

Tri-Cities Region Housing Market Overview

Andy Ni, Market Analyst



Agenda

New Home Construction

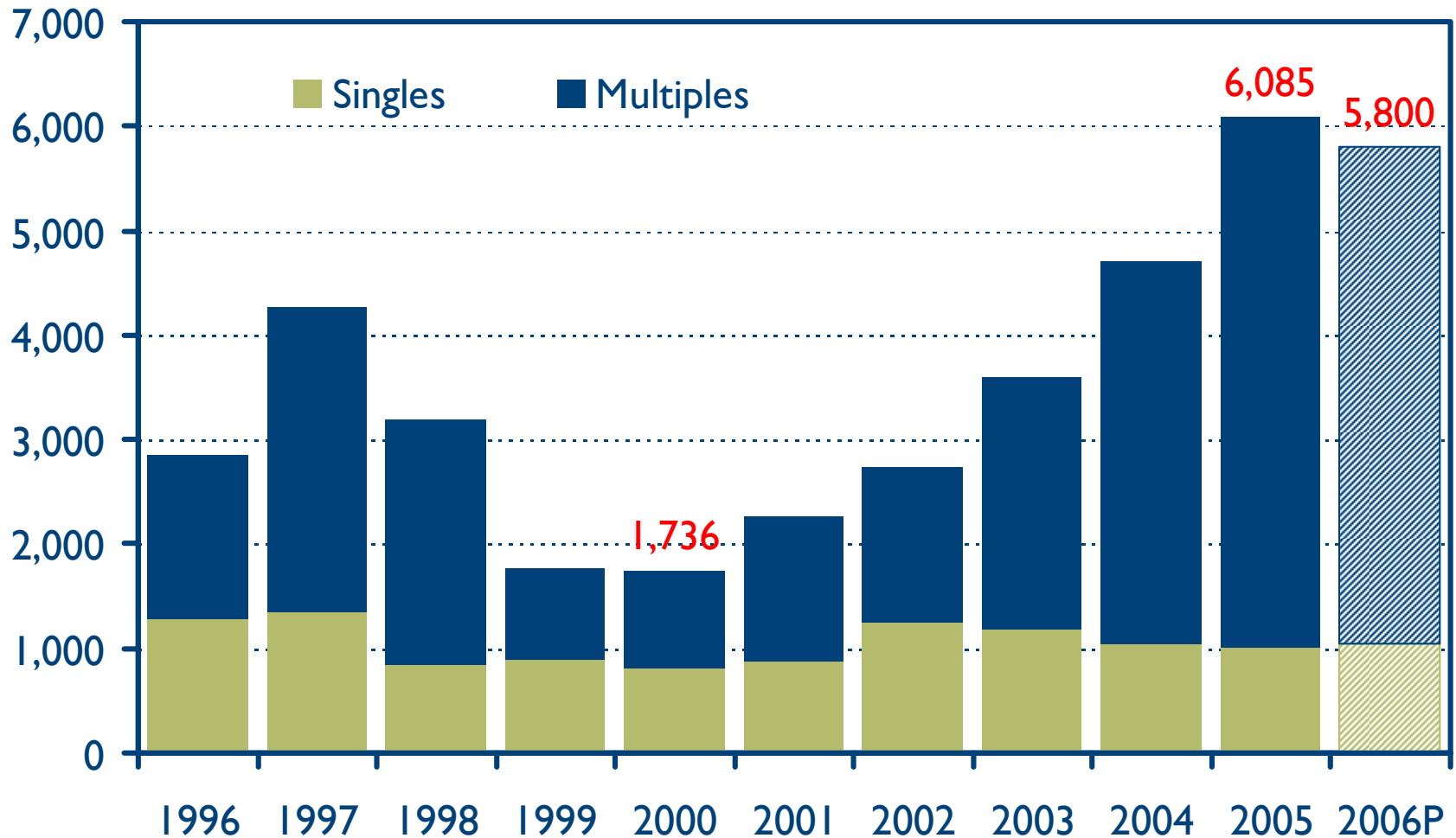
Resale Market

Rental Market

Economic Fundamentals & Outlook

Housing Starts – Tri-Cities Region*

Housing Starts (unit)

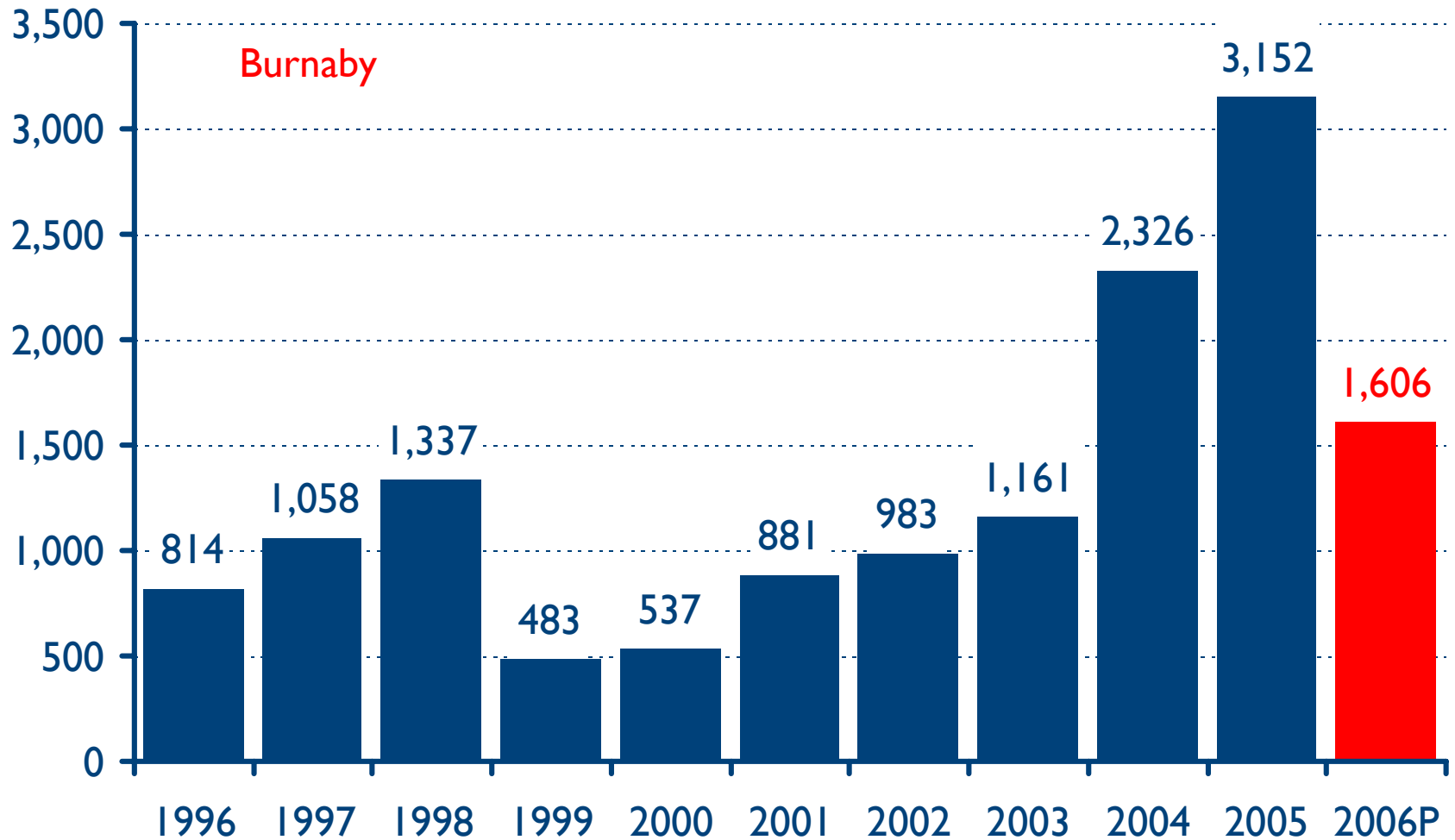


* Including Burnaby, New West. Coquitlam, PoCo, Port Moody, Pitt Meadows and Maple Ridge

Source: CMHC Starts and Completions Survey

Burnaby Market

Housing Starts (unit)



Source: CMHC Starts and Completions Survey

Housing Starts – Vancouver CMA



Single Detached

2005:	4,935	(-12%)
2006p:	5,614	(+14%)
2007f:		(+4%)
2008f:		(-5%)



Multi-family

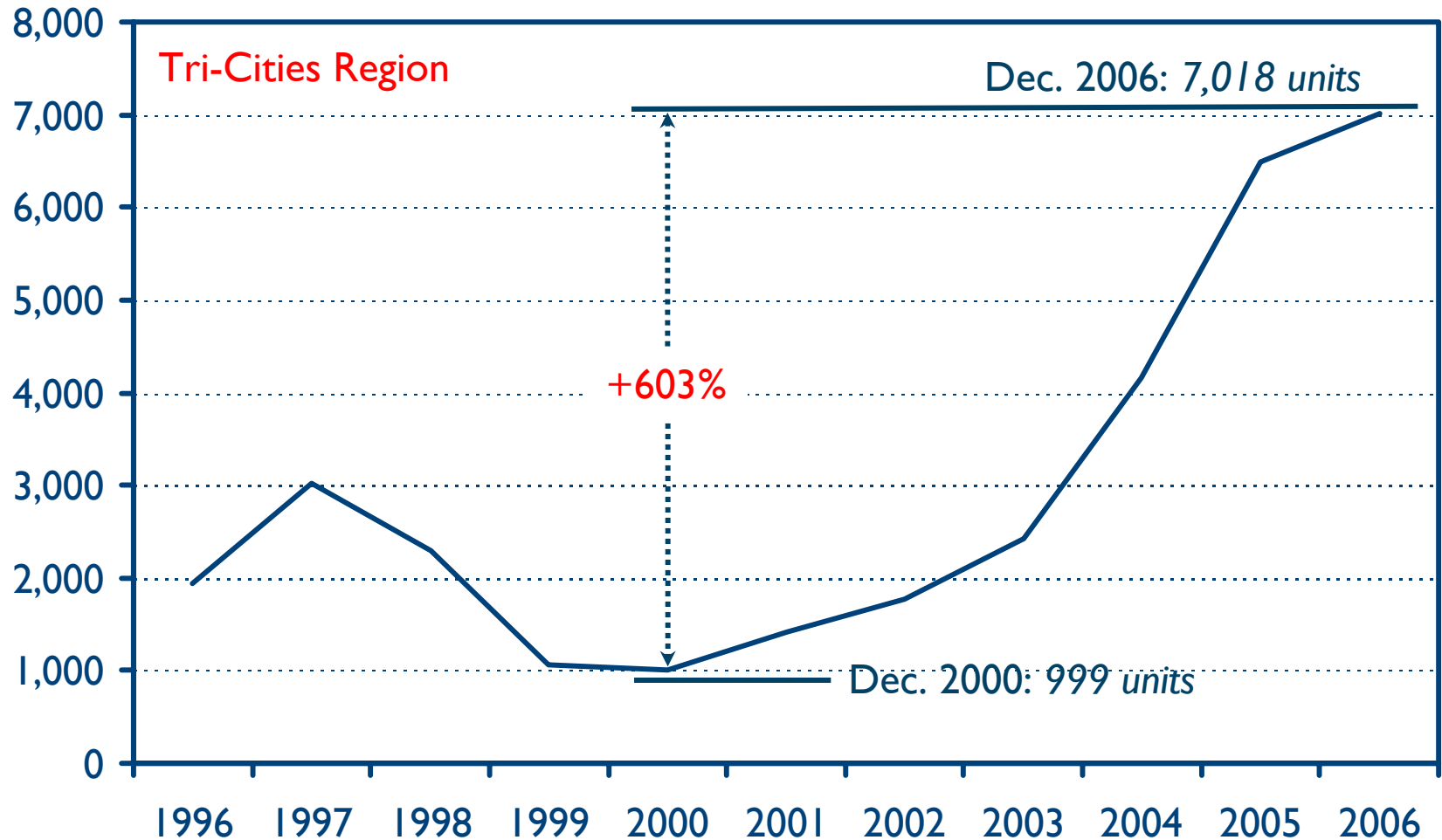
2005:	13,979	(+1%)
2006p:	13,091	(-6%)

