Altus Group

The Altus Group Condominium Apartment Monitor

Vancouver Edition

Data as of Second Quarter 2020

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New Condominium Apartment Dashboard

Q2 2020			YTD Q2 2020	
Sales	Inventory	Avg. Launch $/SF	Sales	Avg. Launch $/SF
883	6,555	$804	2,462	$844
-30%	-7%	17%	-15%	5%
Lowest Q2 since 2009	*Second highest Q2 since 2015*	*3rd highest Q2 ever*	*Lowest YTD Q2 since 2009*	*3rd highest YTD Q2 ever*

% change is from same period a year earlier

Highlights

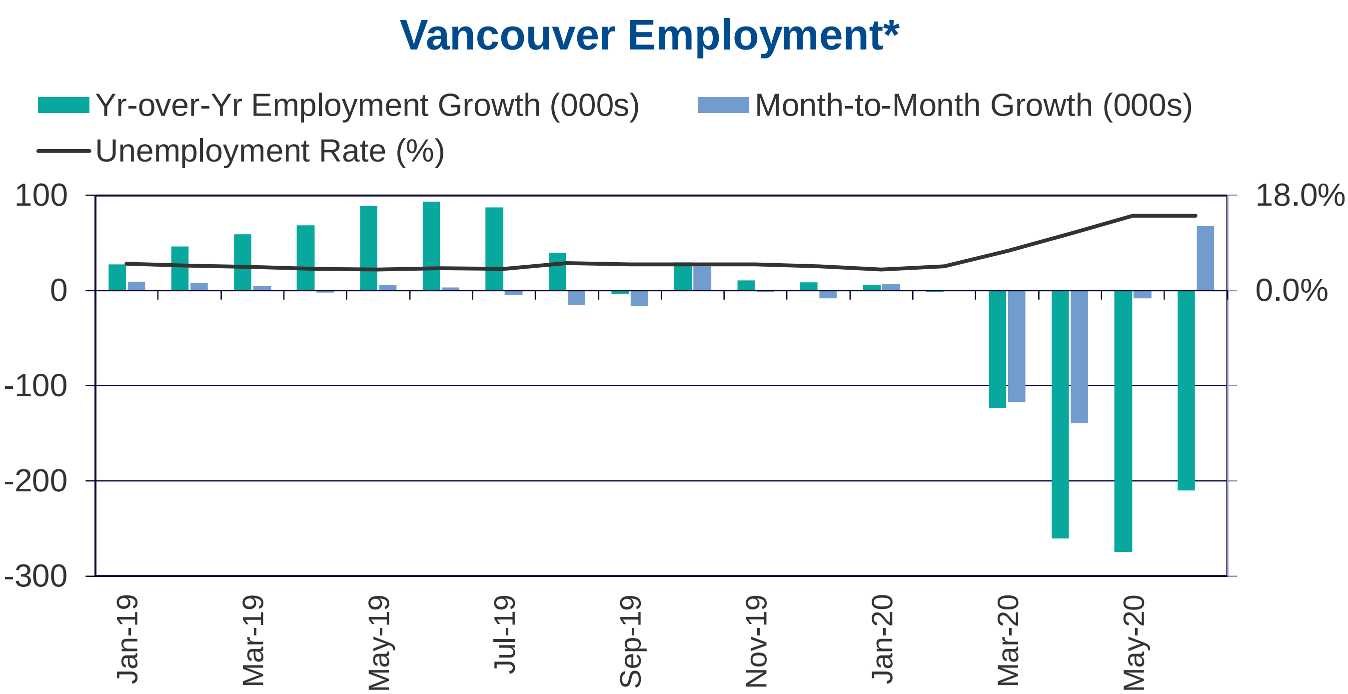
- **Sales of new condominium apartments in the Vancouver Market Area slowed in Q2 2020 as the effects of COVID-19 measures were in full effect**. Sales in the second half of Q2 showed improvement over the same period last year as activity started to pick up as these restrictions were lifted.
- **Sales centres have been reopening to walk-ins** and traffic began to pick up later in the quarter. New supply, however, has been slow to come back as **only 7 new projects opened in Q2 2020**.
- **While there were some positive signs of improved activity late in the quarter,** there is still much uncertainty in the market. A potential increase in the number of new projects launches in Q3 2020 could lead to increased sales in the second half of the year, but there are no guarantees that all the delayed launches will go ahead.
- **Single-family sales posted a 59 % increase year-over-year – outperforming condominium apartment sales in Q2 2020**, as single-family product has been quicker to pick back up after the impact of COVID-19 measures – a trend seen not just in the Vancouver market, but across the country.

