

THE FIFTH DIMENSION

Fourth Quarter 2017

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

February 2017

DATA PROVIDED BY:



WELCOME TO THE FIFTH DIMENSION

The start of a new year is a great time to look back on the year that was and look forward to the year ahead. In this final 2017 installment of Fifth Avenue Real Estate Marketing Limited's The Fifth Dimension we do just that with respect to the new multifamily market in Metro Vancouver. Fifth Avenue is a full service, residential real estate sales and project marketing organization with over 38 years of experience. While we concentrate on the suburban markets including the rapidly accelerating markets in the Fraser Valley, our work requires us to diligently maintain intelligence on the overall market. It is our pleasure to share this intelligence in this complimentary edition.

To ensure the supporting data for this Fourth Quarter 2017 edition 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.

Looking back on 2017 from a corporate perspective, together our team navigated a dynamic market to establish a single year unit sales record for Fifth Avenue. Thank you to our developer partners, preferred realtors, strategic suppliers, our supporters at Peerage Realty Partners and of course, our staff. You made our 2017 the best year in our 38-year history.

Once again as I have done each year since I was about 18 years old, I have taken time to reflect on the year that was and contemplate the year to come. I welcome the fresh start that each year represents. While I am not one to make resolutions, I do tend to establish my direction or approach for the coming year.

My wife and I and a number of us at Fifth Avenue's Home Office have chosen "Looking Forward" as our theme for 2018. This statement is multi-faceted in meaning. It reflects a positive attitude or mindset with respect to how we approach our pursuits. It also holds a promise of innovation and implies a sense of developing and growing individually and collectively. Like most years there will be opportunities and challenges. The "looking forward" mindset challenges us to see any circumstance we face as an opportunity for growth. I am energized to grow as a leader this year and see others grow around me. I am also keen to learn about what others are looking forward to and how we can help.

As for our industry, there was much to be grateful for in 2017 too. For starters, nearly 17,000 new multifamily homes were sold and a remarkable 42 percent occurred south of the Fraser River. It is worth noting that for the past three years the overall market has surpassed the 16,000 homes sold mark. We are looking forward to that trend continuing in 2018.

Speaking of 2018, it seems to me that the past 10 years, the time since the 2008 recession, have flown by. This reflection on the past led me to recall at a much earlier point in my career a mild fascination with

cycles/cyclicality. You may recall that business or economic cycles are fluctuations in economic activity featuring upward spurts followed by pauses and relapses. They are based around four key economic principles: depression, recovery, boom and recession. According to my refresh on the subject, business and economic cycles typically last over a decade and they influence property cycles in different sectors. Property cycles are a logical sequence of recurrent events reflected in factors such as fluctuating prices, vacancies, rentals and demand in the property market. Measured by peaks and troughs in performance, property cycles are said to have durations ranging from four to 12 years, with an average of eight years, although there are some authorities who refer to 18-year property cycles. Where I am going with all of this you ask? As we enter 2018, I am pondering where our market is at and looking forward to where we are headed.

As the year progresses I expect to hear more and more talk of cycles and projections of correction. We are already seeing this with respect to the stock markets. While I cannot deny the existence of these patterns and cannot deny the possibility of a correction beyond 2018, I do sense there is more to the story than predictive cycles. Is it possible that we are experiencing a "phenomenon" more than a cycle? I think it may very well be.

For starters, we are really just starting to head into the most significant aging on the planet and probably the largest generational transfer of wealth ever. At the same time, our global population is rapidly expanding. Perhaps the convergence of psychographic, demographic, economic and socio-political factors is the underlying root to the sustained strength of the Metro Vancouver market and the key to sustained demand into the future. Perhaps that is in part why we have a great deal to look forward to in 2018.

What do you think? What do you see as you look forward to 2018? I'd love to hear you share.

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.

Regards,



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OVERALL MARKET SUMMARY

Our data collection and analysis partner Urban Analytics (UA) shares its commentary on the recent quarter that concluded 2017 and share views and perspectives with respect to expected market performance in the upcoming First Quarter of 2018 in Metro Vancouver's multifamily residential real estate market.

Q4 - New Home Market

An overall total of 4,276 new multifamily home sales were reported in the Fourth Quarter. Predominant purchasers in the market this quarter were both end users taking advantage of pre 'stress-test' interest rates and investor buyers seeking pre-sale condominium product. This figure was up four percent from last quarter and was similar to the same quarter last year. There were only 1,476 released and unsold new multifamily units in Metro Vancouver available at the end of the Fourth Quarter. This figure is a decrease of 19 percent compared to same quarter last year and down 26 percent compared to the year before. There were only 80 completed and unsold new multifamily homes available to purchase at the end of the Fourth Quarter and continues to remain near all-time lows.

The High Rise sector continued its momentum into the Fourth Quarter. There were 2,645 High Rise sales recorded in the Fourth Quarter, which is up 19 percent from last quarter but was down 18 percent from the same quarter last year. Continued pre-sale demand and a lack of significant supply resulted in released and unsold inventory levels reaching a new low of 1,476 units at the end of the quarter. Notable sales activity was reported at the following recently launched projects - In Burnaby - Millennium's Etoile 2, Thind's Lumina Starling and Amacon's Juneau. These projects accounted for 498 Fourth Quarter sales. In Surrey - PCI Group reported selling all 736 units in its King George Hub Towers; In Richmond - Landa Global's Cascade City reported 115 sales in the Fourth Quarter, and in Downtown Vancouver - Grosvenor's Pacific and Westbank's Butterfly reported a combined 316 Fourth Quarter sales. Other notable High Rise launches in the Fourth Quarter include Create Properties' Second + Main (East Vancouver), Imani's The Windsor (East Vancouver), Wesgroup's Avalon 3 (Vancouver East) and Polygon's Residences at Noble Park (UBC).

Strong Fourth Quarter sales in the Low Rise sector resulted in overall released and unsold inventory levels remaining near eight-year lows. The total of 384 released and unsold Low Rise condominium units at the end of the Fourth Quarter was down 48 percent compared to the same quarter last year and down 73 percent compared to the same quarter in 2015. Notable sales activity occurred at recently launched projects - Kingdom Property Investment Limited's Township Commons (Langley), Manorlane Homes' Wyatt Yorkson (Langley), Forewest Construction's Park Hill (Langley), Qualex's Green on Queensbury (North Vancouver), Lakewood Development's Headwaters Club (South Surrey) and Aquilini's Coast (TFN).

Sales activity in the townhome sector of the market was very strong in the Fourth Quarter. A total of 780 new townhome sales were reported. Overall new townhome sales were up 70 percent from the same quarter last year but were down 30 percent compared to the record-setting Fourth Quarter in 2015. There were 694 new released and unsold townhome units at the end of the Fourth Quarter, which is up two percent from the same quarter last year but is down 21 compared to the eight-year Fourth Quarter average. Notable sales activity occurred at RDG Management's Crimson (Cloverdale), Mosaic's Hawthorne (Cloverdale), Anthem Properties' Clayton Walk (Clayton) and Dava's Parc Gilley (Richmond).

Q4 - Re-sale Market

A total of 3,256 newer multifamily homes resold in the Fourth Quarter of 2017. This figure is down 10 percent since last quarter but is up 53 percent compared to the same quarter last year. Every sector achieved an increase in sales compared to the same quarter last year. Re-sales of High Rise, Low Rise and townhome product have increased by 55, 42 and 63 percent, respectively. Total active listings have

decreased by six percent compared to the same quarter last year.

Q4 - Observation and Opinions

A noteworthy trend in the marketplace is the increase in overall sales activity in the Fraser Valley and the relative decline in activity North of the Fraser. Projects in the Fraser Valley represented 42 percent of Fourth Quarter sales in Metro Vancouver. This is notably higher than the 20 percent the Fraser Valley represented in the Fourth Quarter of 2015 or the 14 percent it represented in the Fourth Quarter of 2016. Recent condominium launches in Surrey and Langley have performed particularly well, as they successfully attracted both investors and end-user purchasers who are now priced out of pre-sale developments in more expensive urban areas.

