Bedroom		3 Bedroom	
Townhome	\$915,575	\$764	\$1,186,489	\$685

MARKET SUMMARY

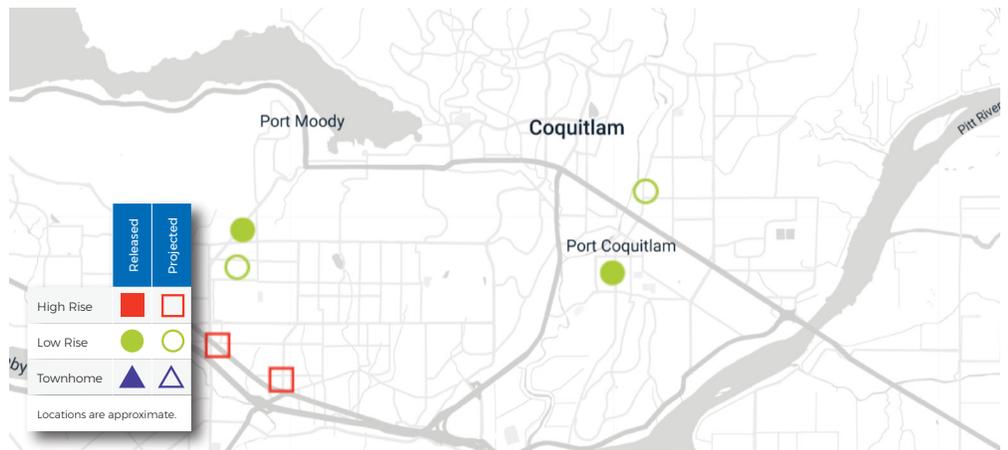
TRI-CITIES

The Tri-Cities market has retained its 'Green Light' status for the Third Quarter of 2019 primarily due to an increase in Townhome sales while seeing no new product launches for that unit type. Townhome sales led in sales volume for all three product types over the Third Quarter. Sales activity was reported to be slow over the summer months but picked up in September for most projects. High Rise and Low Rise product absorbed 12 and 14 percent of all units, respectively, while Townhomes saw 29 percent of its units absorbed throughout the Third Quarter. Overall sales in the entire Tri-Cities market saw a 40 percent decrease primarily due to slower activity in the Low Rise sector despite there being an increase in unsold inventory. 67 percent of High Rise projects did not register a sale over the Third Quarter of 2019.



Market Highlights (Q3-2019)

- Polygon Homes sold 25 units at their High Rise project Sophora at the park. The project has now sold 158 units in the tower
- Onni Group's High Rise project, The Grande 2, sold 13 units over the Third Quarter at a blended per square foot average of \$955
- 50 Electronic Avenue, a Port Moody Low Rise project by Panatch Group, led the Low Rise sector and sold 11 units in the Third Quarter bringing the project total to 114 sales
- Kentwell, by Polygon Homes, sold 12 Townhomes in the Third Quarter and accounted for 21 percent of Townhome sales in the area
- Boffo Properties Port Coquitlam Townhome project Haven sold its final six units over the Third Quarter. Project finished its sales campaign selling at a blended per square foot average of \$520



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	9 ↔	46 ↓	325 ↓	\$850 - \$955
Low Rise	13 ↑	56 ↓	345 ↑	\$550 - \$760
Townhome	13 ↔	56 ↑	161 ↓	\$480 - \$700

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

MLS Resale Highlights (Q3-2019)

- Total listings have decreased by 16 percent in the Third Quarter of 2019 when compared to active listings in the quarter last year
- Total resales have increased from 269 to 305 sales observed in the same period last year
- The average days on the market for Low Rise projects and Townhomes have more than doubled when compared to the Third Quarter of 2019; Low Rise increased from 33 days to 72 days and Townhomes have increased from 32 days to 72 days
- Bottom end pricing in the sales range for Low Rise projects has decreased by \$47,000 while top end pricing of the same product remained constant compared to the same period last year
- One bedroom units in all product types saw an average decrease of \$36 PSF compared to the Third Quarter of 2018
- Two bedroom Townhome units decreased from \$563 to \$509 per square foot in contrast to the same quarter of the previous year