Vancouver Condominium Apartment Key Performance Indicators

	Q2 2019	Q1 2020	Q2 2020	*Yr-Over-Yr % Change*	YTD Q2 2019	YTD Q2 2020	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	172	190	194	*13%*	165	192	*17%*
New projects opened	20	14	7	*-65%*	31	21	*-32%*
Units in new projects opened	1,527	1,888	584	*-62%*	3,457	2,472	*-28%*
Total sales (units)	1,269	1,579	883	*-30%*	2,885	2,462	*-15%*
Sales as % of total new & resale	*23%*	*28%*	*22%*		*29%*	*26%*	
Inventory (units)	7,046	7,021	6,555	*-7%*	6,960	6,788	*-2%*
Sales-to-inventory ratio	6%	7%	4%	*-25%*	7%	6%	*-13%*
Months of inventory	8.6	15.1	15.1	*76%*	8.0	15.1	*88%*
Launch Price PSF	$690	$884	$804	*17%*	$803	$844	*5%*
Launch Unit size (sq. ft)	837	824	796	*-5%*	792	810	*2%*
Units completed	3,516	2,599	2,402	*-32%*	5,362	5,001	*-7%*
Resale Condominium Apartments (Real Estate Board of Greater Vancouver and Fraser Valley Real Estate Board data)							
Total sales (units)	4,184	4,021	3,135	*-25%*	7,101	7,156	*1%*
New listings (units)	3,159	2,534	2,459	*-22%*	5,785	4,993	*-14%*
Inventory ("active listings", units)	7,284	4,647	5,599	*-23%*	6,458	5,123	*-21%*
Sales-to-inventory ratio	19%	29%	19%	*-3%*	18%	24%	*30%*
Months of inventory	5.5	3.2	4.1	*-26%*	4.6	3.6	*-21%*
HPI constant quality price	$642,151	$650,672	$659,229	*3%*	$642,805	$654,951	*2%*
HPI constant quality price index (Jan 2005=100)	275.1	278.8	282.4	*3%*	275.4	280.6	*2%*