(+4%)

(-5%)

Builders Are Busy

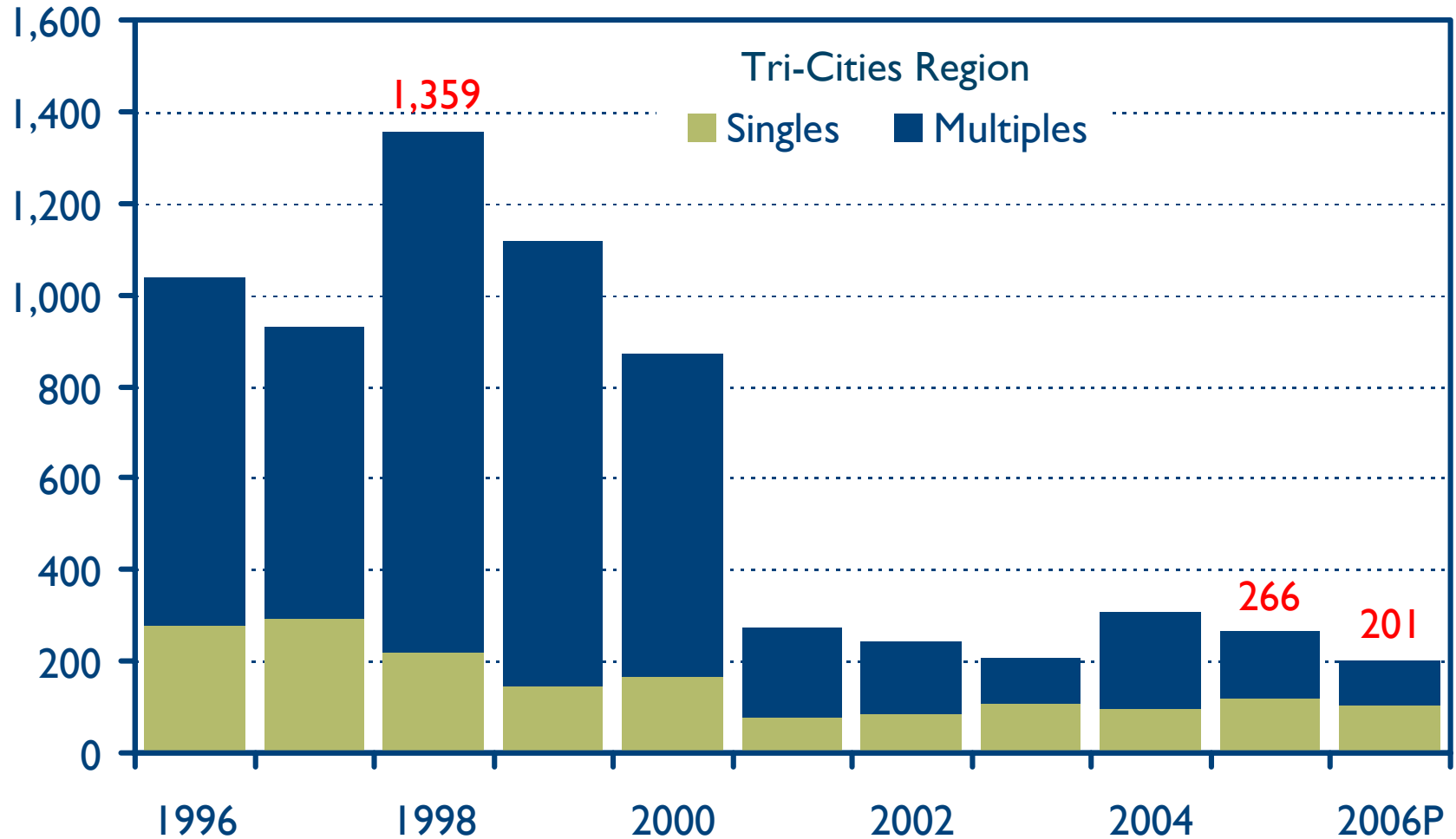
Units under construction at year-end



Source: CMHC Starts and Completions Survey

Unabsorbed Inventory – Tri-Cities Region

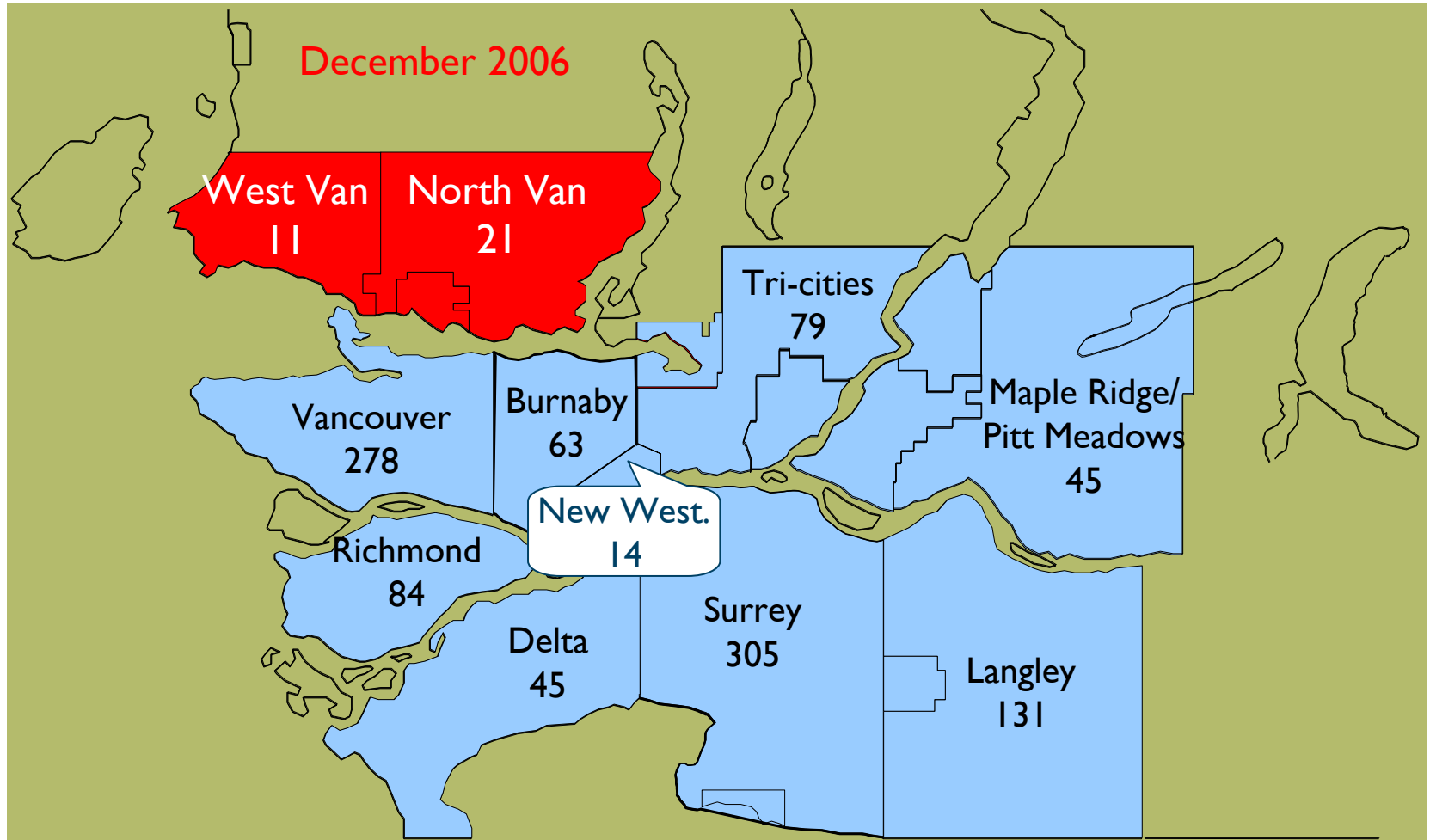
Newly Completed and Unabsorbed Inventory (unit)



Source: CMHC Starts and Completions Survey

Unabsorbed Inventory – Greater Vancouver

Newly Completed and Unabsorbed Inventory (unit)



Source: Greater Vancouver Real Estate Board

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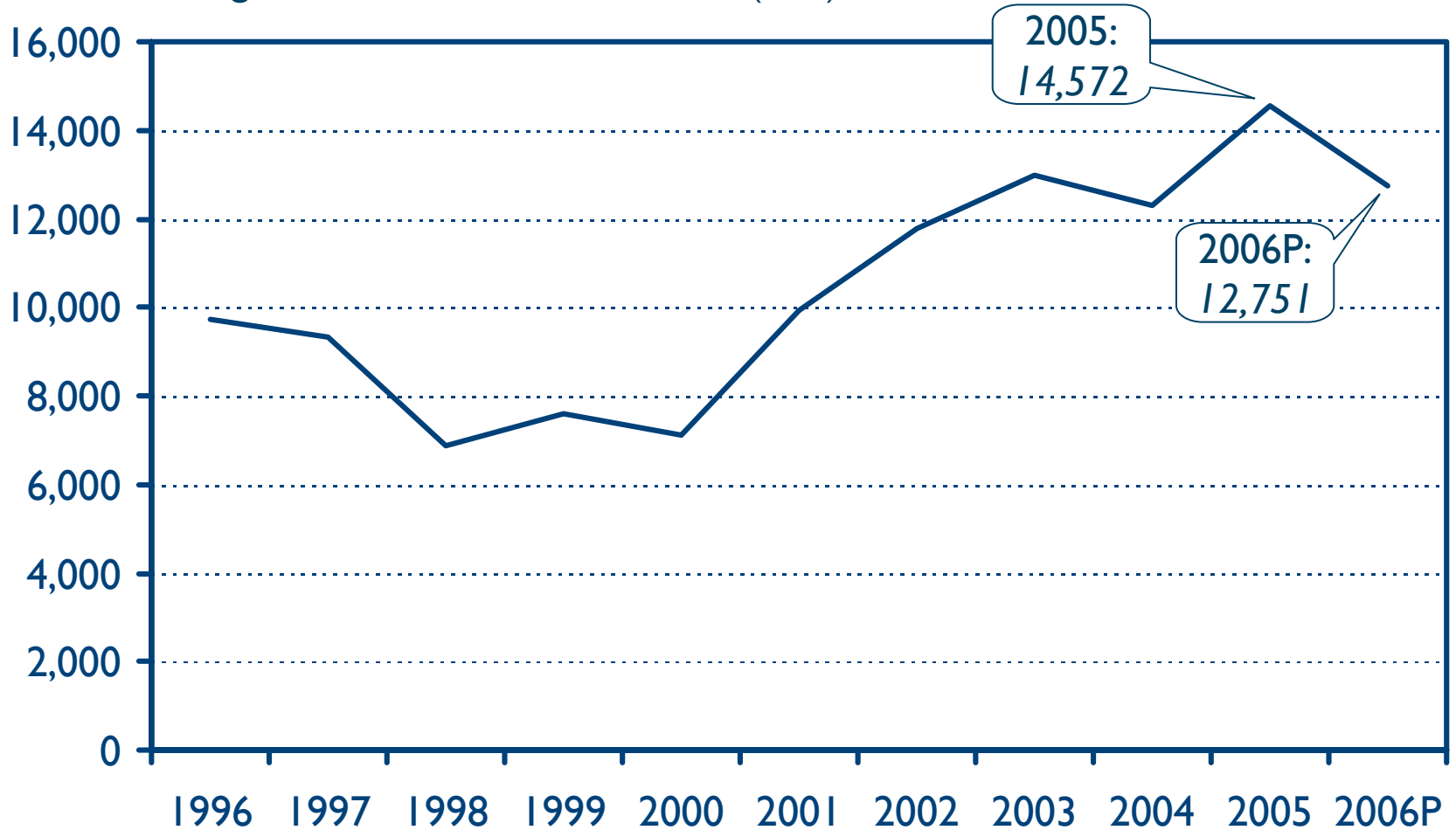
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MLS[®] Sales Hits New Peak