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

	Active Listings			Sold Listings			
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	110	2.9	114	37%	\$744	50	\$460,000-\$777,000
Low Rise	73	2.3	95	31%	\$628	72	\$372,000-\$665,000
Townhome	72	2.3	96	32%	\$496	72	\$632,000-\$948,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$451,394	\$767	\$665,641	\$732
Low Rise	\$422,470	\$659	\$543,561	\$613
	2 Bedroom		3 Bedroom	
Townhome	\$619,083	\$509	\$763,391	\$507

MARKET SUMMARY

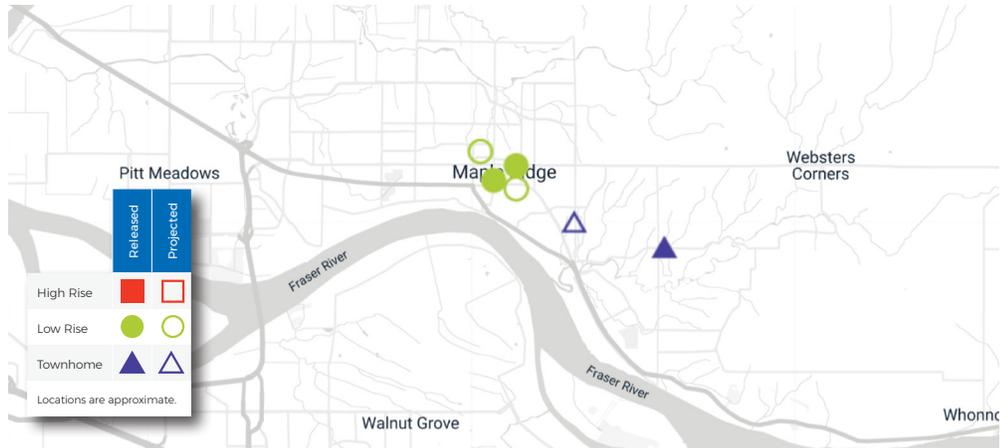
RIDGE MEADOWS

The Ridge-Meadows market maintains its 'Green Light' as a result of increased supply and sales activity in the Low Rise and Townhome sectors. Total sales of all product types increased in the Third Quarter of 2019 by 104 percent (27 more sales) from the previous quarter. Ridge-Meadows saw 21 percent of all available inventory absorbed over the quarter. This was only one percentage point higher than the previous quarter but the total inventory that was available during the third quarter of 2019 increased by 101 percent (129 more units). The increase in both sales and available inventory was due to three new project launches over the quarter. There are three new projects anticipated to launch this winter in Maple Ridge, including one Townhome project, one Low Rise project, and one multi-phased project with High Rise, Low Rise, and Townhome units.



Market Highlights (Q3-2019)

- Creekside Maple Heights, StreetSide Developments' 130 unit Townhome project launched over the quarter at an overall blended price of \$366 per square foot and sold five of the 25 units in the initial release
- Falcon Homes launched Brickwater III, the third of four phases, near the end of the quarter and sold one of the 39 released units at a blended value of \$554 per square foot
- Sierra Ridge, Atterra Development's 82-unit Townhome project launched at a blended price of \$596 per square foot and sold four of the 25 units in the initial release
- Three projects are anticipated to launch over the remainder of 2019: Highpointe is Concordia Home's 151-unit Low Rise project; Era is SwissReal Group's multi-phased, mixed-use development with a total of 657 units. Phase One (143 units) will include both Low Rise and Townhome units;
- Polygon is nearing completion of the display homes for its 232-unit Townhome project, Provenance