** see end of report for Definitions*

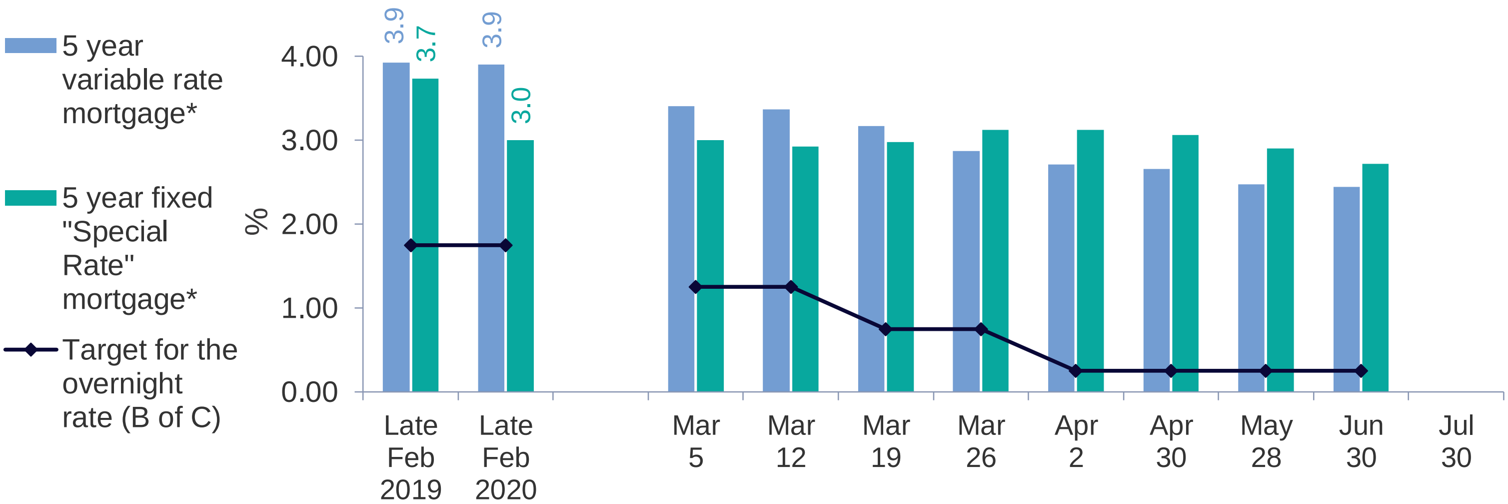
- Employment levels began to increase in June as the economy slowly began to reopen and **as government wage subsidy programs in May slowed the pace of layoffs**. Government support programs, such as CERB, have also helped consumers weather the storm and mitigate some of the major concerns regarding missed rent payments and evictions. However, as these support programs are reduced or retracted, further impacts on the economy and consumers are expected.
- **The Bank of Canada maintained the target for the overnight rate at ¼ percent at its latest rate announcement on July 15,** citing the "global and Canadian outlook is extremely uncertain" (*chart top of next page*). The next rate announcement date is September 