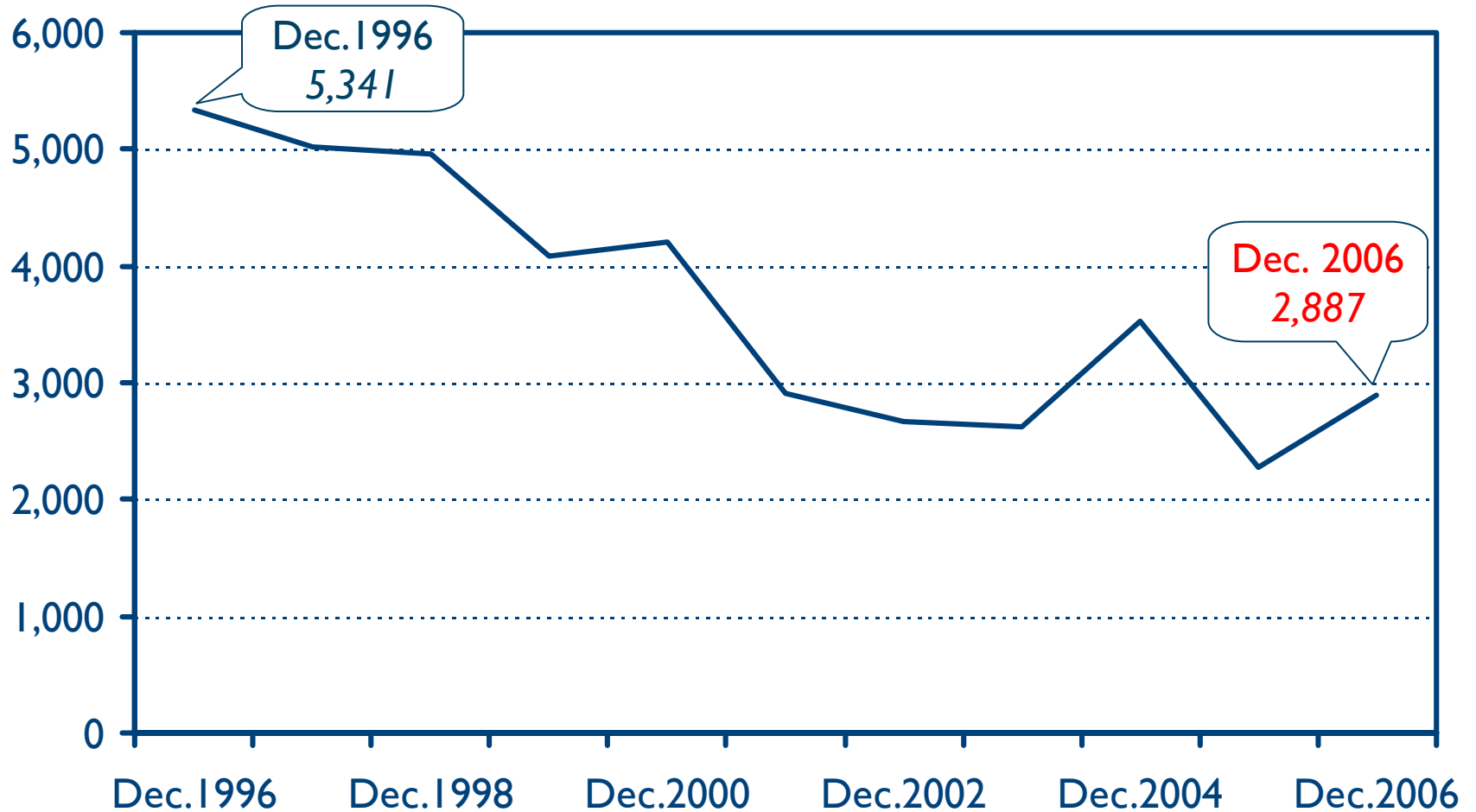
Tri-Cities Region Total Resale Transaction (unit)



Source: Real Estate Board of Greater Vancouver

Resale Inventories Diminishing

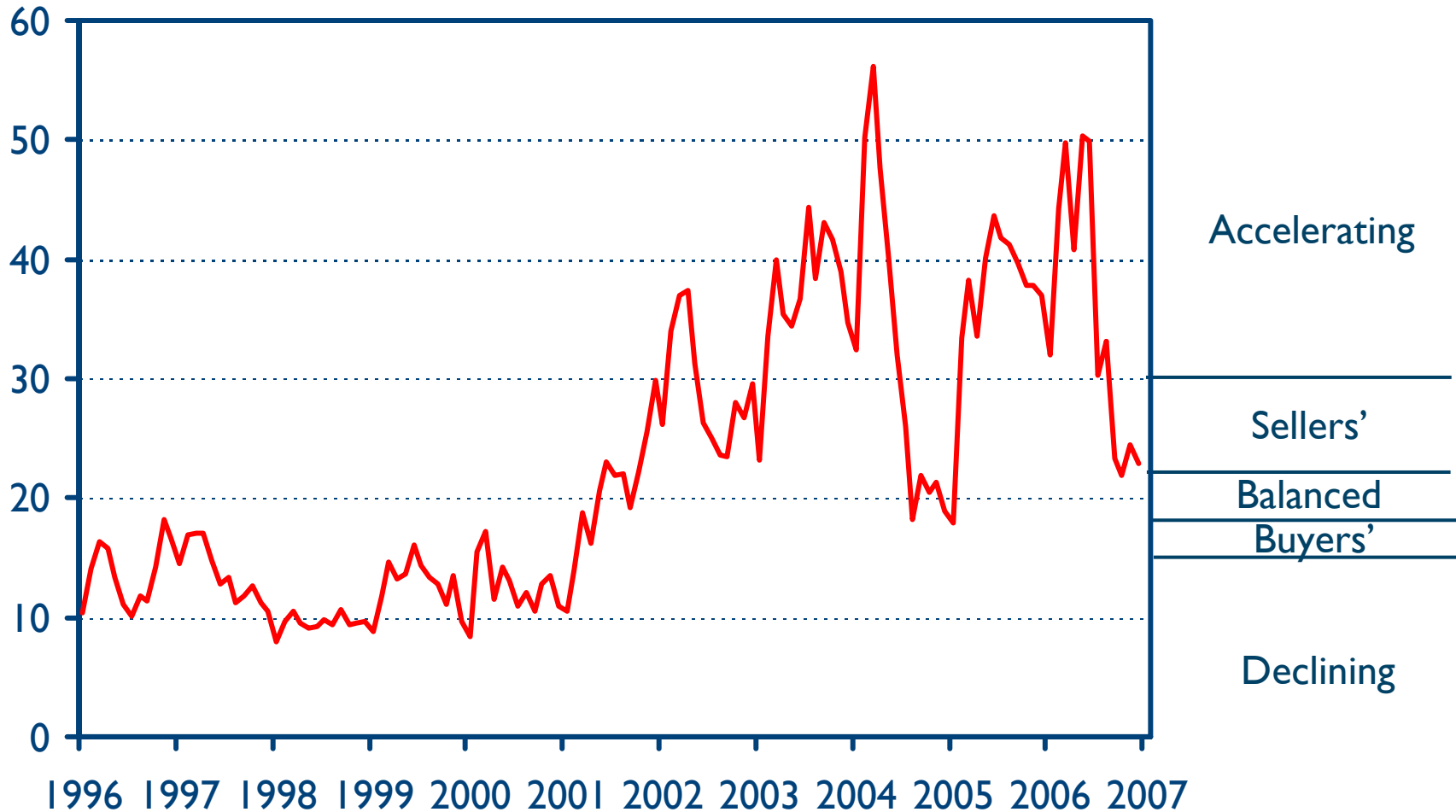
Tri-Cities Region MLS® Active Listings (unit)



Source: Greater Vancouver Real Estate Board

Resale Market Return to Balance

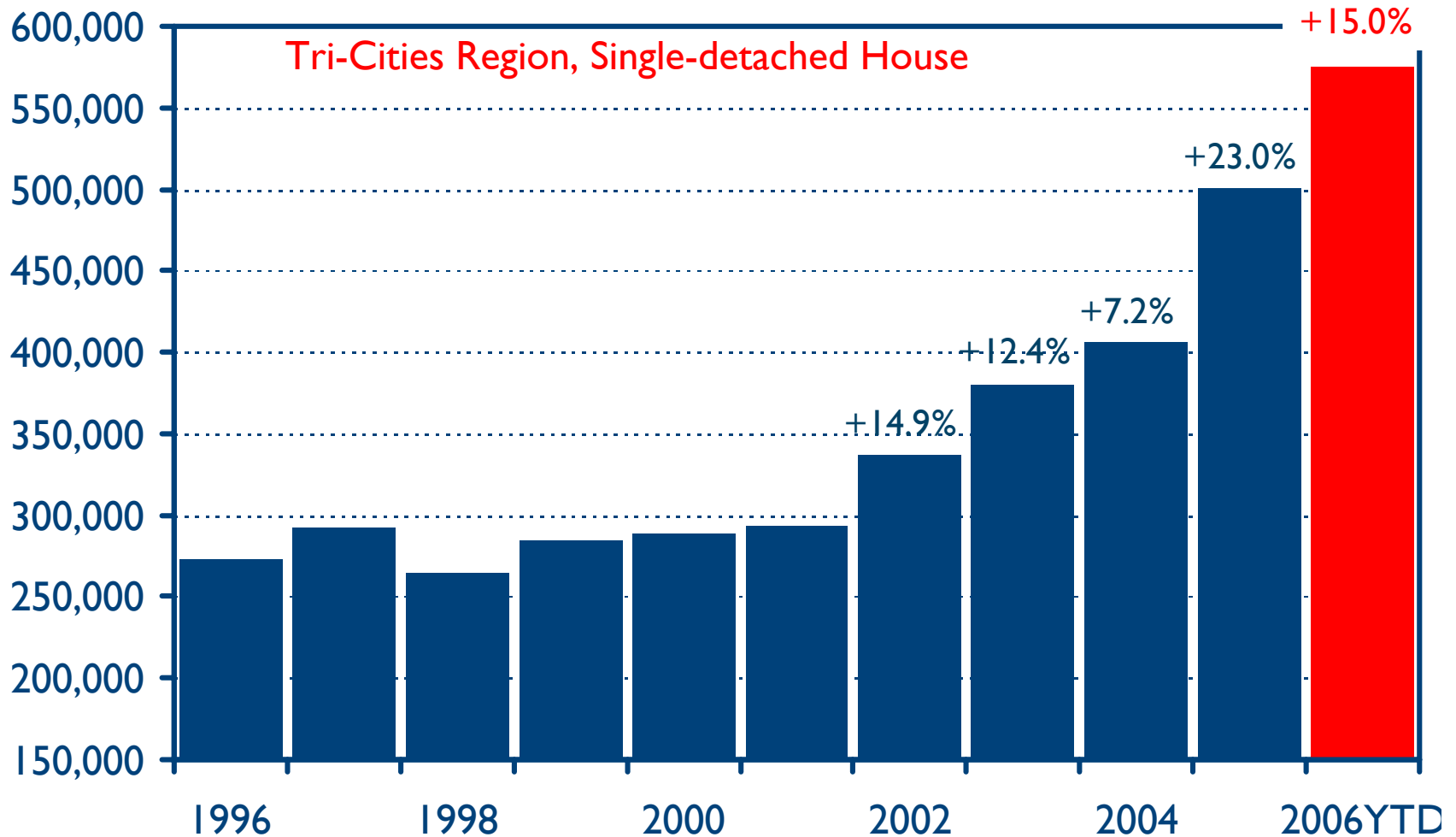
MLS® Sales to Active Listings Ratio (%)