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	-	-	-	-
Low Rise	5 ↑	5 ↑	109 ↑	\$460 - \$590
Townhome	8 ↑	48 ↑	95 ↑	\$360 - \$490

MLS Resale Highlights (Q3-2019)

- Total listings are down 13 percent while resales have increased by 26 percent compared to the Third Quarter of 2018
- Months of supply has increased for Low Rise product by 0.5 months and decreased by 0.6 months for Townhomes when comparing to the Third Quarter of 2018
- The bottom and top end of the sales range for Low Rise product decreased by \$55,000 and \$29,500, respectively since the same quarter last year
- Two bedroom Townhome units were the only specific unit type to see an increase in sales value per square foot which increased by \$15 when compared to the Third Quarter of 2018;
- Although, this unit type saw a decrease in average sales value by \$9,397 when comparing to the same time period
- One bedroom Townhome units saw a decrease in average price per square foot on sold units by \$38 compared to four quarters ago

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

	Active Listings			Sold Listings			
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	-	-	-	-	-	-	-
Low Rise	66	4.6	43	41%	\$468	62	\$280,000-\$494,500
Townhome	54	2.6	63	59%	\$362	87	\$509,980-\$620,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	-	-	-	-
Low Rise	\$321,459	\$474	\$429,815	\$464
Townhome	2 Bedroom		3 Bedroom	
	\$507,500	\$408	\$547,618	\$362

MARKET SUMMARY

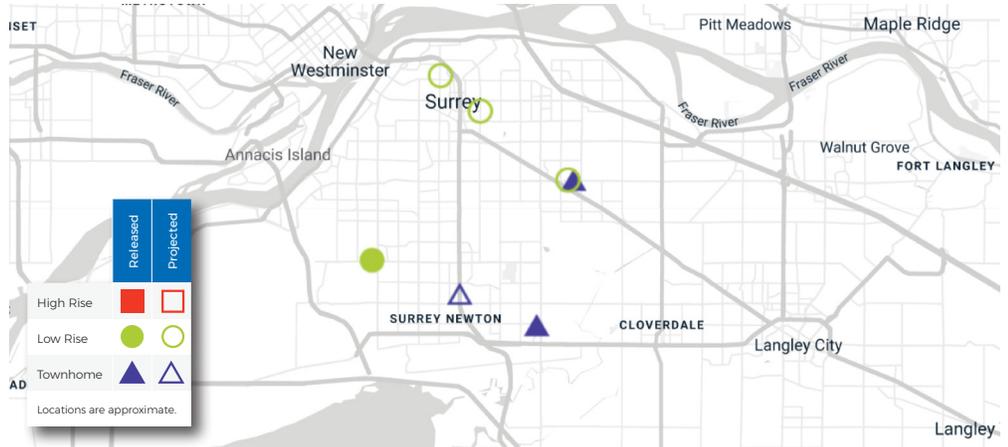
SURREY CENTRAL & NORTH DELTA

The Surrey Central/North Delta market holds its 'Green Light' status. The active sales range for High Rise, Low Rise, and Townhome products remains constant when compared to the Second Quarter. An absence of new High Rise product launches in this area attribute to a five percent absorption rate, absorbing 15 percent less of the total available units in contrast to the previous quarter. However, the market for Low Rise and Townhome projects experienced significant increases to their absorption rates. Low Rise and Townhome projects performed 11 percent and 17 percent higher than the past quarter, respectively. With six new projects launches and 14 percent higher sales recorded for the Third Quarter, the market in Surrey Central/North Delta improved their overall absorption rate by five percent from the Second Quarter of 2019, absorbing 31 percent of the total available units.