9. **Mortgage rates available in the market had been relatively stable on average in recent weeks, but dipped more recently and discounted rates below 2.0% have been advertised.**
- **Overall homebuying intentions in Vancouver are down this Spring compared to last year**, according to Altus Group's latest FIRM Survey (*chart bottom of next page*). The decrease was due entirely to current renters (i.e. the key group for potential first-time buyers). This pattern may suggest that there could be some reduced demand going forward for new condominium apartments as consumers delay any housing decisions due to economic uncertainty related to the COVID-19 pandemic.



Source: Altus Group based on Statistics Canada data

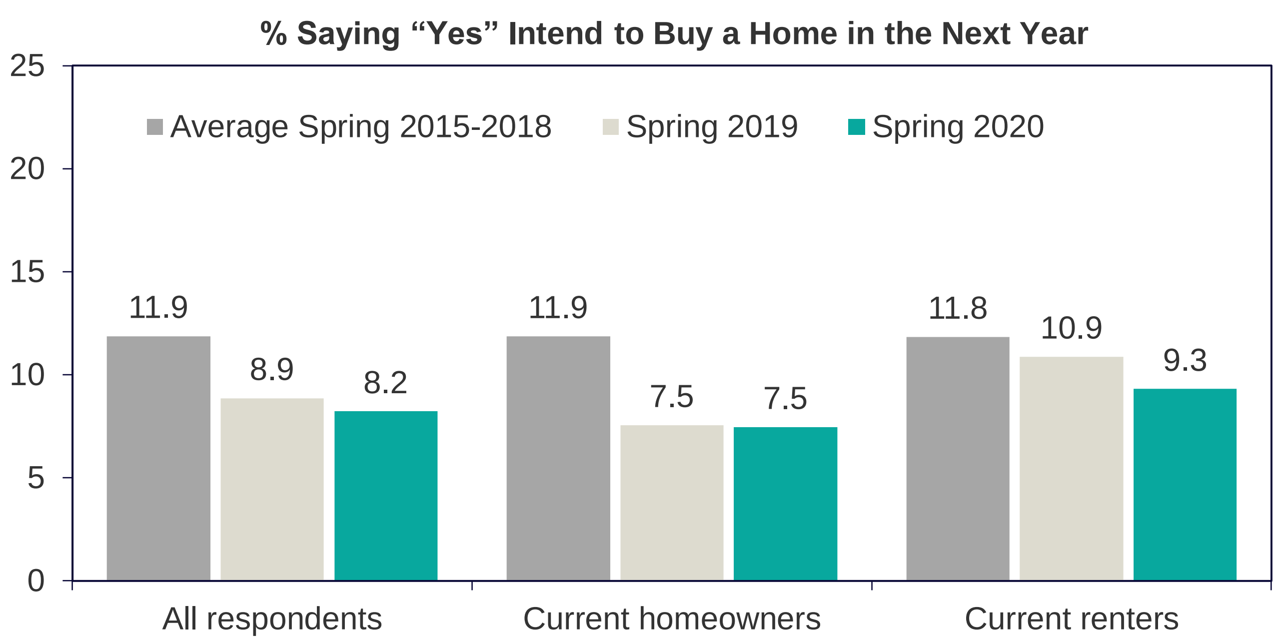
* *Data are monthly, seasonally adjusted*