Source: Greater Vancouver Real Estate Board, CMHC

Average MLS[®] Home Price

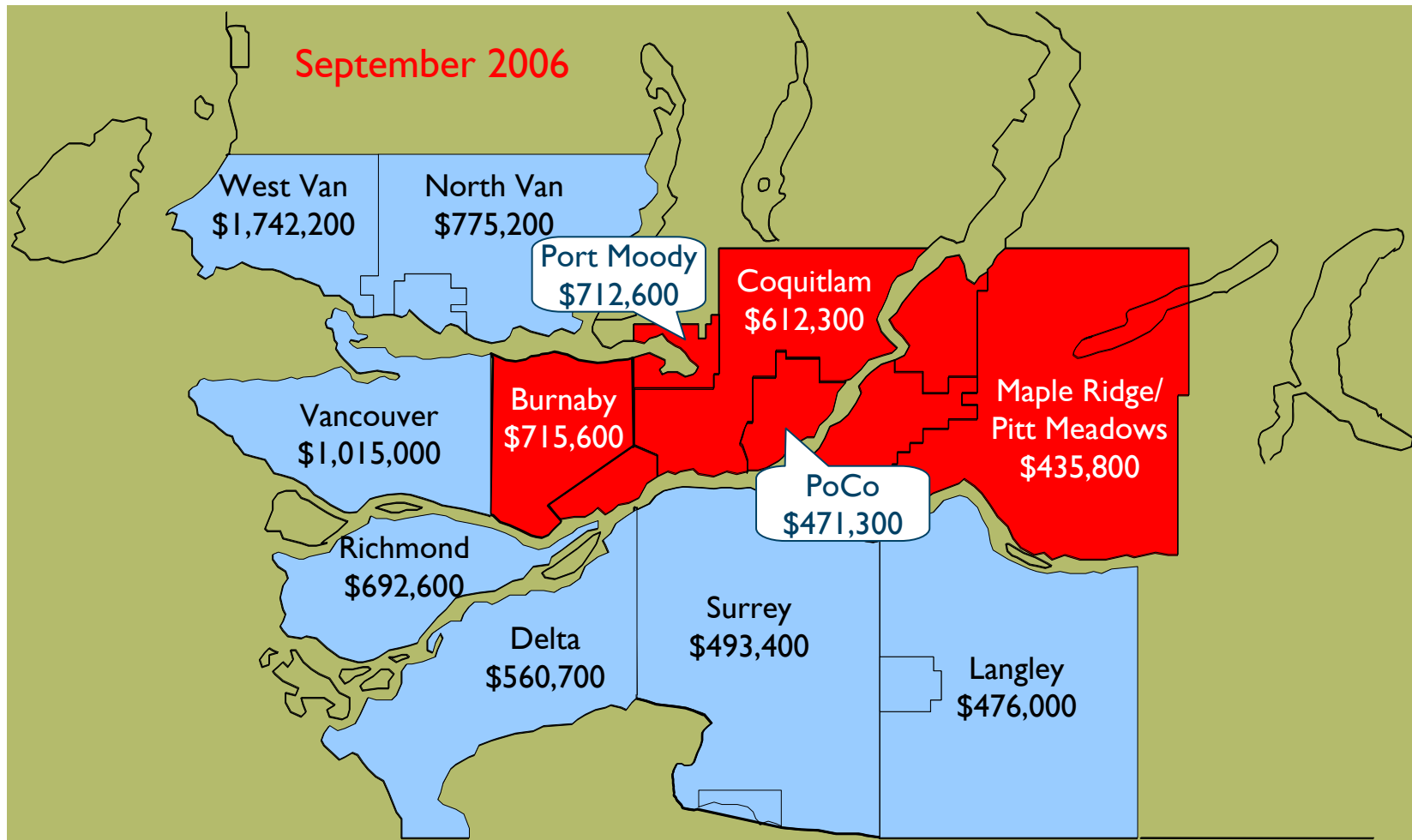
Average MLS[®] Single-detached House Price (\$)



Source: Greater Vancouver Real Estate Board

Average Price across the Region

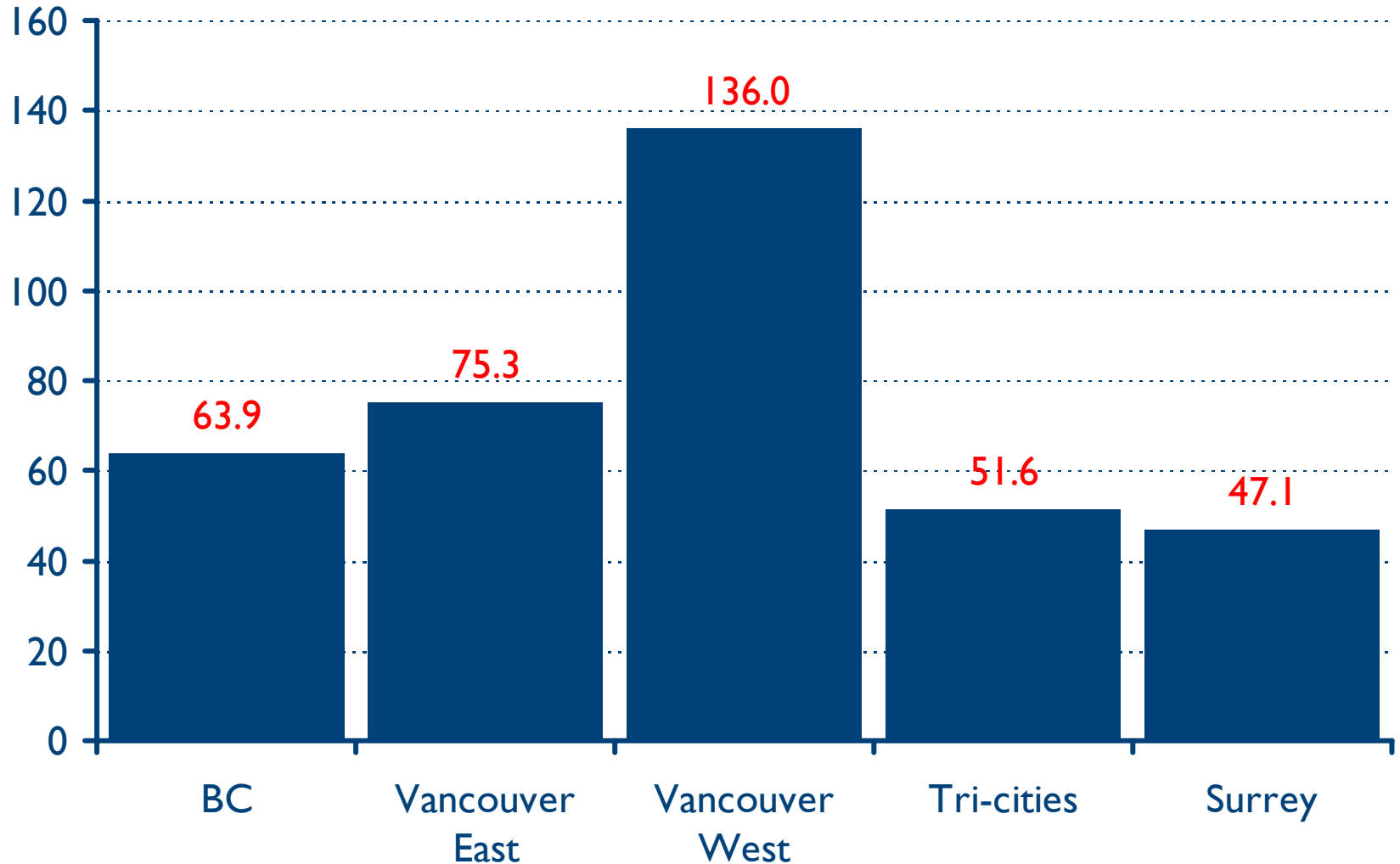
Average MLS® Single-detached House Price (\$)



Source: Greater Vancouver Real Estate Board

Affordability

Housing Affordability Index



Source: RBC, Royal LePage, CMHC

Average MLS Price in Greater Vancouver



Single Detached

2005: \$587,484 (+12%)

2006p: \$726,814 (+24%)

2007f:

2008f:



Townhouse

2005: \$362,847 (+15%)

2006f: \$419,318 (+16%)

(+5%)

(+3%)



Apartment

2005: \$296,036 (+14%)

2006f: \$343,662 (+20%)

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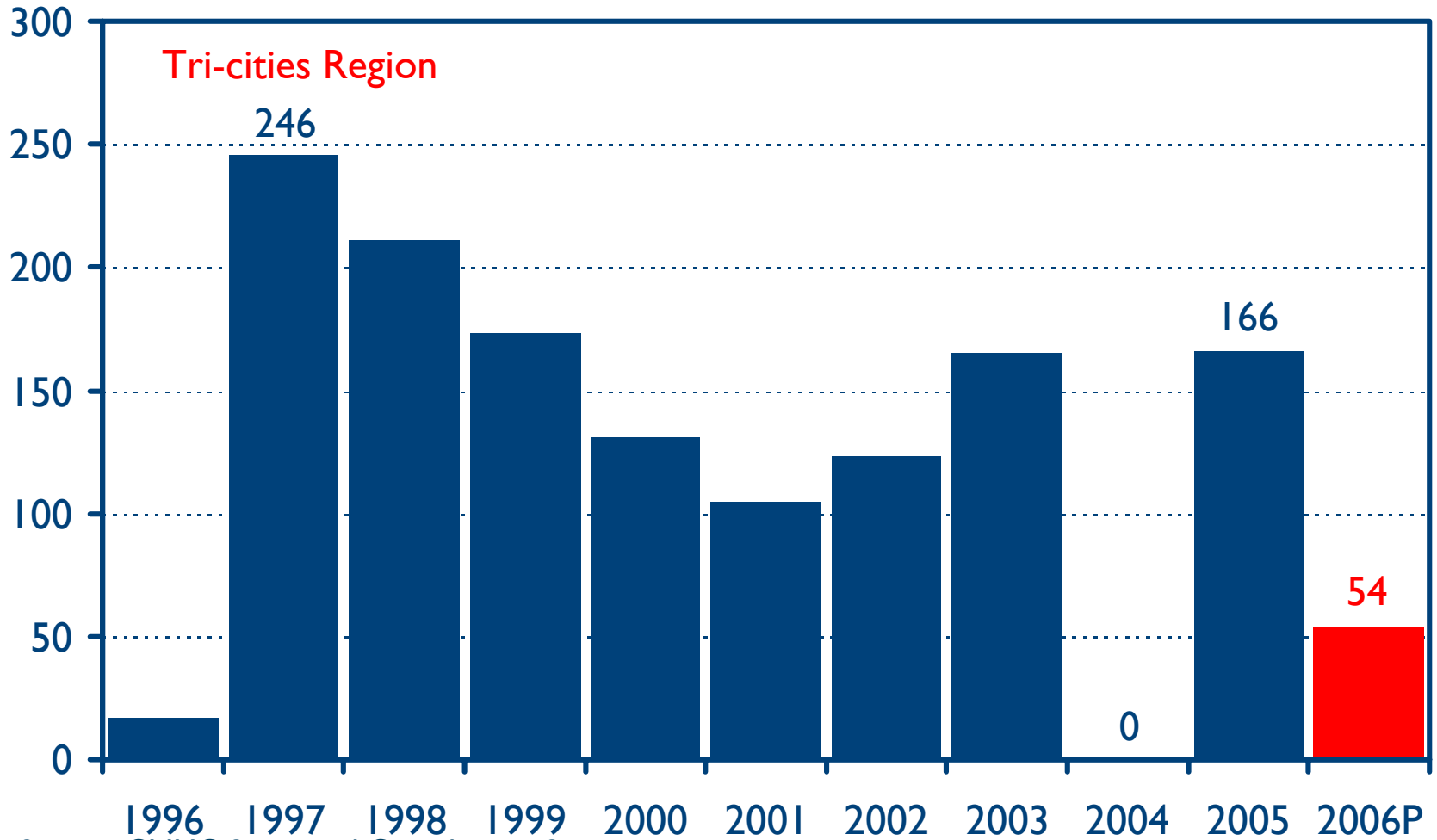
Resale Market