Market Highlights (Q3-2019)

- High Rise sales continue to decrease for the third consecutive quarter which could be influenced by the lack of new inventory released
- Realco Properties' Low Rise project, Scott & Nicholson, sold the remaining 30 units in the Nicholson building by the end of the quarter;
- Scott & Nicholson released its second building, Scott, reaching 65 sales of the available 98 units. The overall blended price for this project is \$611 per square foot
- Low Rise project Fleetwood Village by Dawson + Sawyer began sales in mid-September 2019. The project launched with a blended price of \$594 and sold 105 of 199 released units
- The Townhome component of Fleetwood Village has sold 30 of 32 released units and is blending at an overall price per square foot of \$448
- Polygon's Townsend Townhomes launched with an overall blended price per square foot of \$408 and has sold 17 of 26 released units



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	9 ↔	52 ↓	930 ↓	\$780 - \$900
Low Rise	10 ↑	323 ↑	345 ↑	\$525 - \$650
Townhome	15 ↑	171 ↑	193 ↓	\$340 - \$450

MLS Resale Highlights (Q3-2019)

- The per square foot value has gone down across all product types when compared to the Third Quarter of 2018; High Rise is down \$42, Low Rise is down \$25, and Townhomes are down \$17
- Months of supply decreased for Townhome product decreasing by 0.8 months when compared to the Third Quarter of 2018
- Every product type has seen an increase in average days spent on the market: High Rise units have been 32 days longer, Low Rise units are averaging 36 days longer on the market, and Townhomes just four days
- Three bedroom Townhomes were the only unit type to see an increase in average sales price which saw a \$3,117 increase when compared to four quarters ago
- One bedroom Low Rise units decreased by an average of \$24 per square foot and two bedroom Low Rise units decreased by an average of \$12 over the year

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

	Active Listings			Sold Listings			
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	117	4.0	88	28%	\$660	62	\$312,000-\$490,000
Low Rise	99	3.0	100	32%	\$530	69	\$305,000-\$455,000
Townhome	130	3.1	127	40%	\$400	49	\$559,900-\$745,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$347,771	\$684	\$494,636	\$616
Low Rise	\$337,644	\$537	\$434,636	\$517
	2 Bedroom		3 Bedroom	
Townhome	\$502,158	\$438	\$628,682	\$406

MARKET SUMMARY

SOUTH SURREY & WHITE ROCK

The South Surrey/White Rock area will retain its 'Yellow Light' status for the Third Quarter of 2019. Although sales increased in two of the three product categories, overall sales decreased by 21 percent when compared to the Second Quarter of 2019. The absorption rate remained low for another quarter at just 10 percent, one percentage point lower than one quarter ago. The High Rise sector saw the largest sales increase, seeing a 33 percent increase in sales over the past quarter. For the first time since the First Quarter of 2018, every townhome project recorded a sale despite the lowest sales volume for Townhome product since 2012. With only one project launch throughout the entire South Surrey/White Rock area, sales activity and traffic remains very slow. For the sixth consecutive quarter, there were no Low Rise or High Rise projects that have sold out.



Market Highlights (Q3-2019)

- RDG Management's High Rise project, Soleil, recorded 12 sales for the second consecutive quarter. These sales accounted for 60 percent of all High Rise sales in South Surrey/White Rock
- Semiah, Marcon's High Rise project sold five units for its highest sales volume in a quarter since the Second Quarter of 2018
- Mortise Construction's, Isola, recorded six sales and led the Townhome sector in sales. This project is selling at a blended per square foot average of \$448
- Streetside Development's, Orchard Park, sold an additional three units this quarter at a blended per square foot average of \$442
- Zirkon, by Hayer Properties, sold its final unit over the Third Quarter and was the only project in the South Surrey/White Rock area to sell out over the quarter
- Red Construction's Townhome project South Village was the only product launch over the quarter and sold a reported three units out of 12 released homes



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	7 ↔	20 ↑	268 ↓	\$900 - \$1,100
Low Rise	2 ↔	1 ↑	11 ↓	\$600 - \$730
Townhome	10 ↔	25 ↓	163 ↑	\$375 - \$480