Selected Interest Rates



Source: Altus Group based on data from StatCan, Bank of Canada and major bank web sites

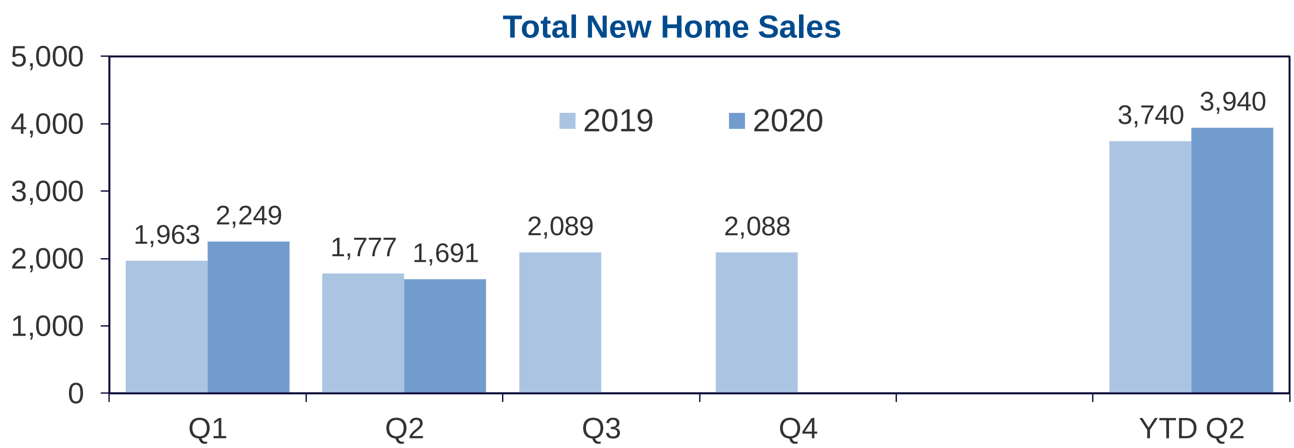
Vancouver Homebuying Intentions

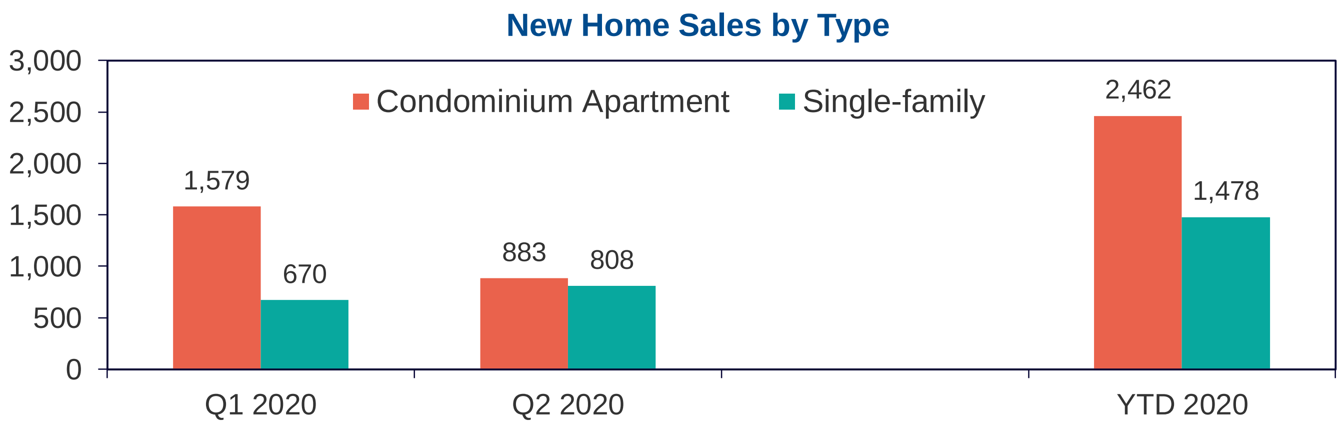


Source: Altus Group

- **Total sales of new homes in the Vancouver Market Area were down only slightly in Q2 2020** compared to Q2 2019, but were lower than the elevated activity noted in Q1 2020 and were below Altus' expectations going into the Spring market, prior to COVID-19.
- **However, the majority of the sales occurred during the second half of the quarter – as the government restrictions related to COVID-19 began to ease**. Total sales between mid-May to the end of June accounted for more than two-thirds of the activity in Q2.
- **New condominium apartment sales were down from a year earlier for the quarter,** however, single-family sales were dramatically higher in Q2 2020 when compared with Q2 2019. *Note that Altus Group's coverage of new single-family sales only includes projects of 20 or more units.*
- Total new home sales continued to be relatively strong in the Fraser Valley in the second quarter of 2020, while the City of Vancouver is seeing decreased sales from last year *(chart next page)*. Langley has been the top performing submarket to date in 2020 *(chart after next page).*