Significant projects anticipated to launch in the First Quarter of 2018 include: In Downtown Vancouver - Asia Standard's Landmark on Robson; in Vancouver West - Blairmore Group's Marquise, Tria Homes' 8888 Osler, Cressey's Chelsea and Holborn Group's Little Mountain; in Vancouver East - Landa Global Properties' Main & Twentieth; in Burnaby - Transca Development's Polaris, Appia Development's Solo District 3 & 4, Concord Pacific's Concord Brentwood Hillside East, Belford Properties' Sun Towers II and Onni's Gilmore Place; in New Westminster - Bosa Development's Pier West; in North Vancouver - Anthem's Marine & Fell, Lion Rock Development's Cedar Reach at Maplewood and Pacific Gate Investment's Park West at Lions Gate; in Coquitlam - Cressey's Hensley, Anthem's Wynwood Green, Mosaic's Victoria and Polygon's Kentwell; in Port Coquitlam - Boffo Properties' Haven and Quantum Properties' Montrose Square; in Richmond iFortune's Glitz; in Surrey/White Rock - Mortise Group's Isola and Quadra Homes' Forest Ridge; in Central Surrey/North Delta - Streetside's Canopy, Sunmark Development's Sullivan and Woodbridge Homes' Blackberry Walk III; and in Langley/Cloverdale - Elyx Homes' Boulevard at Town Centre and Polygon's Union.

New Home Aggregates Q4-2017

	High Rise	Low Rise	Townhomes	Total
Total Q4-2017 Sales	2,645	851	780	4,276
Total Inventory	1,476	384	694	2,554
Standing Inventory	31	19	30	80
Total # of Projects	109	50	88	247

Fourth Quarter Resale Activity

	High Rise	Low Rise	Townhomes	Total
Total Sales	1,315	1,050	891	3,256
Active Listings	551	357	482	1,390

New Home Market YTD Comparison

	YTD 2015 Sales	YTD 2016 Sales	YTD 2017 Sales	% Change from 2016
High Rise	9,972	11,957	9,176	-23%
Low Rise	3,976	5,360	4,406	-18%
Townhomes	3,657	3,205	3,356	5%
Total	17,605	20,522	16,938	-17%

MARKET SUMMARY

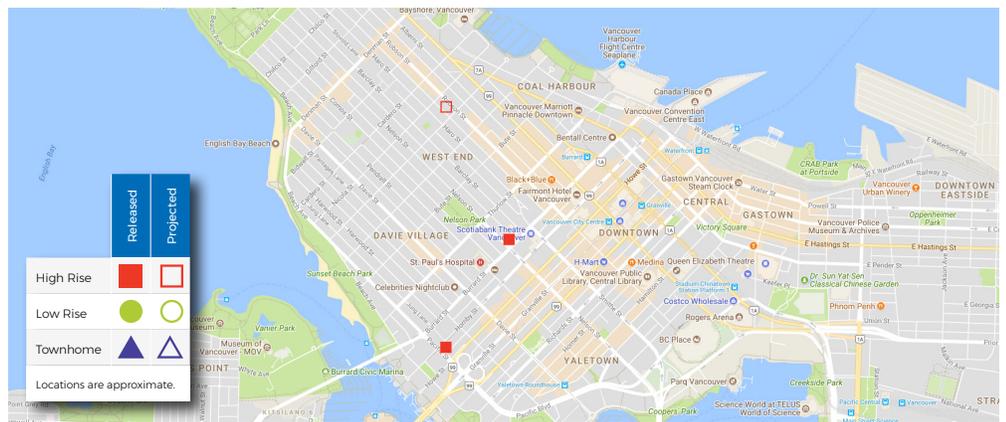
VANCOUVER - DOWNTOWN

The Vancouver Downtown market continues to hold its 'Green Light' rating as total sales increased by a significant amount during the quarter. The rise in sales and unsold inventory can be attributed to the launch of two new High Rise projects in the period. These two projects accounted for 306 out of the 347 total Fourth Quarter sales in the market. Of the total new supply brought to market in the Fourth Quarter, 56 percent of the homes were reported sold. There were also 41 new sales from the 143 units of existing supply from previous quarters. Six of the 10 actively selling projects in the market have less than 10 homes remaining for sale. 68 percent of the total released and unsold inventory is from Grosvenor's The Pacific and Westbank's The Butterfly. One new project is anticipated to come to market in the first quarter of 2018: Landmark on Robson by Asia Standard America Group.



Market Highlights (Q4-2017)

- Grosvenor's The Pacific in Yaletown launched during the quarter and sold 107 homes of the total 214 units; The project is achieving an overall estimated average value of \$2,210 per square foot
- Westbank's Butterfly was brought to market this quarter and achieved a total of 199 sales at an estimated average value of \$3,005 per square foot
- Marcon reported 23 new sales at its Mirabel project in the West End which launched last quarter
- 1335 Howe by Onni Group sold 11 new homes this quarter and has 58 units remaining available for sale
- Terrace House by Port Living launched in the previous quarter and sold one new home this quarter
- Two of the final 12 homes were sold in the Fourth Quarter at 8x on the Park by Brenhill Developments
- No new sales were recorded at The Smithe by Boffo Developments, Charleson by Onni group, and The Arc-Sky Collection by Concord Pacific



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	10 ↑	347 ↑	350 ↑	\$1,700 - \$2,200
Low Rise	-	-	-	-
Townhome	-	-	-	-

MLS Resale Highlights (Q4-2017)

- Months of supply have declined by 0.5 months compared to last quarter and is down considerably from 1.8 months in the same period last year
- Average sales values per square foot are up \$198 from last year
- Total listings are down 56 percent from last year, while the number of resales have only declined by 6 percent over the same time frame
- The average price of a one and two bedroom have increased by \$120,908 and \$84,414 compared to the same period last year, respectively

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	43	0.7	165	100%	\$1,157	19	\$599,000 - \$1,040,000
Low Rise	-	-	-	-	-	-	-
Townhome	-	-	-	-	-	-	-

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$703,568	\$1,170	\$974,548	\$1,104
Low Rise	-	-	-	-
Townhome	2 Bedroom		3 Bedroom	
	-	-	-	-

MARKET SUMMARY

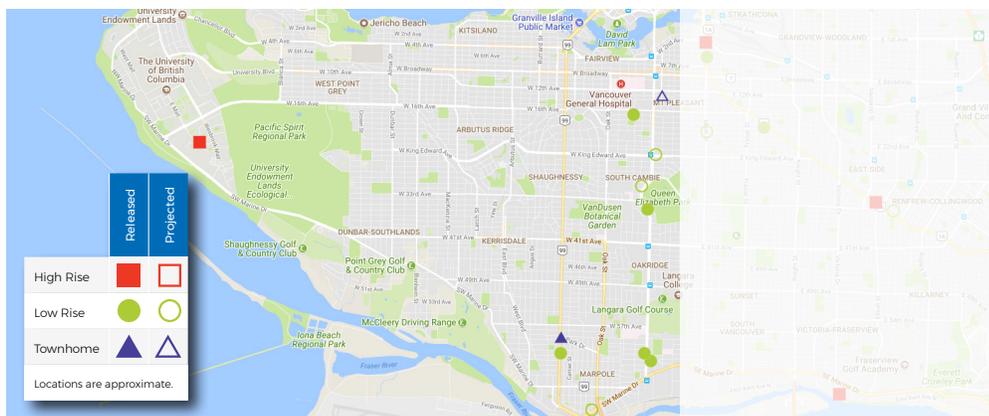
VANCOUVER - WEST

The Vancouver West market will retain its 'Green Light' rating as absorption of remaining available product remains strong in High Rise sales and consistent in Low Rise and townhome sales. High Rise sales accounted for 91 percent of total new multifamily sales in the quarter, assisted by six new launches which contributed 80 percent of total sales. Low Rise sales remained consistent with existing inventory and a project launched late in the quarter, resulting in just 17 units available at the end of the quarter. The townhome sector experienced a 66 percent increase in sales relative to last quarter due to the launch of two new projects. Overall, remaining inventory has increased 190 percent to last quarter while overall sales have increased 37 percent to last quarter. The spike in remaining inventory can be attributed to new project launches in the High Rise sector.