MLS Resale Highlights (Q3-2019)

- In comparison to the same quarter last year, the total number of listings has increased by 29 while resales have increased by two
- Low Rise condominiums saw a 11 percent increase to the top end sales range when compared to the same period last year
- High Rise condominiums are the only product type to be on the market for less days, averaging 43 days less over the past four quarters
- The months of supply for High Rise and Townhome products increased by 2.8 months and 1.4 months, respectively
- The most significant change in average price per square foot are two bedroom High Rise condominiums, which saw a \$89 increase from \$678 to \$767 when compared to the Third Quarter of 2018
- Both Townhome unit types saw a five to six percent decrease in average per square foot values; two bedroom units decreased by \$27 and three bedroom units decreased \$19

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

	Active Listings			Sold Listings			
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	30	6.9	13	8%	\$848	39	\$750,000-\$1,525,000
Low Rise	74	4.0	56	36%	\$553	89	\$387,000-\$664,500
Townhome	123	4.2	88	56%	\$406	72	\$555,000-\$866,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$352,500	\$516	\$963,350	\$767
Low Rise	\$388,313	\$552	\$537,354	\$557
	2 Bedroom		3 Bedroom	
Townhome	\$600,255	\$443	\$653,279	\$420

MARKET SUMMARY

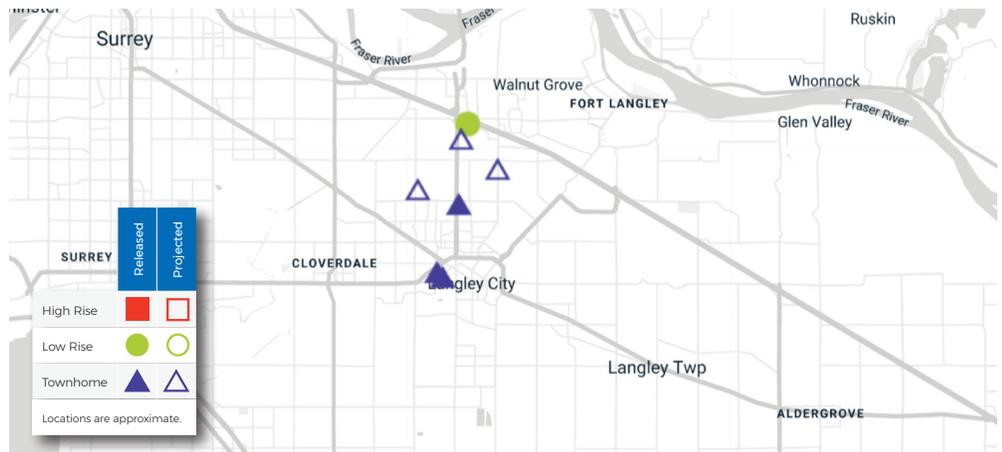
CLOVERDALE & LANGLEY

The Langley/Cloverdale market has switched to a 'Green Light' rating as total sales volume increased by 36 percent over the Third Quarter of 2019. There were six new launches over the quarter which, in turn, only increased the inventory by eight percent due to an absorption rate of 20 percent for the Low Rise sector, and 32 percent for Townhomes. The newly launched Low Rise products are showing strong demand from the buyers as they composed of 34% of sales in the Low Rise sector. Most of these projects also launched at the end of the quarter. The anticipated improvement in transportation may also contribute to the improving market conditions attracting more end-users and investors. Despite the improving market conditions, there is still a presence of uncertainty as it was seen that a Low Rise project has recently converted to rental.