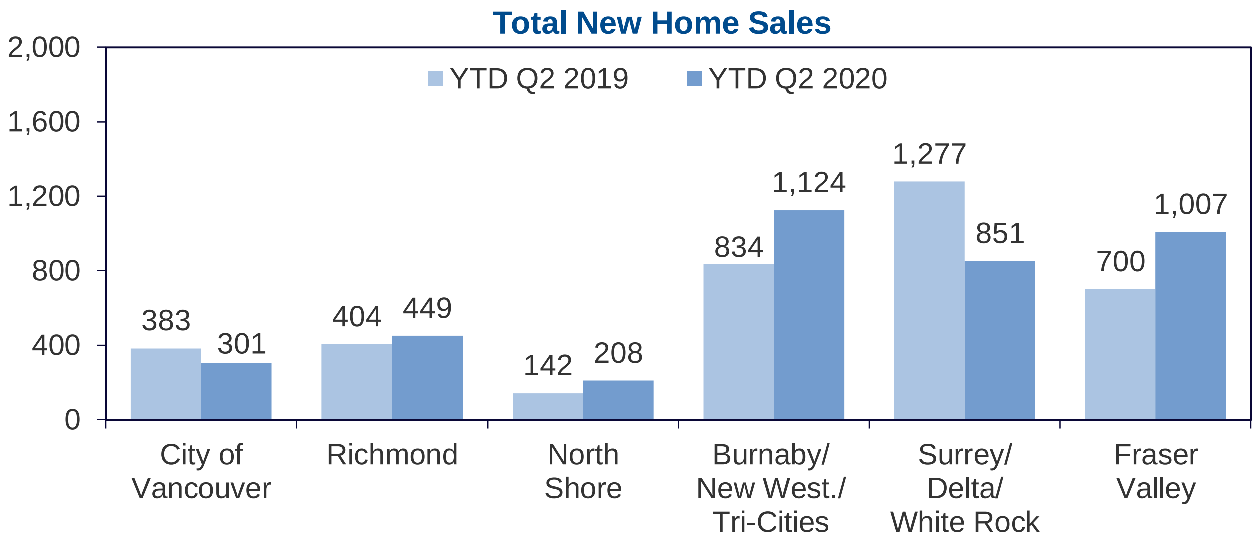
Vancouver New Home Sales

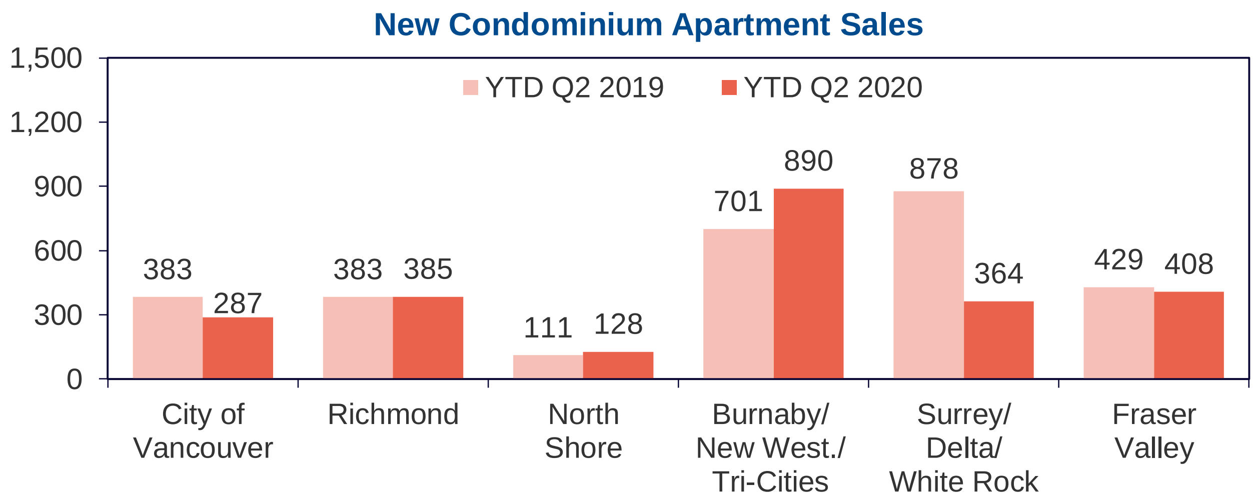


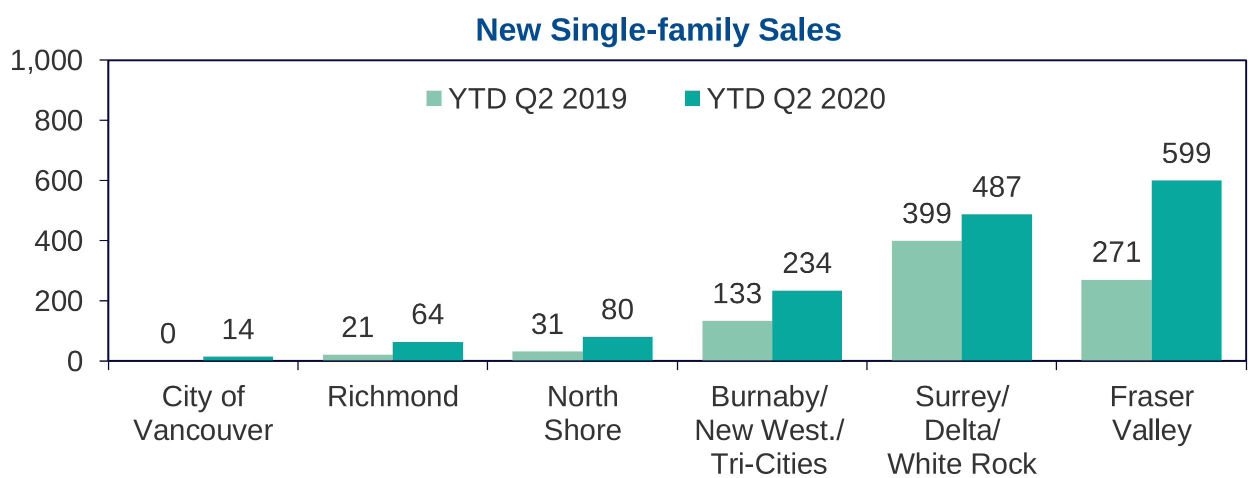