Market Highlights (Q4-2017)

- Pennyfathing launched Basalt in November with 51 concrete condominium units recording 47 sales. The project has reported a blended average at \$1,440 per square foot
- Reside by Marcon launched late October reporting 17 of 31 concrete condominium units sold, achieving \$1,347 per square foot
- The Residences at Nobel Park by Polygon launched in late October, achieving a reported 40 percent sold in their concrete High Rise and concrete Low Rise and townhome sales
- Four projects are expected to launch in the first quarter of 2018: Tria's 8888 Osler with 76 units, Blairmore's Marquise with 58 units, Aragon's Amber with 31 units, and Vandwell Development's Campbell Residences with eight townhome units



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	28 ↑	213 ↑	238 ↑	\$1,100 - \$1,700
Low Rise	3 ↑	6 ↑	17 ↑	\$850 - \$1,050
Townhome	9 ↑	15 ↑	45 ↑	\$1,000 - \$1,175

MLS Resale Highlights (Q4-2017)

- Year-over-year months of supply have decreased for both High Rise and townhome product (0.4 and 0.1)
- Total listings are down from 97 recorded in the Fourth Quarter of 2016
- Total resales are up from 90 recorded over the Fourth Quarter of 2016
- Months of supply have declined significantly for Low Rise condos: down 1.5 months compared to the same period last year
- Average per square foot sales values are up for High Rise (\$206) and Low Rise (\$124) condominiums, and townhomes (\$171) compared to the Fourth Quarter of 2016
- High Rise condominiums are selling on average, 20 days sooner than the same quarter last year
- The largest relative price per square foot increase was for High Rise one bedroom units: up 25 percent from last 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	55	1.4	115	77%	\$1,136	24	\$590,000 - \$1,065,000
Low Rise	7	0.7	30	20%	\$998	54	\$638,000 - \$1,098,000
Townhome	5	2.0	5	3%	\$1,043	54	\$730,000 - \$1,200,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$678,806	\$1,158	\$1,019,630	\$1,118
Low Rise	\$680,875	\$1,053	\$934,250	\$973
	2 Bedroom		3 Bedroom	
Townhome	\$980,000	\$1,025	-	-

MARKET SUMMARY

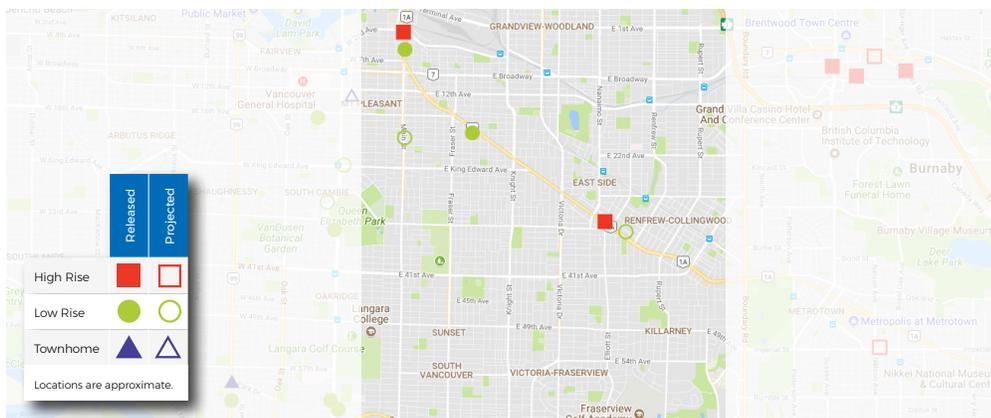
VANCOUVER - EAST

The Vancouver East market continues to receive its 'Green Light' rating as strong absorptions were seen from new project launches across product types. High Rise condominiums experienced the largest absorptions with a 66 percent increase in sales compared to the previous quarter. This can also be attributed to five new High Rise project launches in the Fourth Quarter. Low Rise product saw a decrease in sales compared to the previous quarter along with one less actively selling project. Total released and unsold inventory increased 77 percent compared to the Third Quarter of 2017. Townhome inventory is still very low with two unsold units reported at the end of the quarter. Both townhome units are complete and move-in ready located at VictorEric Design Group's Dickens at Kensington.



Market Highlights (Q4-2017)

- Wesgroup launched Avalon 3 (High Rise) over the quarter achieving 51 sold of 116 released units. Avalon 3 (Mid Rise) reported 123 units sold of 161 released in the Fourth Quarter; These averaged a reported \$974 and \$888 per square foot, respectively
- The Windsor by Imani is reporting to be 75 percent sold at the end of the quarter at \$994 per square foot
- Elenore on Fifth by Chard Developments reported 48 units sold in the Fourth Quarter. Project is achieving a blended average of \$1,385 per square foot
- Create Properties launched Second+Main and is reporting to be 65 percent sold at the end of the Fourth Quarter
- No sales were reported at Legendary Developments townhome project Bravo. Developer has taken the project off the market and is anticipated to relaunch in mid-February
- 16 Brownstones by Epix Development is now sold out, selling its final unit in the Fourth Quarter of 2017.



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	9 ↑	487 ↑	252 ↑	\$800 - \$1,100
Low Rise	4 ↓	16 ↓	17 ↑	\$750 - \$1,000
Townhome	3 ↑	7 ↑	2 ↑	\$815 - \$975

*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 (Q4-2017)

- The total number of resales were 37 percent higher when compared to the Fourth Quarter of 2016
- Total listings were 73 percent higher when compared to the same period in 2016
- Average per square foot values increased substantially across all product types: High Rise increase by \$185, while Low Rise and townhome increased by \$124 and \$59 respectively.
- The average sale price for a 1 bedroom High Rise unit is up 24 percent and the average price for a 2 bedroom High Rise unit is up 19 percent from the Fourth Quarter of 2016.

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	69	1.9	123	56%	\$995	17	\$510,000 - \$879,900
Low Rise	18	0.9	65	29%	\$869	14	\$509,000 - \$765,000
Townhome	29	2.9	33	15%	\$843	43	\$812,000 - \$1,188,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$591,693	\$1,030	\$825,820	\$956
Low Rise	\$569,935	\$901	\$719,964	\$843
	2 Bedroom		3 Bedroom	
Townhome	\$901,888	\$878	\$1,063,657	\$837

MARKET SUMMARY

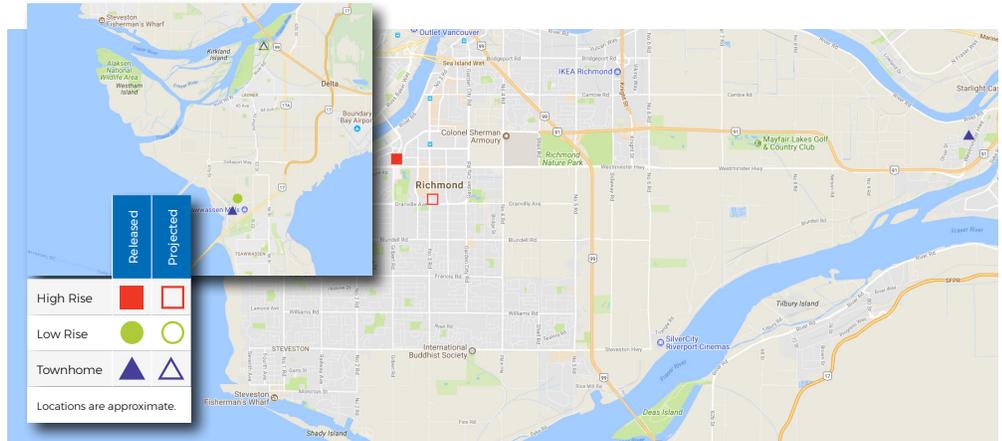
RICHMOND & SOUTH DELTA

The Richmond/South Delta receives a 'Green Light' rating as overall sales absorbed 59 percent of released inventory, while overall remaining inventory declined 13 percent compared to last quarter. Cascade City by Landa Global saw an 85 percent absorption rate after launching 135 High Rise units in late November. The Low Rise sector reported two projects sold out during the quarter. The increase in unsold Low Rise inventory is attributed to 112 units brought to market on leasehold land mid-quarter, which attributed 74 percent. One of two newly launched townhome projects sold out within the first week of sales, all other townhome projects showed consistent sales in remaining inventory.