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Rental Housing Starts Drop

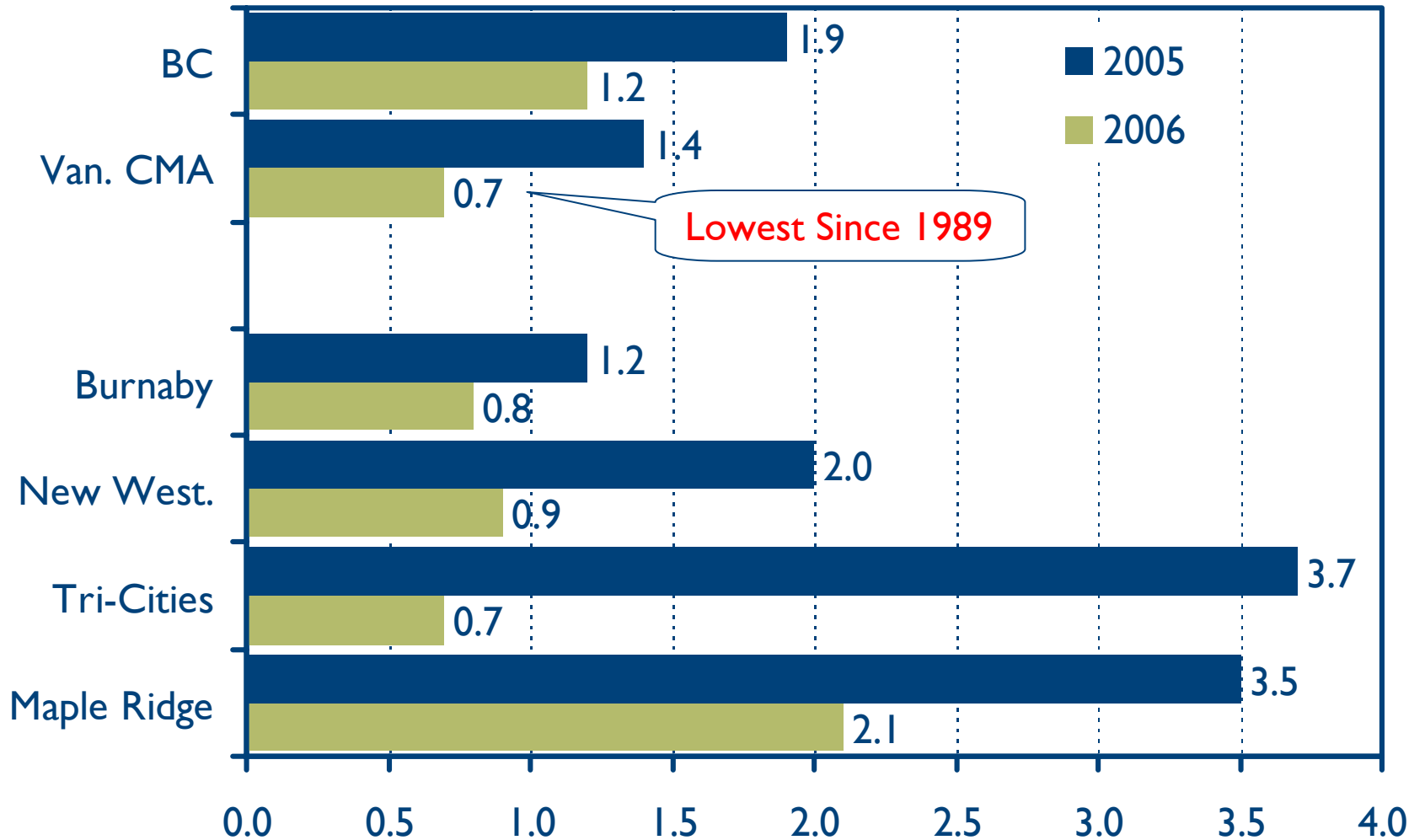
Rental Housing Starts (unit)



Source: CMHC Starts and Completions Survey

Low Vacancy Rate

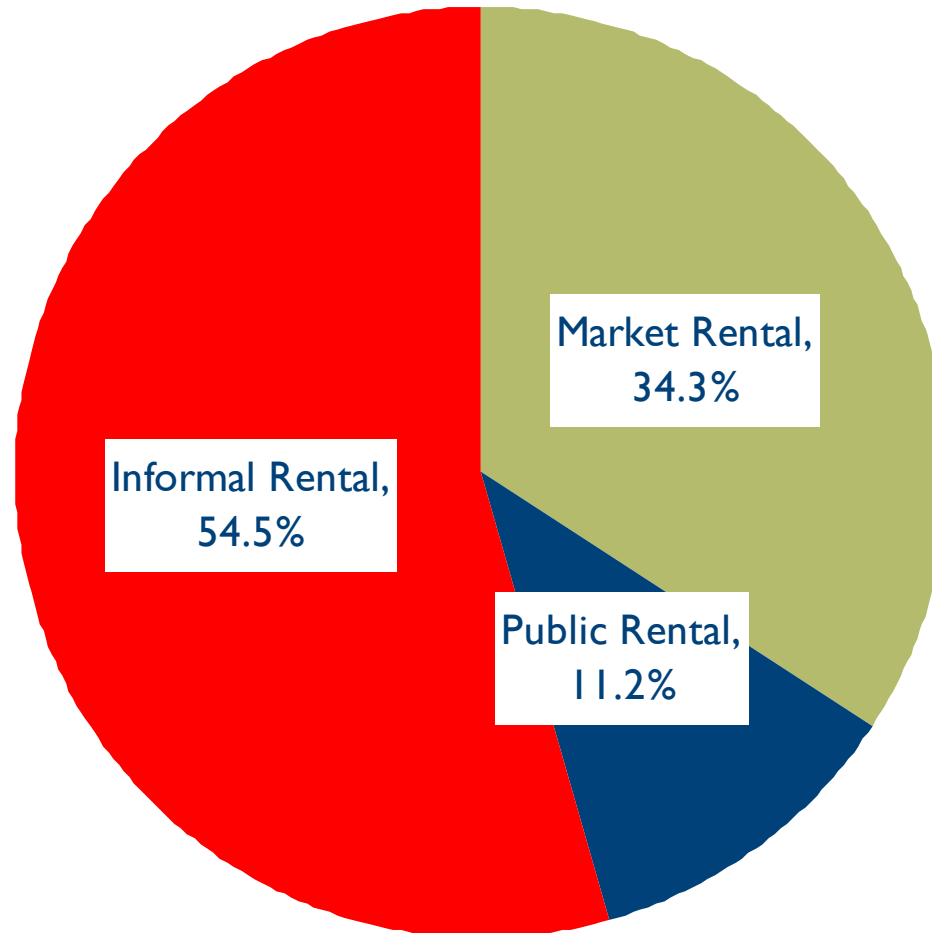
Purpose-built Rental Apartment Vacancy Rate (%)



Source: CMHC Rental Market Survey

Informal Rental* – An Important Rental Supply

Total Rental Universe in Greater Vancouver: 320,162 in 2004



* Informal Rental includes condo units, ground-oriented homes occupied by tenant families only, and rental buildings with three or fewer units.

Source: Statistics Canada, CMHC

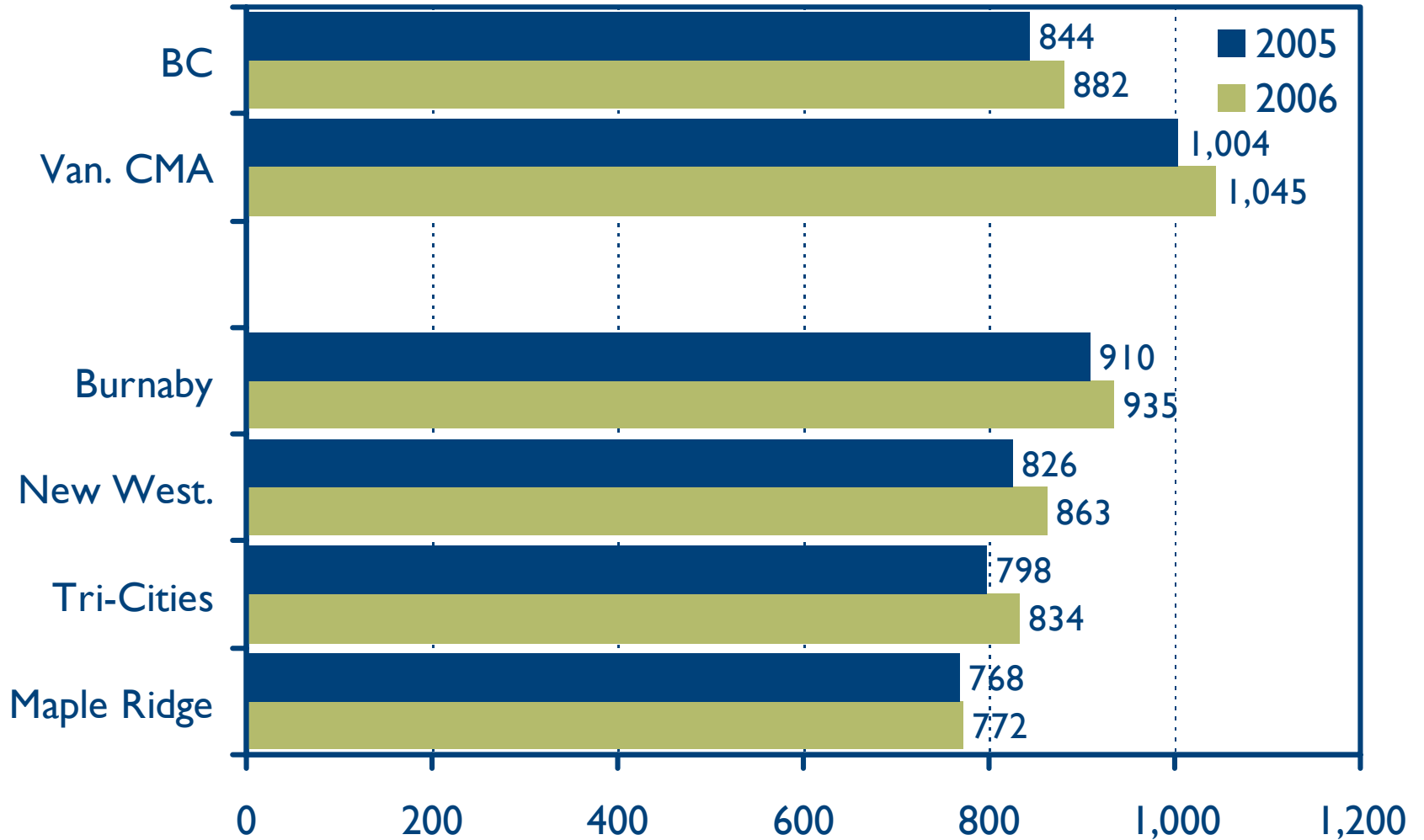
Adding to the Rental Supply



- Secondary Suites
- Investor Condos
- Social/Seniors' Housing

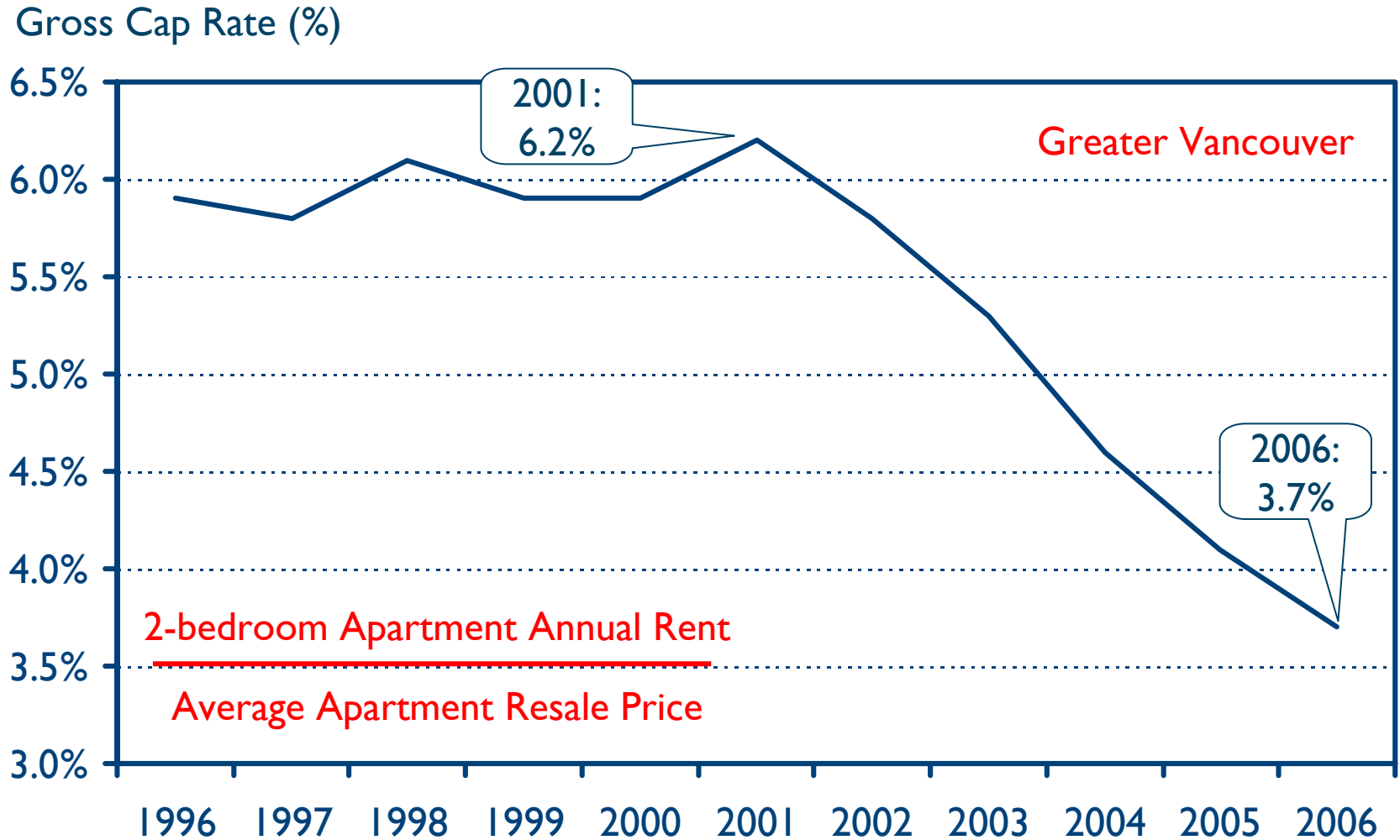
Average Rent

Purpose-built Rental 2bdrm Apartment Rent(%)