Market Highlights (Q3-2019)

- Infinity Properties launched a Townhome project in mid-September, Wilder Crossing at a blended per square foot average of \$426 and achieved seven sales out of the 10 released
- Harvest at Bose Farm, a Low Rise development by Platinum Group has sold its final two units and is now sold out, achieving overall blended per square foot average of \$379
- Aristotle, a Low Rise project by ML Emporio Projects launched in late September, achieving 23 sales at a blended per square foot average of \$590
- Alexander Square, by RDG Management, achieved 10 additional sales with a change in realtor incentives & bonuses promoting sales of its remaining units
- Latimer Heights Townhomes-Rowhomes, by Vesta Properties, released additional 33 units and achieved 40 sales with an estimated net blended per square foot average of \$371
- The Henley, by Redekop Kroeker, has noted that the project will be switching over to a rental building due to changing market conditions



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	-	-	-	-
Low Rise	15 ↑	107 ↑	423 ↑	\$520 - \$590
Townhome	22 ↑	119 ↑	256 ↑	\$370 - \$470

MLS Resale Highlights (Q3-2019)

- Average price per square foot values are down for Low Rise condominiums and Townhomes by \$13 and \$16, respectively, when compared to this quarter last year
- The lower and upper end of the sales range for Low Rise condominiums have decreased by \$5,810 and \$14,000, respectively, since the Third Quarter of 2018
- Both product types saw increases in the average days on market with Low Rise product being on the market for 16 days longer and Townhomes being on the market an average of 9 days longer than in the same quarter last year
- Every specific unit type saw a decrease in average sales price with two bedroom Condominiums seeing the smallest decrease by only decreasing \$1,060;
- While the largest unit type decrease in sales price when compared to the Third Quarter of 2018 was seen by three bedroom Townhomes which decreased by \$40,910

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

	Active Listings			Sold Listings			
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	-	-	-	-	-	-	-
Low Rise	156	3.2	148	49%	\$510	51	\$334,190-\$536,000
Townhome	157	3.1	153	51%	\$400	49	\$515,000-\$670,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	-	-	-	-
Low Rise	\$340,183	\$547	\$466,269	\$494
	2 Bedroom		3 Bedroom	
Townhome	\$535,559	\$418	\$591,698	\$403

MARKET SUMMARY

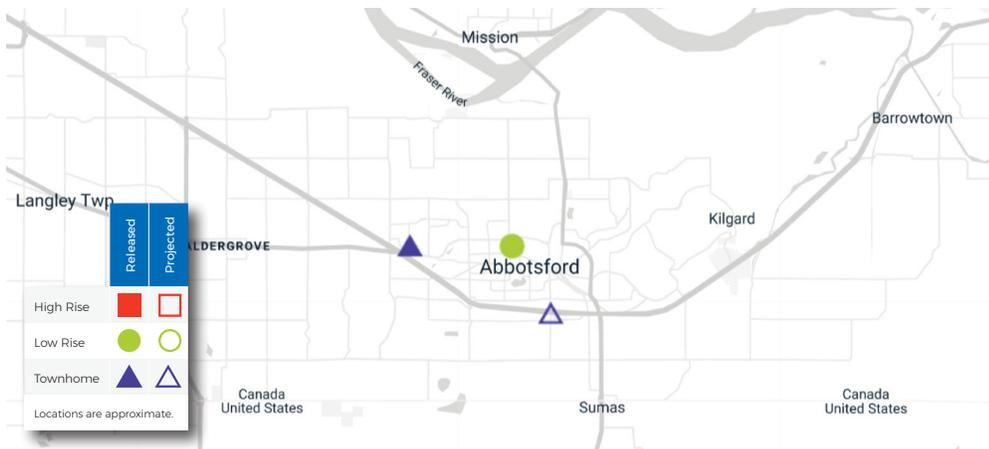
ABBOTSFORD

Despite a 40 percent decrease in total sales since the Second Quarter of 2019, Abbotsford will retain its 'Green Light' rating due to continued demand in the Low Rise and Townhome sectors. Absorptions in the Townhome sector were 29 percent, one percentage point lower than the previous quarter. Note, however, that there was one new project launch in that product category near the end of the quarter and that both Townhome sales and available inventory increased by 15 percent and 20 percent, respectively. The Low Rise sector saw 12 percent of units absorbed over the quarter, which was nine percentage points lower than the previous quarter. One Townhome project sold its final unit and one Low Rise project sold 30 units, accounting for 29 percent of Abbotsford's total sales for the quarter. There are two new projects anticipated to launch this Winter in Abbotsford, Court East and Cinema District.