Market Highlights (Q4-2017)

- Cascade City by Landa Global sold 115 of 135 released units, achieving an estimated \$1,070 per square foot
- Aspac's 2 River Green Phase I reported three units remaining and has increased \$40 to \$970 per square foot after selling the majority of available parking and bike lockers
- View Star (buildings B & C) by Yuanheng sold its final 20 units achieving an estimated \$925 per square foot
- Two Low Rise projects sold out over the quarter: Trafalgar Square Phase Two by Polygon and Hamilton Village by Oris
- Aquilini's development on Tsawwassen First Nations Land reported 56 of 112 Low Rise units sold at Coast and 29 of 45 townhome units at Pelican Cove (Phase 2); These projects are achieving \$593 per square foot and \$512 per square foot, respectively
- Parc Gilley by Dava Development reported all 35 townhome units sold within a week of launching, achieving \$580 per square foot



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	12↔	209↓	112↓	\$700 - \$975
Low Rise	6↑	72↓	76↑	\$650 - \$775
Townhome	11↓	101↓	78↓	\$500 - \$765

MLS Resale Highlights (Q4-2017)

- Total listings have increased 3 percent while re-sales have increased 31 percent over the year
- The average price per square foot increased for all product types over the year: High Rise increased by \$152, while Low Rise and townhome increased by \$146 and \$106, respectively
- Months of supply across all sectors experienced substantial drops when compared to Q4 2016: High Rise from 2.4 to 1.8, Low Rise from 2.5 to 1.4, and townhome from 3.1 to 2.1
- The average sale price of nearly all product and unit types increased by just under \$100,000 since the Fourth Quarter of 2016
- Once exclusion was for two bedroom townhome units which increased by \$44,000 over the same period
- Average price per square foot values increased for all unit types over the year: Low Rise one bedrooms increased by the largest amount of \$212 while two bedroom townhomes saw the smallest increase at \$58

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	112	1.8	176	51%	\$820	30	\$490,000 - \$780,00
Low Rise	49	1.4	76	22%	\$705	37	\$460,00 - \$674,000
Townhome	83	2.1	95	27%	\$656	48	\$704,000 - \$1,118,900

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$517,400	\$849	\$733,520	\$800
Low Rise	\$464,924	\$758	\$605,411	\$700
	2 Bedroom		3 Bedroom	
Townhome	\$711,481	\$632	\$870,156	\$652

MARKET SUMMARY

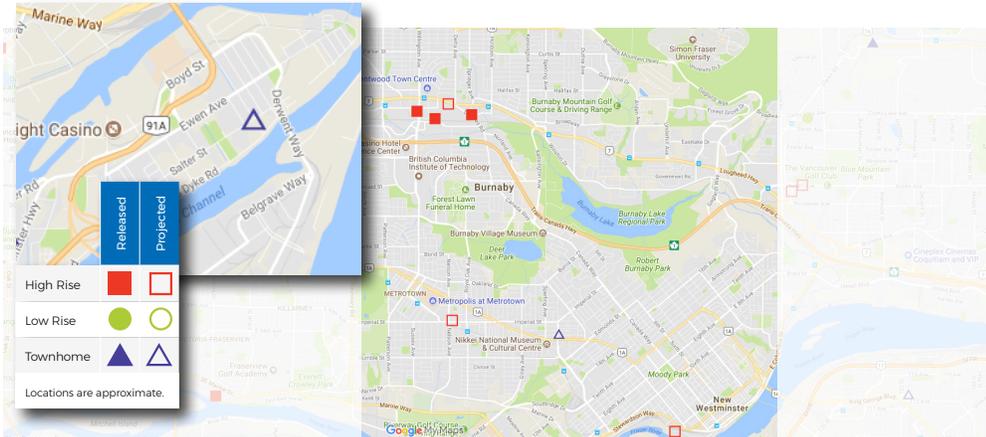
BURNABY & NEW WESTMINSTER

The Burnaby/New Westminster market retains its 'Green Light' rating evidenced by strong absorptions and diminishing inventory across product types. Note that sales volumes have decreased for all products as significantly fewer concrete condominiums were brought to market over the quarter in addition to no launches of townhomes or woodframe condominiums. 96 percent of all quarterly sales (576 units) were within the concrete condominium sector due to the release and near sell-out of three High Rises in Brentwood. These include Amacon's Juneau, Millenium Development's Etoile (West Tower) and Thind Properties' Lumina (Starling). Lumina Starling by Thind Properties achieved a record high sales value of \$1,040 per square foot for the Brentwood neighbourhood. Unsold inventory has continued to decline for all products and is down 48 percent overall compared to last quarter. This is the lowest unsold inventory level since early 2010.



Market Highlights (Q4-2017)

- Three High Rises launched in Brentwood: Etoile (West Tower) by Millenium Development, Lumina (Starling) by Thind Properties and Juneau by Amacon; These averaged \$1,028 per square foot, and of a combined 538 of the units brought to market, 498 were reported sold by the end of Q4
- There were no Low Rise or townhome launches in the Burnaby/New Westminster market in the quarter
- Two High Rises were reported sold out by the end of the quarter: Thind Properties' Lumina (Waterfall) and Censorio Group's Elliot Street in New Westminster
- Three High Rises are anticipated to launch in the next quarter: Concord Pacific's Hillside East in Brentwood, Bosa Developments' Pier West in New Westminster, and Polaris by Transca Development in Metrotown
- One Low Rise is expected to launch next quarter in North Burnaby: Forte by Streetside Developments
- Two townhome projects are expected to launch next quarter: River Mews by CMS Development and Arcola by Kingswood Real Estate Management



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	22 ↑	554 ↓	119 ↓	\$720 - \$1,060*
Low Rise	4 ↓	12 ↓	14 ↓	\$680 - \$730
Townhome	3 ↓	10 ↓	15 ↓	\$525 - \$610

*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 (Q4-2017)

- Total resales are up 56 percent from last year to 450 in the Fourth Quarter of 2017
- Listings are down marginally from the 176 reported in the same period last year
- Compared to last year, the average price per square foot is up for all of High Rise and Low Rise condominiums, and townhomes
- Pricing per square foot is up \$172, \$162, and \$57, respectively
- The price of the average two bedroom High Rise has gone up by the highest amount over the year: \$158,858
- The average price per foot of a one and two bed (for both High Rises and Low Rises) have gone up by 30 percent from last 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	87	0.9	276	61%	\$824	24	\$478,000 - \$898,800
Low Rise	34	0.8	120	27%	\$697	19	\$430,000 - \$671,000
Townhome	37	2.1	54	12%	\$644	37	\$565,500 - \$950,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$523,942	\$864	\$759,750	\$823
Low Rise	\$466,343	\$694	\$612,109	\$700
	2 Bedroom		3 Bedroom	
Townhome	\$662,122	\$683	\$829,742	\$630