Source: CMHC Rental Market Survey

Cap Rate Took Hit



Source: Greater Vancouver Real Estate Board, CMHC

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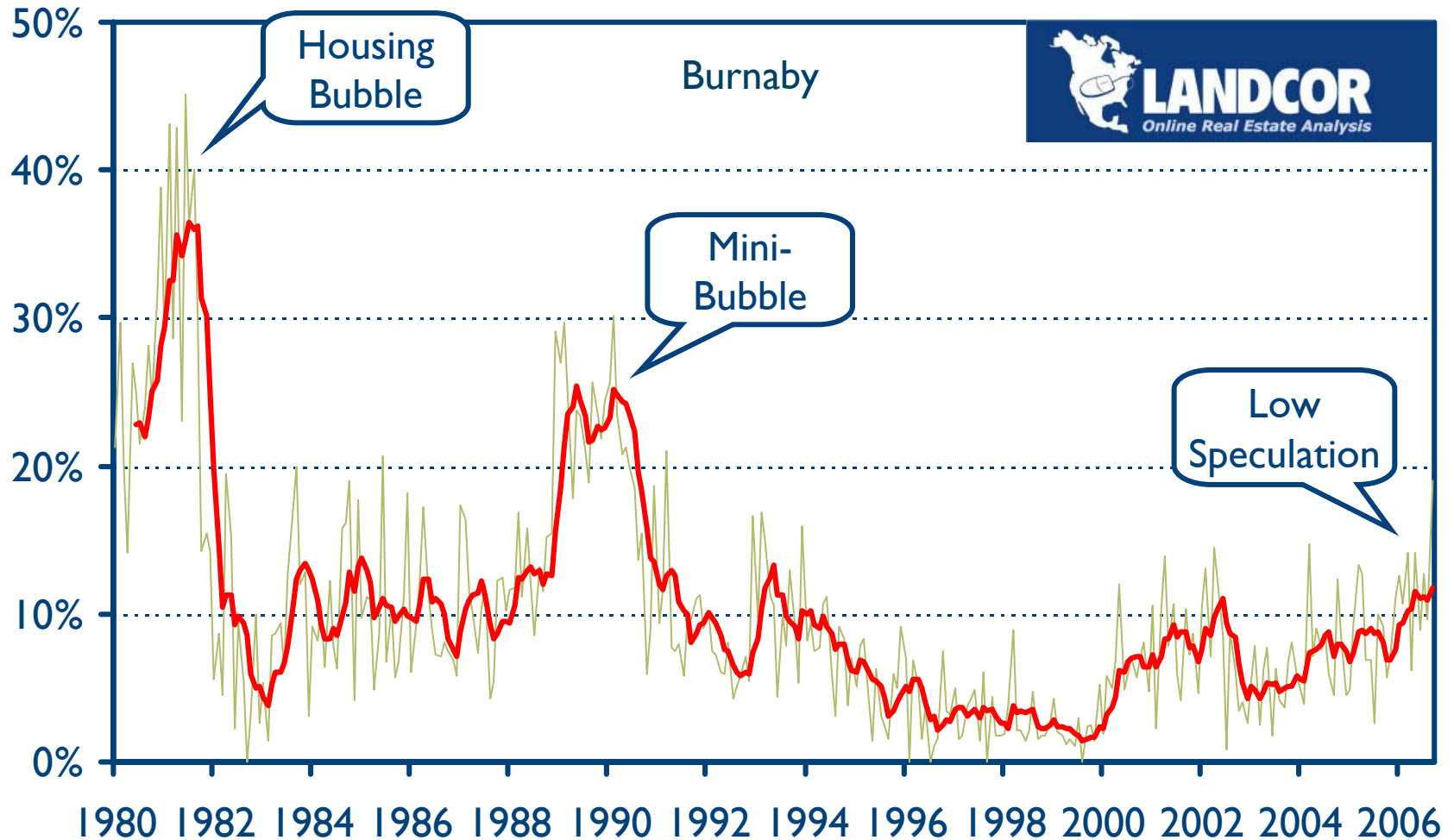
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Economic Fundamentals & Outlook