Market Highlights (Q3-2019)

- Mosaic Homes launched their 77 unit Townhome project, Gardner, at a blended per square foot average of \$389 and sold 15 of the 33 initially released units
- Polygon Homes' Low Rise project Elmstone at Westerleigh sold 30 units over the quarter, which accounted for 50 percent of Abbotsford's Low Rise sales and 29 percent of Abbotsford total quarterly sales
- Parallel, by Diverse Properties sold its final, move-in ready unit at a reduced price, ultimately achieving an overall blended price of \$351 per square foot
- The following two projects are anticipated to launch over the remainder of 2019: Court East, the East building of Heinrichs Developments' Low Rise project, Court, will have another 78 units (previously launched Court West sold 12 units over the quarter). Cinema District by Diverse Properties will be a townhome project with first occupancy anticipated for February 2020



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	1 ↔	0 ↔	14 ↔	\$469
Low Rise	8 ↔	60 ↓	445 ↓	\$450 - \$570
Townhome	7 ↑	45 ↑	108 ↑	\$300 - \$390

MLS Resale Highlights (Q3-2019)

- Total listings decreased by 8 to 116 from 124 in the Third Quarter of 2019 compared to the same quarter in 2018
- Total resales are up 31 percent to 84 from 64 when compared to the Third Quarter of 2018
- Price per square foot sales values for Low Rise condominiums and Townhomes are down \$20 and \$30, respectively, from the Third Quarter of last year
- The lower end of the sales range has increased by \$5,000 over the past four quarters and the upper end of the sales range has decreased by \$10,100 for Low Rise product
- The average Low Rise price per square foot has decreased \$9 for one bedroom and two bedroom condominiums when compared to the Third Quarter of 2018
- There were no comparable resales for High Rise product in the Third Quarter of 2018
- The average two and three bedroom Townhome sold for \$67,714 and \$6,955 less than in the Third Quarter of 2018

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

	Active Listings				Sold Listings		
	Active Listings	Monthly Supply	#	%	PSF	DOM	Active Sales Range (75% of sales)
High Rise	7	10.5	2	2%	\$593	132	\$338,000-\$775,000
Low Rise	55	3.1	53	63%	\$429	35	\$285,000-\$419,900
Townhome	54	5.6	29	35%	\$339	71	\$434,000-\$568,500

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$338,000	\$545	\$775,000	\$641
Low Rise	\$292,022	\$445	\$390,112	\$416
	2 Bedroom		3 Bedroom	
Townhome	\$433,686	\$333	\$511,568	\$352

LOOKING BACK & AHEAD

On the relative strength of the suburban markets, the summer market generated approximately 1,826 sales bring the ¾ year figure to 5,300. This is arguably the lowest number of new multifamily sales at this point in nearly a decade. The story this time around is quite different, as demand remains constant, but in certain markets, buyers are not acting with urgency and supply is purposefully constrained. There are signs of stabilization in the re-sale market as well for the Fourth Quarter and 2020.

Looking Back

As we entered the summer hopeful for market improvement, the days passed and sales steadily did improve compared to earlier in the year. We expected the re-sale market to start to show improvement with respect to year over year statistics in August and September. This view is certainly supported by re-sale data the past four months.

At that time, we held the view that sales volumes and prices to a degree have stabilized.

Given new sales slowed four to six months after the re-sales dive, we did not expect to report meaningful year-over-year performance improvement in the new multifamily market from a pure stats perspective until the First Quarter of 2020. This is transpiring.