MARKET SUMMARY

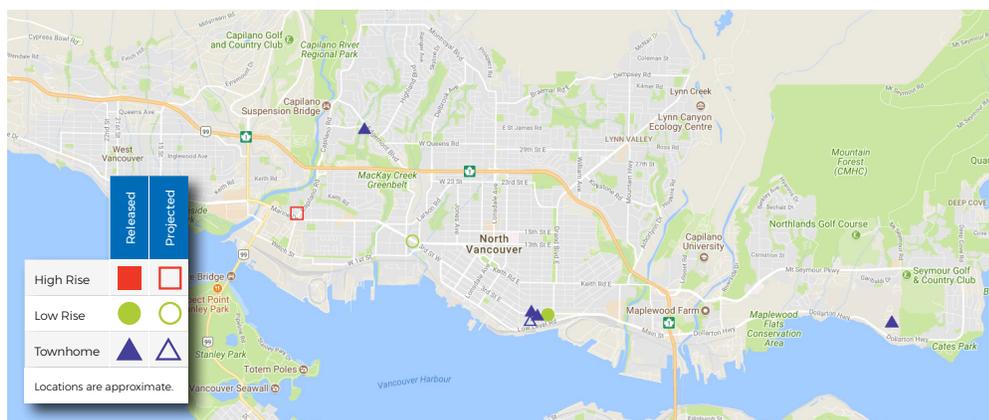
NORTH SHORE

The 'Green Light' rating remains for the North Shore market as strong absorptions continued - especially in the woodframe sector. Qualex Landmark's woodframe condominiums (Green on Queensbury) in Moodyville contributed to 73 percent of all Low Rise sales over the quarter. Sales declined from last quarter in the concrete sector (down 61 percent) as no new High Rise projects were brought to market, while available inventory continued to be steadily absorbed. In contrast, there was a 10-fold increase in townhome sales from last quarter due to the launch and strong absorption of four new projects; these contributed to 74 of 75 townhome sales this quarter. Unsold inventory remained relatively similar to last quarter (down by two units). Forty-six percent of all unsold inventory is concentrated in two projects in the North Shore: Westbank's Horseshoe Bay and Polygon's Taluswood (South). Note, however, that total unsold inventory this quarter is at its lowest level since 2010.



Market Highlights (Q4-2017)

- There were no High Rise launches in the North Shore market during the Fourth Quarter of 2017
- Two Low Rises launched: Qualex Landmarks' Green on Queensbury Building 2 and Building 3 which had a reported 96 of 107 units sold by the end of the quarter; These achieved a record sales value for woodframe product in the North Shore at \$886 and \$878 per square foot, respectively
- Four townhome projects launched in the Fourth Quarter: Evolv35 by Guildford Properties, Edgemont Walk by Boffo Properties, The Morrison by Creo Development, and Seymour Village (Phase 3) by Aquilini; Of the combined 111 new units brought to market, 74 were reported sold by the end of the quarter; Sales values of these projects ranged from \$583 per square foot at Seymour Village Phase 3 up to \$921 per square foot at Edgemont Walk
- High Rise expected to launch in the First Quarter of 2018 include Anthem's Marine + Fell, and Park West at Lion's Gate by Pacific Gate Investments
- Two townhome projects are anticipated to launch: The Trails by Wall Financial and Seymour Village Phase 3 by Aquilini Development



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	14↔	33↓	106↓	\$900 - \$2,200*
Low Rise	4↑	132↓	82↔	\$800 - \$865
Townhome	7↑	75↑	40↑	\$600 - \$980

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

MLS Resale Highlights (Q4-2017)

- Total listings and resales compared to the Fourth Quarter of 2016 are up 34 percent and 86 percent, respectively
- Months of supply of townhomes have nearly tripled compared to the same period last year.
- Compared to the Fourth Quarter of 2016, the average per square foot values have increased by \$181, \$182, and \$165 for High Rises, Low Rises, and townhomes, respectively
- The price of the average high and Low Rise one bedroom has gone up by just over \$127,000 compared to last year
- The average price of a two bedroom townhome has gone up \$14,192 over the same time period
- Both total listings and resales have increased compared to the Fourth Quarter of 2016: listings are up 34 percent to 59, and resales are up 86 percent to 162.

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	25	1.1	69	43%	\$992	32	\$585,000 - \$980,000
Low Rise	23	1.0	77	48%	\$877	14	\$573,500 - \$899,000
Townhome	11	1.9	16	10%	\$773	31	\$619,000 - \$1,069,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$618,681	\$1,034	\$911,023	\$977
Low Rise	\$588,046	\$858	\$806,546	\$890
	2 Bedroom		3 Bedroom	
Townhome	\$911,567	\$808	\$1,043,143	\$706

MARKET SUMMARY

TRI-CITIES

The Tri-Cities market retains its 'Green Light' as the trend of strong demand and low supply continues. Overall sales were down 212 percent compared to last quarter due to the lack of new project launches in this market. High Rise product saw the largest drop in sales with only 18 units sold in the Fourth Quarter. Townhome sales increased 62 percent compared to the Third Quarter after a successful launch of Bold Properties project Edgestone. The majority of remaining inventory is concentrated in relatively few projects: 96 percent of townhome supply is at Edgestone (Bold Properties), 80 percent of Low Rise supply is in Simon 2 (Otivio Developments), and 90 percent of High Rise supply is at The Grande (Onni).



Market Highlights (Q4-2017)

- The Grande by Onni in Coquitlam's Suter Brook Village reported 16 new sales over the quarter at a blended average of \$895 per square foot
- Otivio Developments launched its Mid Rise project Simon 2 over the quarter at an estimated \$714 per square foot. Project recorded the highest absorption in this market with 41 units sold
- Polygon Homes Stanton House-East and Stanton House-West are now sold out; Projects averaged \$640 and \$610 per square foot, respectively
- Edgestone by Bold Properties launched in the Fourth Quarter recording 15 units sold at a blended average of \$700 per square foot
- Dwell 24 by Epix Development and Circadian Group reported no new sales over the quarter. Developer has taken the remaining units off the market and will be relaunching it in March 2018
- Anthem Properties High Rise project Wynwood Green is anticipated to launch in the first quarter of 2018



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	3↔	18↓	69↓	\$800 - \$880
Low Rise	8↑	95↓	51↓	\$500 - \$690
Townhome	3↑	21↑	24↑	\$495 - \$550

*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 (Q4-2017)

- Total listings are down 16 percent compared to the same period last year
- In comparison, total resales are up 42 percent compared to the Fourth Quarter of 2016
- The average sales value per square foot for high and Low Rises have gone up just under \$150 from last year
- Average per square foot values for townhomes have gone up by \$82 over the same time frame
- The average price of a unit has gone up between \$113,831 and \$121,553 over the year with the sole exception of two bedroom townhomes
- The average two bedroom townhome has seen a \$37,018 price increase over the same time frame

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	62	1.2	162	45%	\$719	24	\$465,000 - \$738,000
Low Rise	32	0.7	128	36%	\$601	24	\$395,000 - \$610,000
Townhome	31	1.1	70	19%	\$536	31	\$639,000 - \$940,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$478,411	\$769	\$642,306	\$702
Low Rise	\$419,804	\$646	\$555,020	\$601
	2 Bedroom		3 Bedroom	
Townhome	\$604,829	\$527	\$790,391	\$537

MARKET SUMMARY

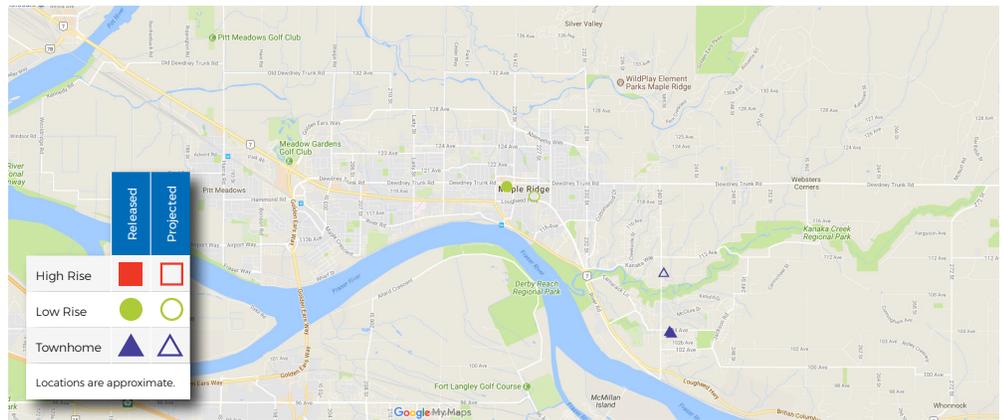
RIDGE MEADOWS

The Ridge-Meadows market continues to hold its 'Green Light' rating despite experiencing a drop in sales for the townhome and Low Rise sector. Demand for both product types proved healthy as the limited available inventory was absorbed strongly throughout the quarter. One new Low Rise project launched and sold all 35 homes within the Fourth Quarter. Supply for Low Rise product now sits at unhealthy levels as the final 12 available units in the market comprise from one project. One new townhome project brought five units to market which were all sold during the quarter. Of the 91 available townhome units for sale, 35 of them were reported sold at the end of the quarter. There are 56 townhome units available for sale amongst the five actively selling projects at the end of the quarter. Brickwater Phase 2 condos by Falcon Homes and Cottonwood Lane townhomes by Greenwood Properties are anticipated to launch next quarter.