Speculation in Tri-Cities Market – Burnaby

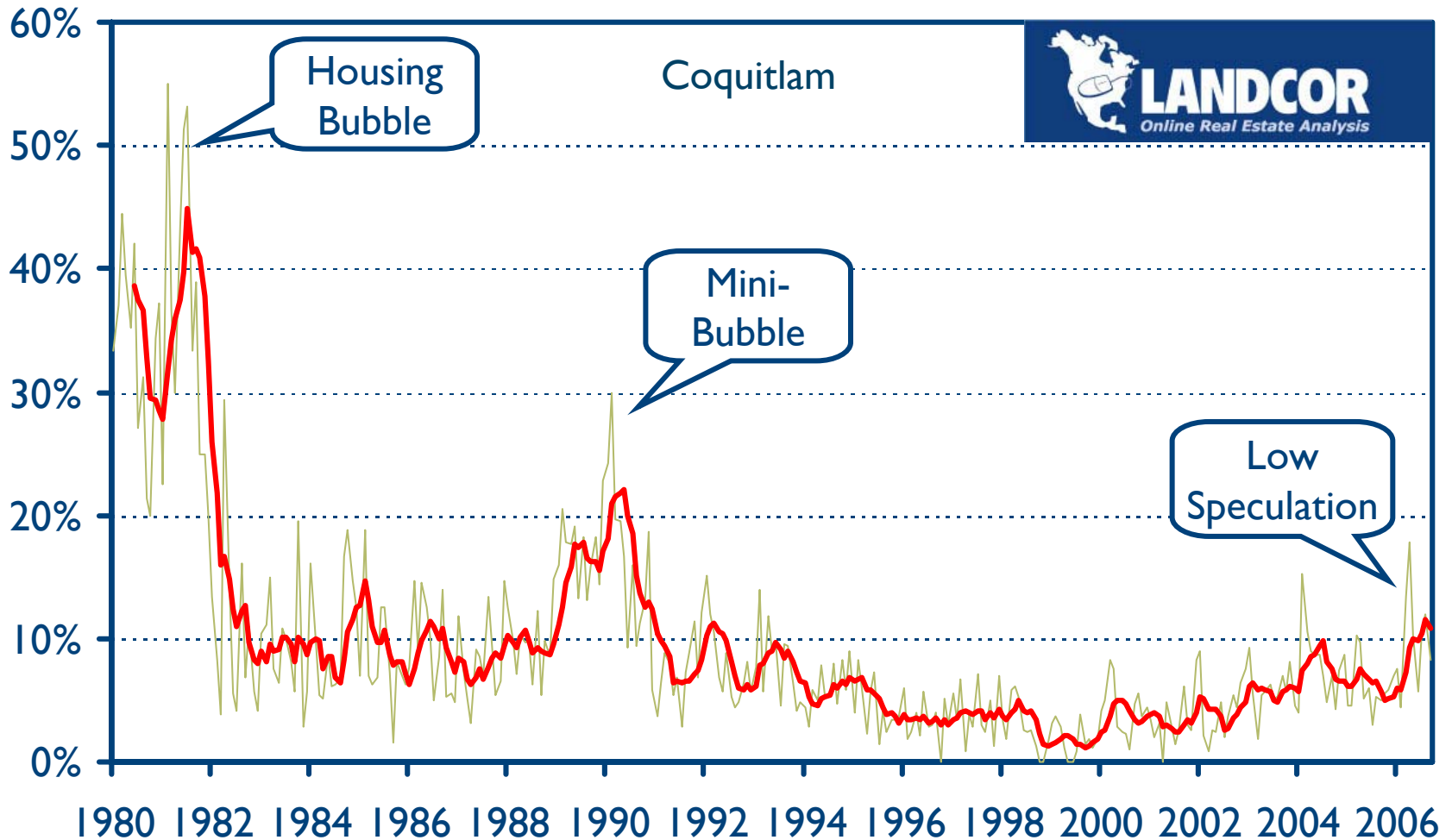
% of Houses Held Less Than One Year



Source: Landcor and CMHC

Speculation in Tri-Cities Market – Coquitlam

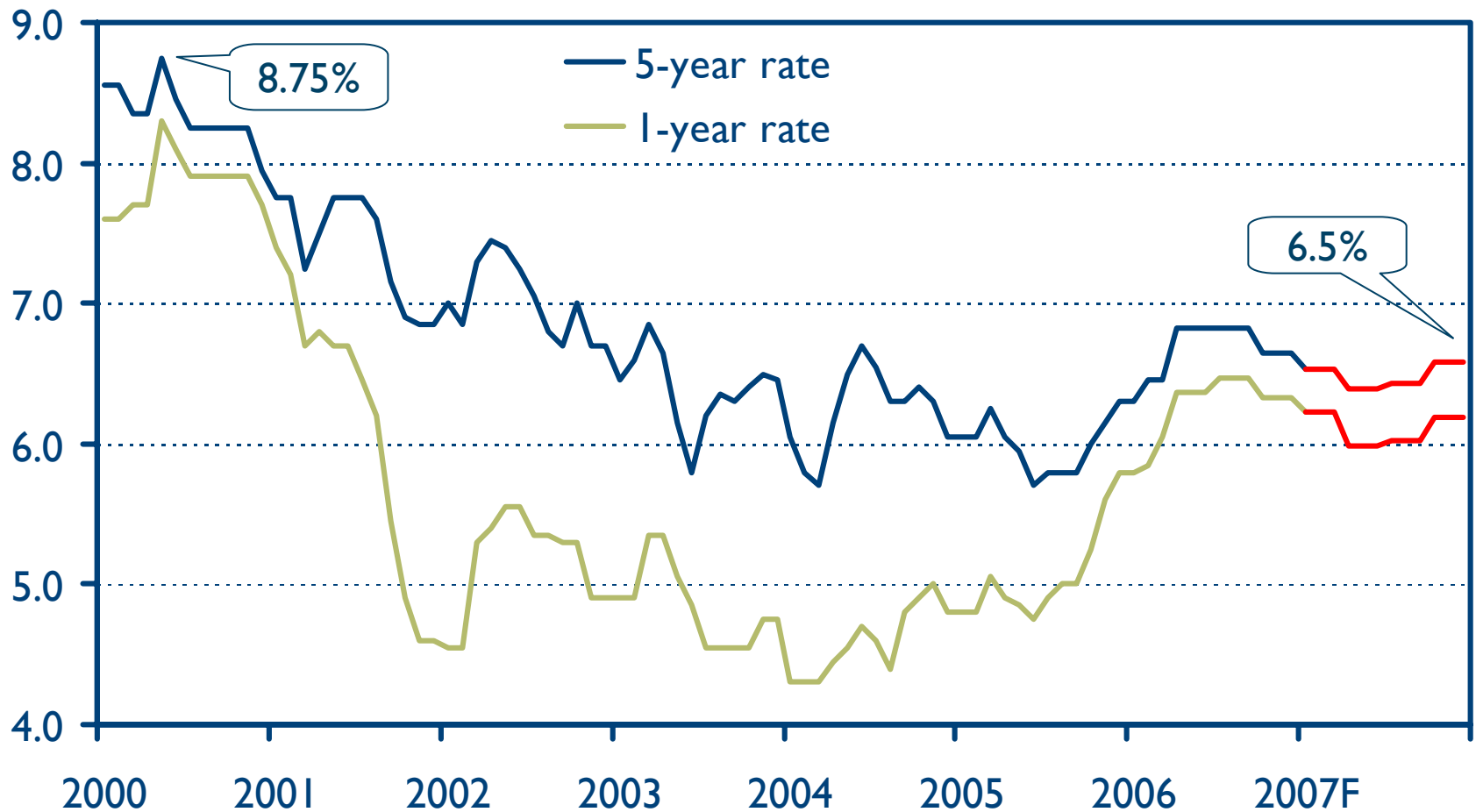
% of Houses Held Less Than One Year



Source: Landcor and CMHC

Mortgage Rates Flat

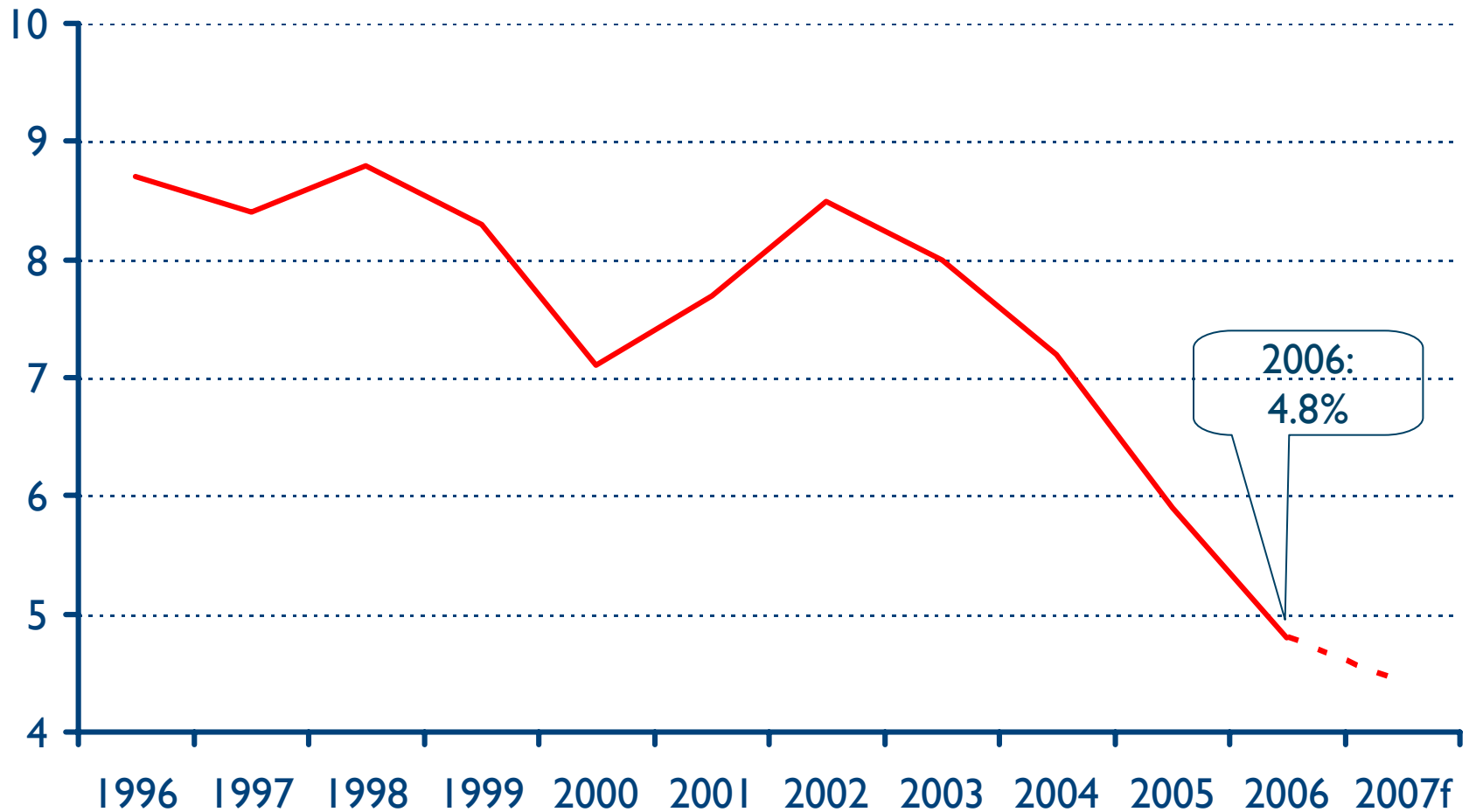
Posted 1- year and 5-year residential mortgage rates, %



Source: Statistics Canada

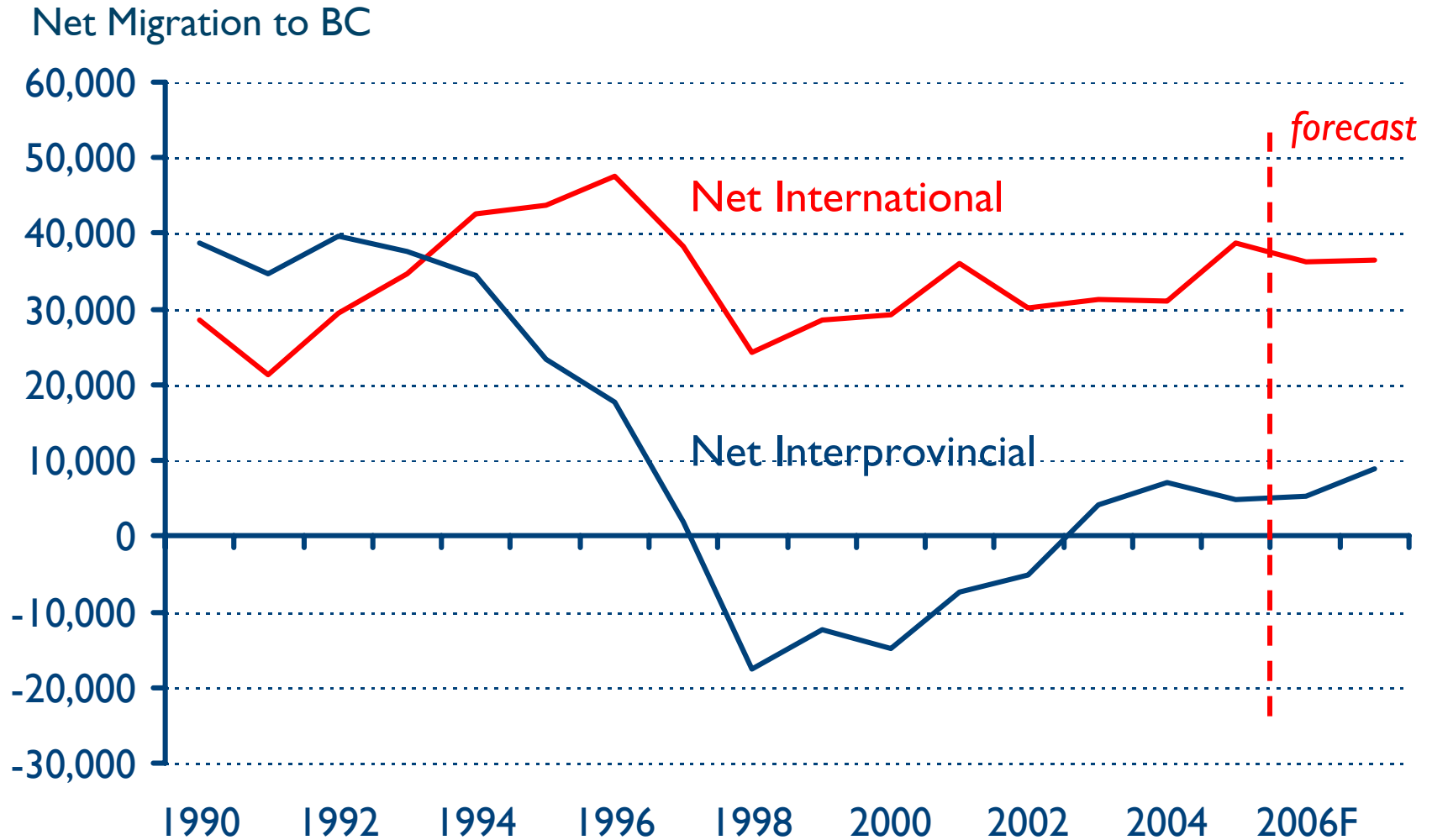
Strong BC Labour Market

BC Unemployment Rate (%)