Back in that day, our expectation of forthcoming stability led us to project a Third Quarter result of 2,000 to 2,200 units sold and a Fourth Quarter result of 2,500+ units. Our Third Quarter projection fell short by nearly 10%.

We did hold the view that breaching the 10,000 units sold mark in 2019 was improbable. Even though a 3,000+ units sold mark in the Fourth Quarter certainly would confirm similar stability in the new multifamily market as is currently being experienced in the re-sale single family and multifamily markets, it would not result in 10,000+ sales for the year.

Finally, we noted that in the early days of this report close attention was paid to standing inventory. We projected a moderate increase in standing inventory levels in the Third Quarter of 2019 and this occurred. There are currently 579 completed units for sale which is up from the 116 recorded at the end of the same quarter last year. We held the view then that inventory levels are expected to increase but not in an overly concerning manner. We hold that view still.

Looking Ahead

What's going on? Well we expect the pattern of "geographical reversed" or "outside to inside" pattern market improvement this time around compared to 2008 to continue through year end and throughout 2020. No surprise there as the combination of a growing population, improved livability and affordability and product priced between \$300,000 and \$600,000; supports this perspective.

We expect the re-sale market to sustain the improvement trend with respect to year-over-year statistics through to year end and to show growth month over month for the remainder of 2019.

We maintain the view that prices have stabilized and volume levels will improve. Based on this we continue to project a Fourth Quarter result of 2,500+ units. We do foresee a probable 11,000 to 13,000 sales year in 2020. Perhaps we are too conservative. If developers opt to take sales ready projects to market in November and early December rather than launching in the First Quarter of 2020, we could very well see a sales result of 3,000 sales in the Fourth Quarter of 2019.

This time of year we start our formal business planning for 2020 and prepare to celebrate our 40th year in business in February. The questions we are asking to inform our market outlook and business plan include:

Why hasn't the new government purchase assistance program had a greater effect on sales absorptions this fall?

We recently had a guest speaker from CMHC at one of our Sell More Sessions (in-house custom, culture-specific high performance sales coaching events). We were surprised to learn there hasn't been more enrolment in the program. Is this just early days? Did people defer awaiting the outcome of the federal election and/or is the consumer simply confused and thus not taking action? Regardless, we are seeing more and more first time home buyers at our Presentation Centres.

Will we see further reductions and/or the adjustments to the "stress test"?

Positive movement, although somewhat minimal, was communicated in July. Is this the first in the series of adjustments?

Given the outcome of the federal election can we expect less negative government interference in the in the housing market and thus relative political stability?

It seems funny to imply that a minority government could actually be more stable policy-wise than a clear mandate for one or the other parties. My polling of our clients shows we hold this same counter intuitive view. Do you?

What is the most significant positive political action that could occur in the next 90 days federally, provincially and/or at the municipal level?

Will Surrey or some other municipality pave the way for faster expansion of housing options along Fraser Highway and/or in supply derived Guildford? Will anti-development districts change their tune?

Is Burnaby the new bellwether of the Metro Vancouver market?

Given the significant costs of developing in the City of Vancouver and the escalated costs coming with respect to the forthcoming "step code" measure in 2020, it is probable that only luxury offerings or rental will be developed in most neighbourhoods in Vancouver proper. If this does occur, will the benchmark for the true "for sale" market likely switch to nearby Burnaby? It is of interest to note that Burnaby was the only central area market to receive a "Green Light Rating" in this report. Hmm.

Stay tuned.

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

SN650 Listen to Scott each Friday at 6:45 a.m. on Sportsnet's the Starting Line Up.

RESEARCH METHODOLOGY

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 occurred”.

Why UA?

Urban Analytics has been tracking the new multifamily 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, Calgary and Edmonton'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 multifamily home market. UA also tracks data on the newer purpose-built rental data so let us know you are interested in learning more.

Need help with planning and/or positioning your next project? 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.



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