Market Highlights (Q4-2017)

- Halo Start Development launched and sold all 35 homes at its Low Rise condo project MC/2
- Minhas Avenue Projects and Young Earth released and sold five of the 18 townhomes at Willow
- Ridgemont townhomes by Nordel Construction reported 19 new sales with 12 homes available
- Magnolia Grove by Homesite Developments and Kanaka Hill by Quarry Rock Developments each sold out their final home of the project
- Bella Vista sold eight new homes and has 12 units remaining for sale at its Cottonwood Ridge (phase 2) townhome project
- Three new townhome sales were reported at both The Terraces 2 by Albion Panorama and Nature's Walk by Onni Group
- One of the final 13 homes was reported sold at Orion by Belmont Group.



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	-	-	-	-
Low Rise	2 ↓	36 ↓	12 ↓	\$350 - \$420
Townhome	7 ↑	35 ↓	56 ↑	\$300 - \$350

MLS Resale Highlights (Q4-2017)

- Total listings are up by 95 percent and resales are up 71 percent compared to the Fourth Quarter of 2016
- Low Rise condominiums are on market on average 27 days fewer than in the same quarter last year
- The average price per square foot of Low Rise condominiums has increased by \$117 over the year.
- Townhome average price per square foot values are also up: by \$71 over the same period
- The average Low Rise two bedroom unit has increased by the largest relative price per square foot (up 44 percent) over the year
- The average two bedroom townhome has risen by the largest amount per unit (\$131,500) 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	0	0.0	1	1%	\$470	0	-
Low Rise	67	2.8	76	54%	\$436	21	\$298,000 - \$485,000
Townhome	46	2.1	63	45%	\$377	26	\$529,900 - \$679,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	-	-	\$504,000	\$470
Low Rise	\$314,766	\$463	\$417,626	\$426
	2 Bedroom		3 Bedroom	
Townhome	\$534,100	\$444	\$587,107	\$373

MARKET SUMMARY

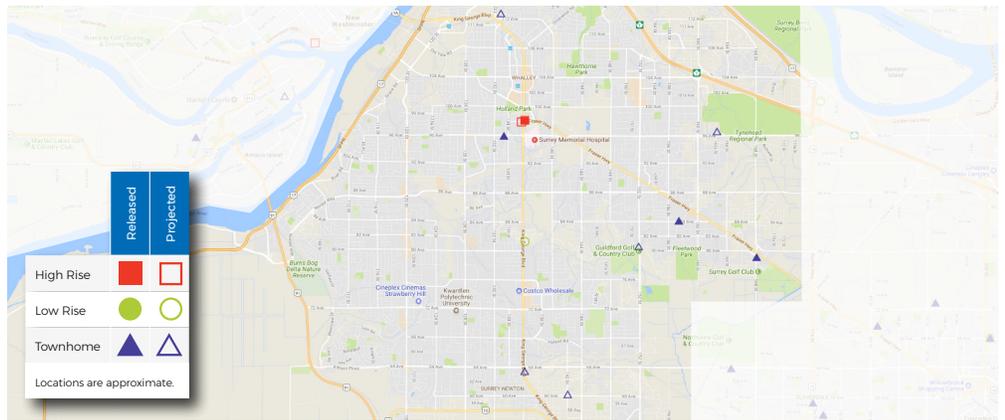
SURREY CENTRAL & NORTH DELTA

The 'Green Light' rating remains for the Surrey Central/North Delta market as absorptions remain strong in all sectors and unsold inventory continues to decline. Record monthly absorptions were reported for concrete condominiums in Surrey Central (217 and 302 units per month) with the launch and sell-out of PCI Developments' King George Hub towers I & II. These two projects represented 88 percent of all quarterly sales recorded for the entire market. Sales of Low Rise condominiums and townhomes experienced steady absorptions with unsold inventory declining by 38 percent to a combined 74 units in the Fourth Quarter of 2017. Townhomes sales declined by 26 percent from last quarter primarily due to no increase in actively selling projects. Sales remained steady and despite three new townhome launches, unsold inventory (66 units) remains at its second-lowest level since early 2010.



Market Highlights (Q4-2017)

- PCI Developments launched two High Rises: King George Hub I and II, which achieved \$750 and \$760 per square foot, respectively; The combined total 737 units were reported as sold by the end of the quarter
- Three townhome projects launched, bringing an additional 56 units to market: Crest by Hayer Group, Thomas by BMGroup, and Centre 96 by 0956321 BC Ltd.; Thomas by BMGroup achieved the highest average sales value at \$481 per square foot;
- Five townhome projects are anticipated to launch in the First Quarter of 2018: Canopy by Streetside Developments, Blackberry Walk III by Woodbridge Properties and Park Ridge Homes, The Links by Infinity Properties, Creekside Terrace by Ansu Developments, Sullivan by Sunmark Development, and Phoenix Hill by Phoenix Homes;
- Three condominiums are anticipated to launch in the First Quarter of 2018: one High Rise in Surrey Centre (Avani Centre by Yanna Holdings), one Low Rise in Fraser Heights (Coast by Mainland Developments) and one Low Rise in Newton (Kings Landing) by Dawson & Sawyer.



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	4 ↑	737 ↑	31 ↔	\$730 - \$760
Low Rise	4 ↔	21 ↓	8 ↓	\$470 - \$505
Townhome	9 ↔	81 ↓	66 ↓	\$365 - \$440

MLS Resale Highlights (Q4-2017)

- The number of total listings in the Fourth Quarter of 2017 have remained fairly similar to the same quarter last year (252), while re-sales over the quarter have increased by 129 percent
- Average days on market have dropped significantly for both High and Low Rises from the Fourth Quarter of 2016: down from being sold on average in 88 and 66 days
- Average values per square foot are up considerably for High Rises compared to the same period last year
- The High Rise per square foot value has gone up \$244 over the year, compared to \$152 and \$77 for Low Rise and townhomes over the same time frame
- Every unit type has increased in price by over \$100,000 over the year
- The largest increase was seen for the average High Rise two bedroom unit: up \$135,093 over a 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	81	1.3	208	39%	\$650	26	\$320,000 - \$480,000	
Low Rise	57	1.0	168	31%	\$493	21	\$284,000 - \$435,000	
Townhome	72	1.3	163	30%	\$400	30	\$539,000 - \$700,000	

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$356,543	\$664	\$460,539	\$612
Low Rise	\$311,060	\$513	\$405,594	\$468
	2 Bedroom		3 Bedroom	
Townhome	\$525,524	\$451	\$607,153	\$407