Source: Statistics Canada

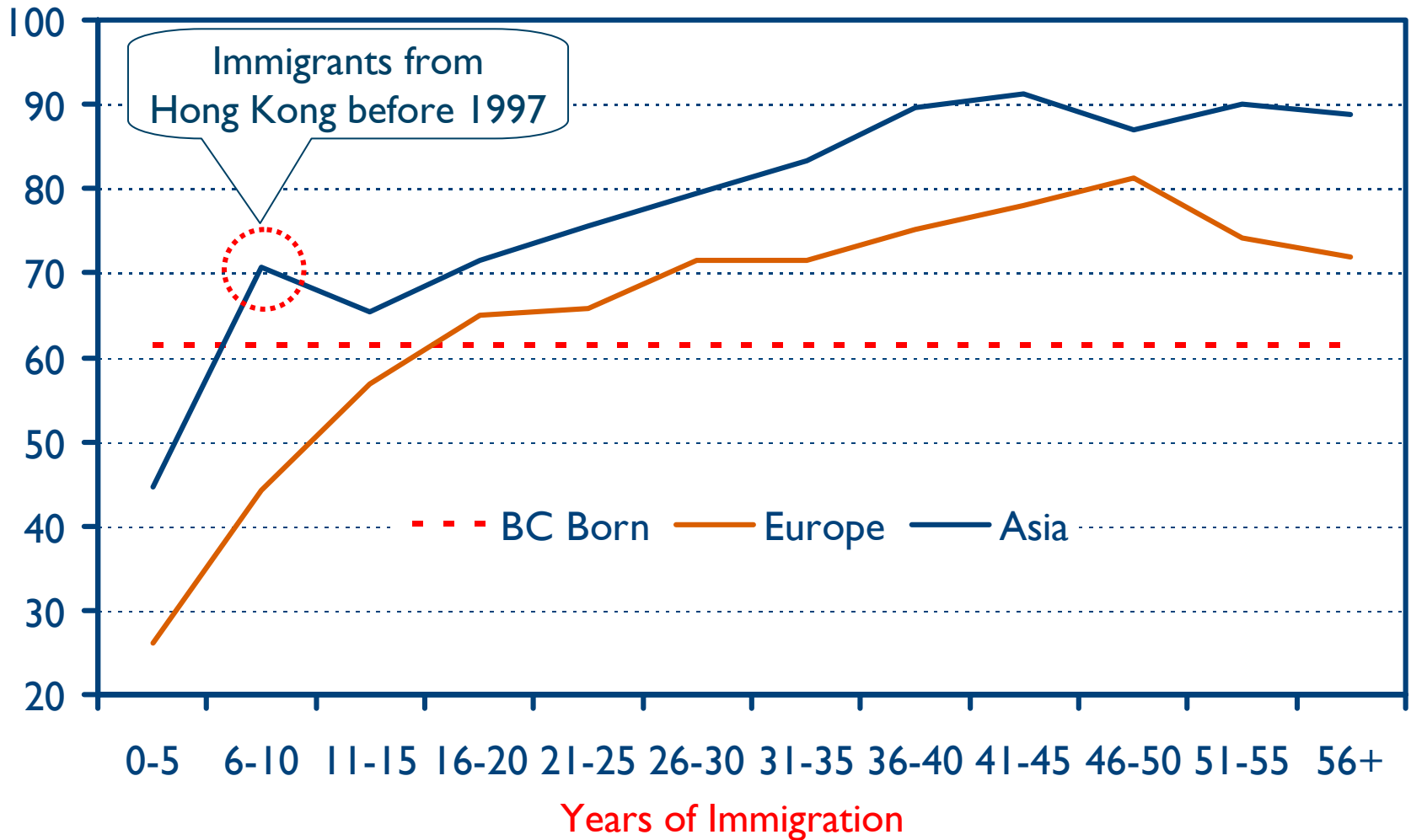
BC Sources of Population Growth



Source: Statistics Canada, CMHC Forecast

Immigrants Catch Up after 10 to 15 years

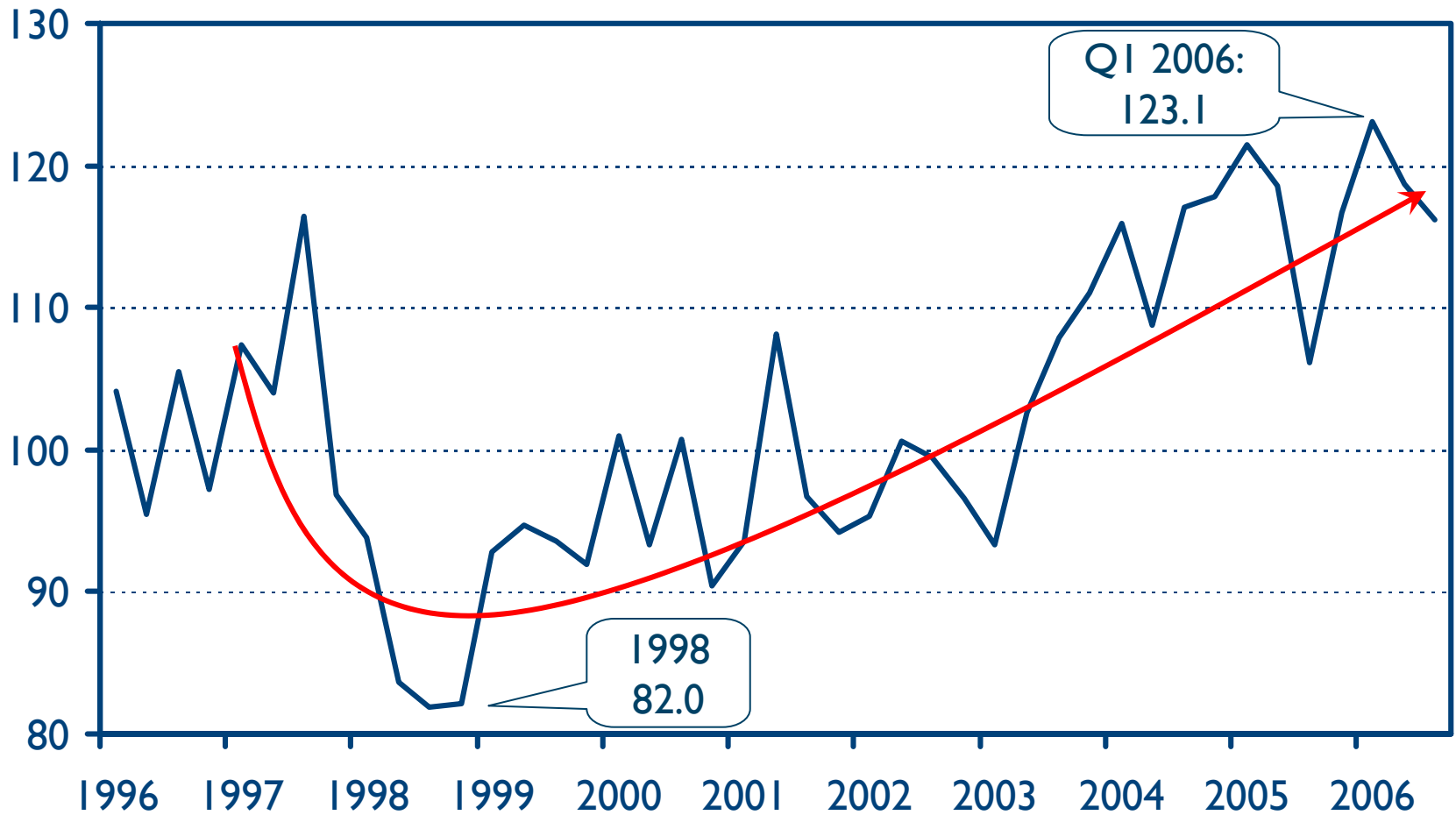
Percentage of Homeownership by Source Countries



Source: Statistics Canada, CMHC

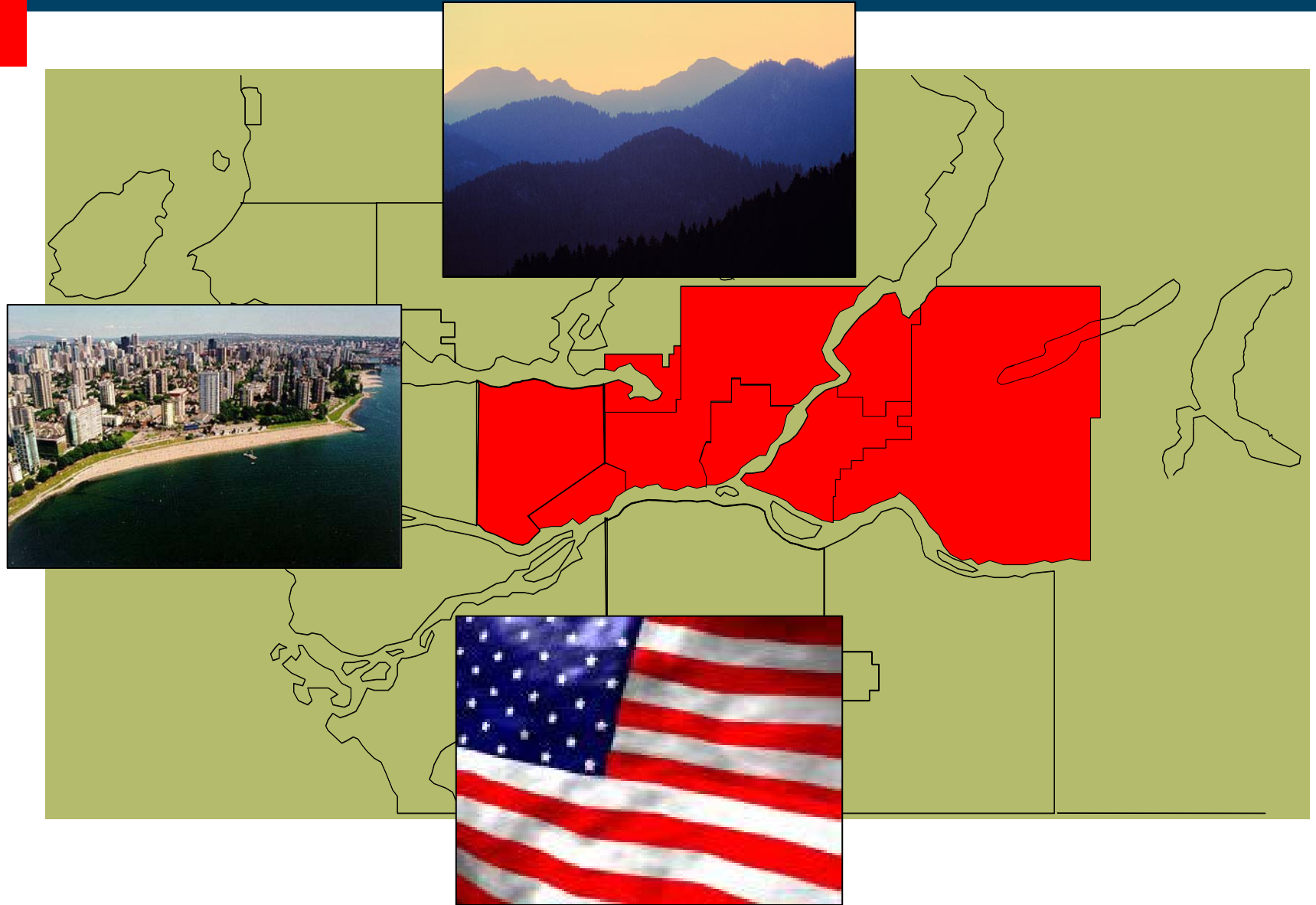
Consumers Are Confident

Consumer confidence, 1991=100

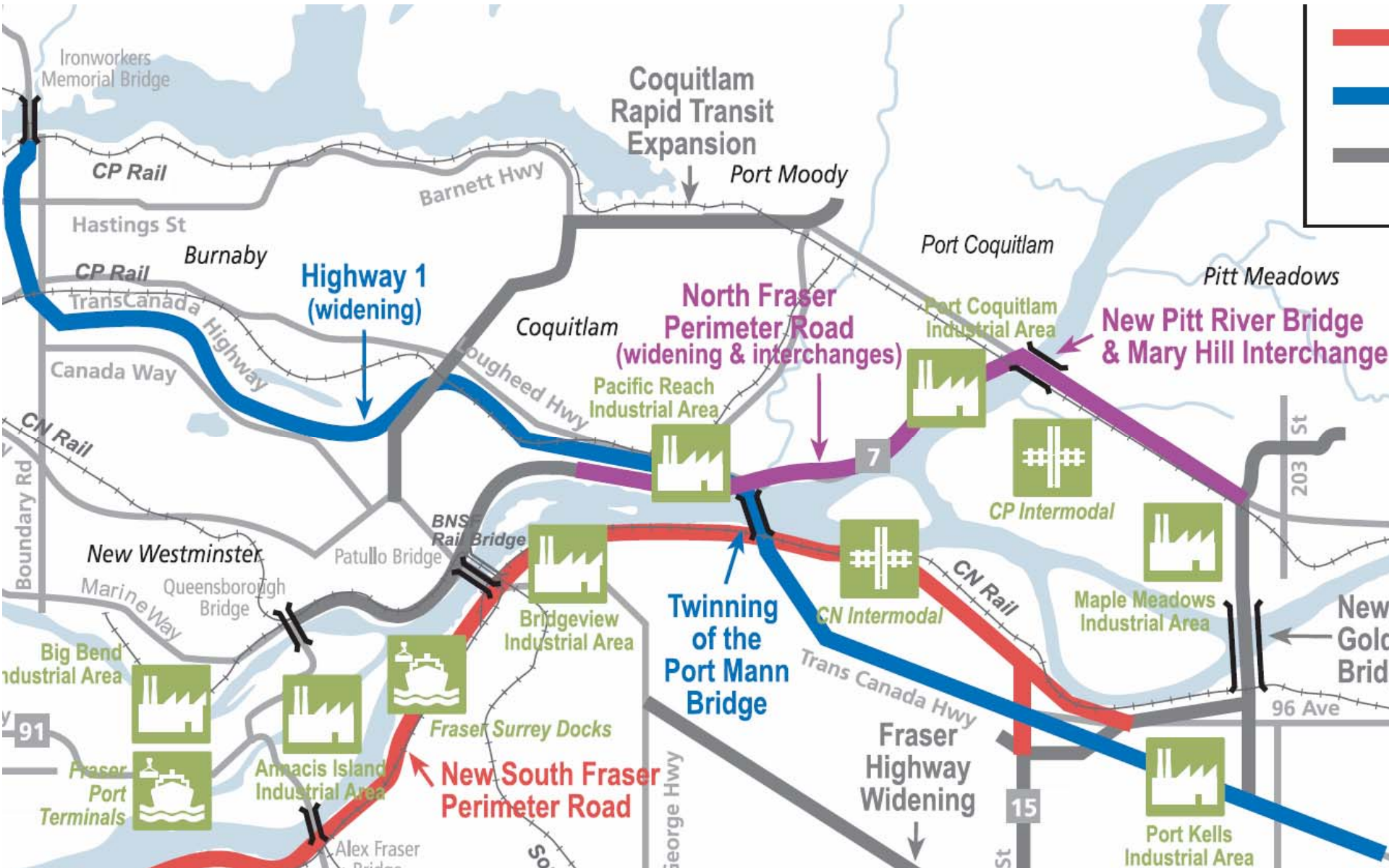


Source: Conference Board of Canada

Why Tri-Cities?



Gateway Program



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