MARKET SUMMARY

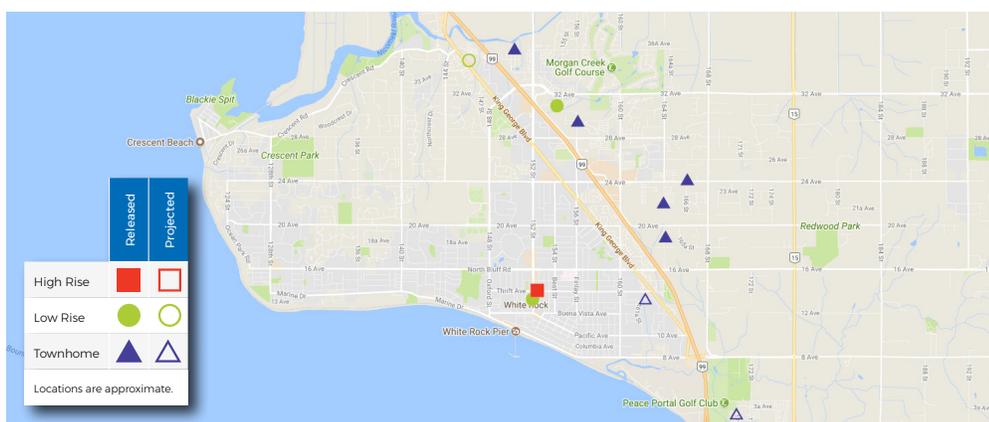
SOUTH SURREY AND WHITE ROCK

The South Surrey/White Rock market continues to receive its 'Green Light' as strong absorptions were reported for all sectors over the quarter. Overall sales were up five percent compared to the previous quarter. This can be attributed to the successful launch of four new townhome projects in the South Surrey/White Rock market. Dawson & Sawyer's townhome project Freestyle recorded the highest townhome absorption in this market with 44 units sold. Low Rise demand continued in the Fourth Quarter with 82 units sold. 95 percent of the Low Rise sales occurred at Lakewood Developments project Headwaters Club. High Rise condominium sales were steady over the quarter with two new projects released to the market. Majority of purchasers for High Rise product have been downsizers and retirees from the South Surrey/White Rock market. Released and unsold inventory increased in all product types with 34 percent more units than the previous quarter.



Market Highlights (Q4-2017)

- Foster Martin by Landmark Premier Properties continued with strong absorptions over the quarter with 24 new sales recorded. The Foster is achieving \$981 per square foot and the Martin \$1,064 per square foot
- Marcon Homes launched its High Rise project Semiah over the quarter recording 22 units sold at \$1,003 per square foot
- Forge Properties released 21 of 25 units at Fantom. No sales were recorded in the Fourth Quarter of 2017
- Lakewood Development recorded the highest absorption in this market at its Mid Rise project Headwaters Club. Project achieved 78 sales at a blended average of \$538 per square foot
- Ikonik Homes sold all 37 released units at its townhome project Berkely Village
- Dawson & Sawyer's townhome project Freestyle sold 44 of 62 released units at an estimated average of \$452 per square foot
- Fairway by Zenterra, Marca by Mortise Group, and Forrest Ridge by Quadra Homes are anticipated to launch in the First Quarter of 2018



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	6 ↑	47 ↓	199 ↑	\$930 - \$1,025
Low Rise	5 ↑	82 ↓	29 ↑	\$450 - \$675
Townhome	18 ↑	189 ↑	175 ↑	\$380 - \$430

MLS Resale Highlights (Q4-2017)

- The total number of listings have remained similar to the same quarter last year: 113 to 124
- High Rise condominiums are on market on average 35 days less than in the Fourth Quarter of 2016
- Over the same period, total resales have increased 63 percent primarily due to a doubling of townhome resales over the quarter
- Average per square foot sale values have gone up for High and Low Rise condominiums, and townhomes
- Compared to the Fourth Quarter of 2016, these are up \$79, \$100, and \$57, respectively
- The price of the average two bedroom townhome has seen the largest increase over the year: up \$120,280

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	17	2.6	20	10%	\$689	55	\$350,100 - \$928,000
Low Rise	22	0.8	50	25%	\$534	26	\$385,000 - \$582,000
Townhome	85	2.0	134	66%	\$416	34	\$560,000 - \$825,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	\$538,831	\$710	\$771,436	\$710
Low Rise	\$384,247	\$551	\$512,875	\$544
	2 Bedroom		3 Bedroom	
Townhome	\$584,030	\$434	\$666,257	\$417

MARKET SUMMARY

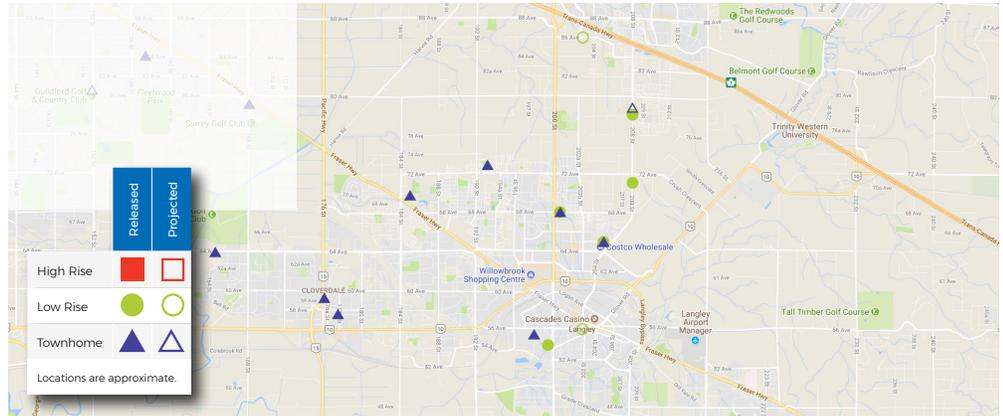
CLOVERDALE & LANGLEY

The Langley/Cloverdale market retains a 'Green Light' rating due to strong absorption of available product in both the Low Rise and townhome sector. Compared to the Third Quarter, total new multifamily sales increased 177 percent. Six new Low Rise projects launched, which contributed 95 percent of Low Rise sales and 58 percent of overall sales. Of those launched, two sold out: Wyatt Yorkson by Manorlane Homes and Brydon Green by Whitetail Homes Ltd. The townhome sector also saw high absorption rates, reporting 56 percent of sales from six project launches and a 115 percent increase in sales compared to last quarter. Four projects are expected to launch next quarter: The Georgia (Whitetail Homes), Boulevard (Elyx Homes), Lily Terraces (Lanstone Homes) and Yorkson Park (Quadra Homes).



Market Highlights (Q4-2017)

- Three Low Rise projects sold out over the quarter: The Civic (88 units) by Creda Holdings, Brydon Green (54 units) by Whitetail Homes and Wyatt Yorkson (85 units) by Manorlane Homes; These projects achieved \$424 per square foot, \$477 per square foot and \$541 per square foot, respectively
- Kingdom Properties launched Township Commons' Low Rise component of the development, reporting the highest absorption with 97 units sold, achieving \$520 per square foot
- Forewest Construction's Park Hill launched two Low Rise buildings, selling 97 of 119 units, achieving an average of \$509 per square foot
- For a second quarter in a row, Anthem Properties' Clayton Walk reported the highest townhome absorption rate: 46 units sold. The project is achieving \$406 per square foot
- Crimson by RDG Management reported 41 of 59 units sold after launching late November, achieving \$446 per square foot
- Mosaic launched Hawthorne in late November reporting 41 of 69 units sold, achieving an estimated \$455 per square foot - this is the highest sales average in Cloverdale and Langley. This figure is due in part to the smaller size of the homes



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	-	-	-	-
Low Rise	8 ↑	379 ↑	78 ↑	\$425 - \$515
Townhome	13 ↑	241 ↑	193 ↑	\$350 - \$415

MLS Resale Highlights (Q4-2017)

- Compared to the Fourth Quarter of 2016, total listings are down 22 percent were total resales are up by 36 percent.
- Average price per square foot values are up \$137 and \$81 for Low Rise condominiums and townhomes, respectively.
- The largest relative unit price increase was for Low Rise one bedroom units: up 48 percent over the year
- The average absolute price of all unit types have increased by over \$100,000 over the year
- The most significant dollar increase (\$115,473) over that period was for three bedroom townhomes

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	42	0.6	194	48%	\$492	16	\$321,900 - \$505,000
Townhome	64	0.8	210	52%	\$403	19	\$509,900 - \$679,000

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	-	-	-	-
Low Rise	\$338,122	\$515	\$452,483	\$479
	2 Bedroom		3 Bedroom	
Townhome	\$517,117	\$430	\$604,338	\$395

MARKET SUMMARY

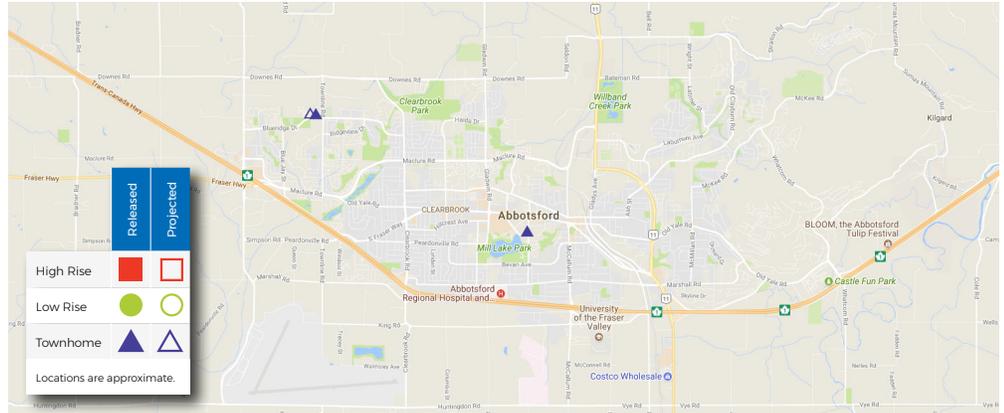
ABBOTSFORD

The Abbotsford market retains its Green Light rating as demand for all product types proved healthy in the Fourth Quarter of 2017. The townhome sector experienced the strongest absorptions, recording 40 of the 62 total sales in the market. Strong sales for this product type can be attributed to the launch of two new projects this quarter: Bristol Heights by Polygon and Mill District townhomes by Heinrichs Developments. Of the 51 total new townhomes brought to market in the Fourth Quarter, 40 of the units were reported sold. The Low Rise sector faced the highest drop in sales as no new projects launched during the quarter. The lack of new Low Rise product offerings directly contributed to the fall of sales and available inventory which now sits at unhealthy levels. There were two High Rise sales reported from the 22 available units.



Market Highlights (Q4-2017)

- Mill District townhomes by Heinrichs Development launched and sold 18 homes out of the 29 units in the development
- Polygon released and sold 22 new townhomes during the quarter at its Bristol Heights master planned community comprising of 195 total homes
- Boulevard Group sold the final five homes at its Low Rise project Residences at Gateway
- Onni Group sold nine new townhomes out of the 26 available homes at Allwood Place
- Diverse Properties sold three of the final 13 homes at its Parallel North townhome project
- Abbotsford Central Developments reported two new sales with two move-in ready homes available at its Mount Waddington townhome project
- Two new sales were reported at Mahogany by Quantum Properties and the final 20 homes have now been unreleased



New Development Sales Statistics

	Active Projects	Sales	Unsold Inventory	Active Sales Range PSF
High Rise	1↔	2↓	20↓	\$445
Low Rise	2↓	10↓	2↓	\$370 - \$400
Townhome	5↑	54↑	40↑	\$300 - \$375

MLS Resale Highlights (Q4-2017)

- There was nearly half of the total listings in the Fourth Quarter of 2017 compared to the same period last year
- Total resales are up 50 percent compared to the Fourth Quarter of 2016
- Price per square foot values for Low Rise and townhomes are up from last year
- Average price per square foot values are up \$108 for Low Rise condominiums and \$85 for townhomes
- The average Low Rise price per square foot has increased 38 to 40 percent from last year
- The largest absolute dollar increase was for Low Rise one bedrooms, which went up on average \$178,913 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	-	-	-	-	-	-	-
Low Rise	6	0.2	66	58%	\$385	12	\$229,000 - \$368,000
Townhome	19	1.2	48	42%	\$362	34	\$445,000 - \$549,900

MLS Resale by Unit Type

	Average Price	PSF	Average Price	PSF
	1 Bedroom		2 Bedroom	
High Rise	-	-	-	-
Low Rise	\$357,154	\$403	\$351,593	\$373
	2 Bedroom		3 Bedroom	
Townhome	\$452,729	\$371	\$492,527	\$352

LOOKING BACK AND AHEAD

Despite the bitterly cold start to 2017 the market for new multifamily homes quickly warmed in the early spring and momentum extended right through to year end. In fact, in nearly every quarter this past year sales surpassed the 4,000+ units sold mark, a peak performance indicator. If early indicators are correct we can look forward to this trend continuing into 2018.

Looking Back

In our last edition, we shared the view that a strong finish to 2017 could be expected. It occurred. Unlike in years past where developers may have deferred a late year launch, product launches continued later into the year than I can ever recall. New launches combined with sales occurring at many sites right up to New Year's Eve led to 4,276 new homes sales in the final quarter of 2017.

What we did not project, however, was the spike in sales activity and prices in the Fraser Valley. Of course, we concentrate our project marketing and sales efforts in these areas so we know the markets were ever more active. It was the magnitude of this shift that was somewhat surprising. Projects in the Fraser Valley represented 42 percent of Fourth Quarter sales in Metro Vancouver. This figure is up from the 14 percent figure the Fraser Valley represented in the same quarter a year ago and the 20 percent from the number posted in the Fourth Quarter of 2015.

Last quarter, like many others, we commented on the end of the honeymoon period for the new NDP government. It seems it has come to a soft end but while there is still uncertainty with respect to what to expect in the coming year from the government the majority would agree that new government is acting in a less rash or more measured manner than expected.

Finally, we projected Fourth Quarter sales in 2017 to surpass the 2016 mark. Sales fell short of this mark by two percent. We projected in early summer that the annual total would not exceed the outlier year that was 2016 in which 20,000+ new multifamily homes were sold but would be in excess of 16,000 units. 16,938 homes were sold in 2017, which is just four percent shy of the total in 2015. As projected this makes 2017 the third best year in the past decade.

Looking Ahead

Of course, this time of year our industry look backs on the year that was and looks out or forward. A variety of perspectives are being shared in the media and at events with respect to the year to come and the market for new multifamily homes.

Our team at Fifth Avenue is looking forward to 2018. We have already experienced a quick start to the year with January sales doubling our projections. All indications are that sales in the First Quarter of 2018 will

be on par or show a modest increase over the tally at the end of the First Quarter in 2017. We project another consecutive quarter with 4,000+ homes sold.

The market areas within Fraser Valley will continue to be active and represent a growing share of the overall market. However, we do not anticipate prices escalation of the magnitude experienced in 2017. This is due in part to recent increases in interest rates and additional hikes anticipated that when combined with the new stressing act to erode consumers buying power. If developers continue to seek accelerated absorptions they will need to be more mindful of the number of homes offered at key pricing thresholds such as under \$750,000 and be less fixated on blended price per square foot targets.

So...what is on our minds as we optimistically look forward to the year ahead:

How much will interest rates increase over the coming year?

A recent live poll at a UDI outlook luncheon favoured a 50 basis point increase. Will this be it? Or will we see a one percent or greater increase through the year? What impact would the latter have on pricing and/or sales absorptions in the second half of 2018?

How early will the campaigning start as we approach municipal elections this fall?

We are off to quick start with respect to politics too. The Liberals have weathered a tad nasty of an affair to settle on a new leader. Meanwhile, on the local front, a number of mayors have stated they will not be seeking re-election. New leaders will emerge in market areas such as Vancouver, Delta, Maple Ridge and White Rock and other incumbents will face new rivals some of which hold a negative view of development. Will uncertainty of future leadership result in additional delays in securing development approvals and further restrict supply?

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

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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