Source: Altus Group

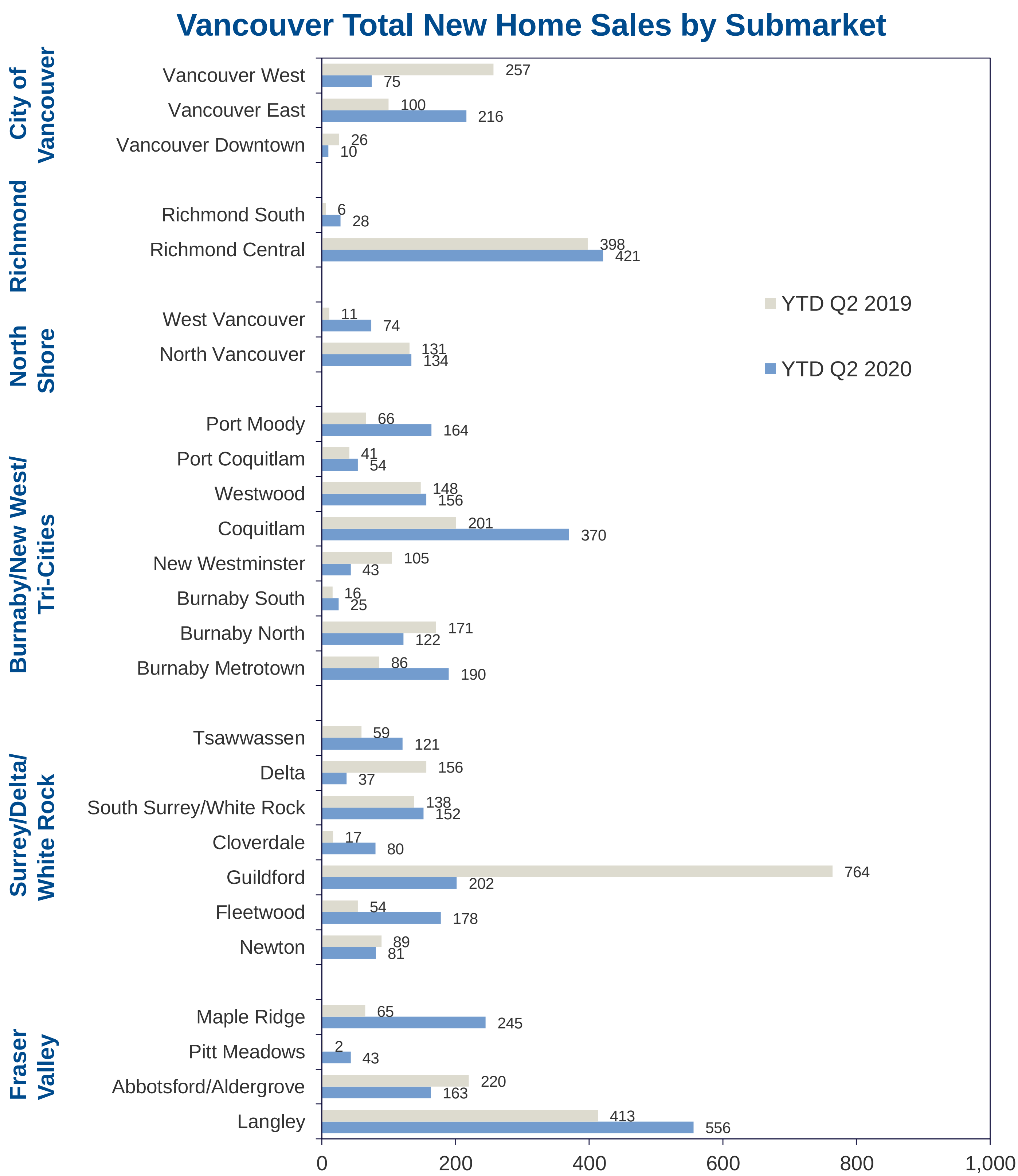
Vancouver New Home Sales by Subarea







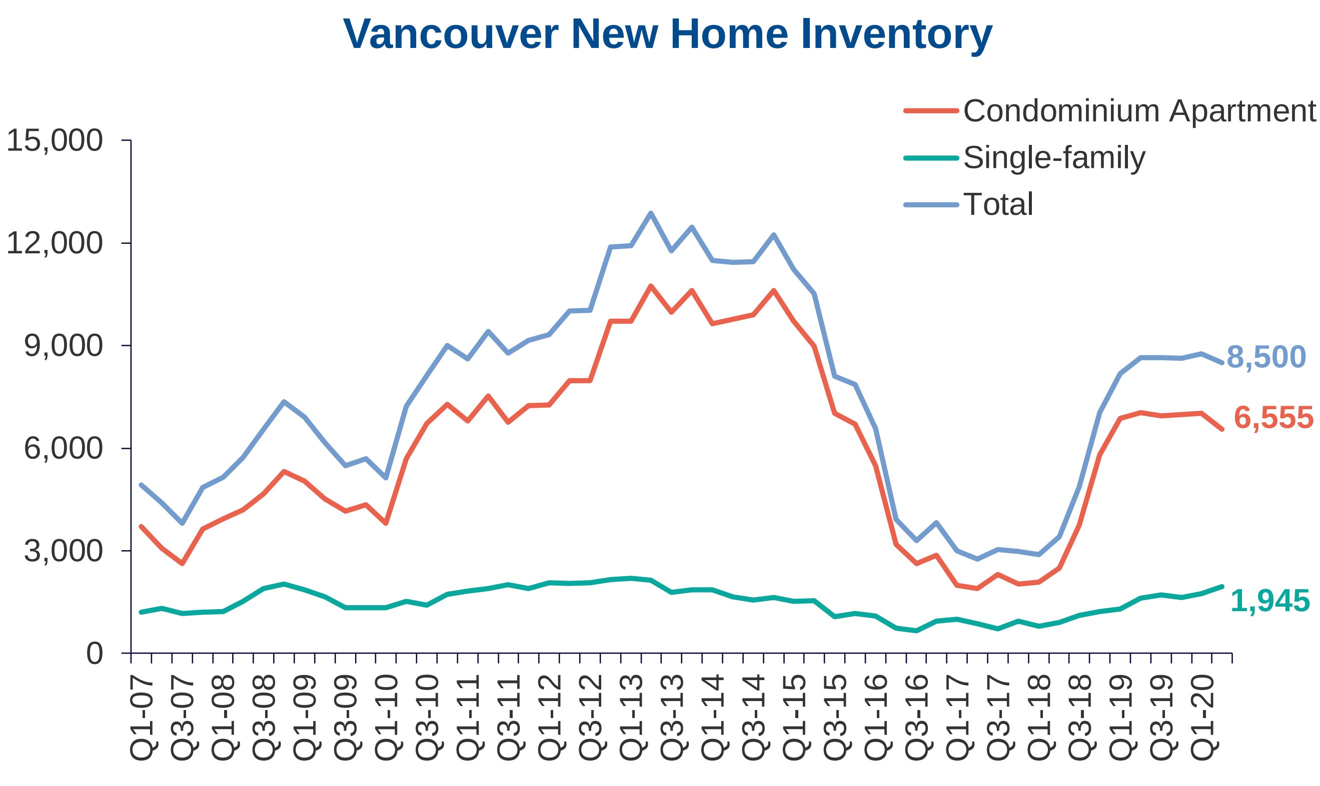
Source: Altus Group



Source: Altus Group

Note: Starting with the Q4 2019 report, Fort Langley and Langley have been combined into a single submarket

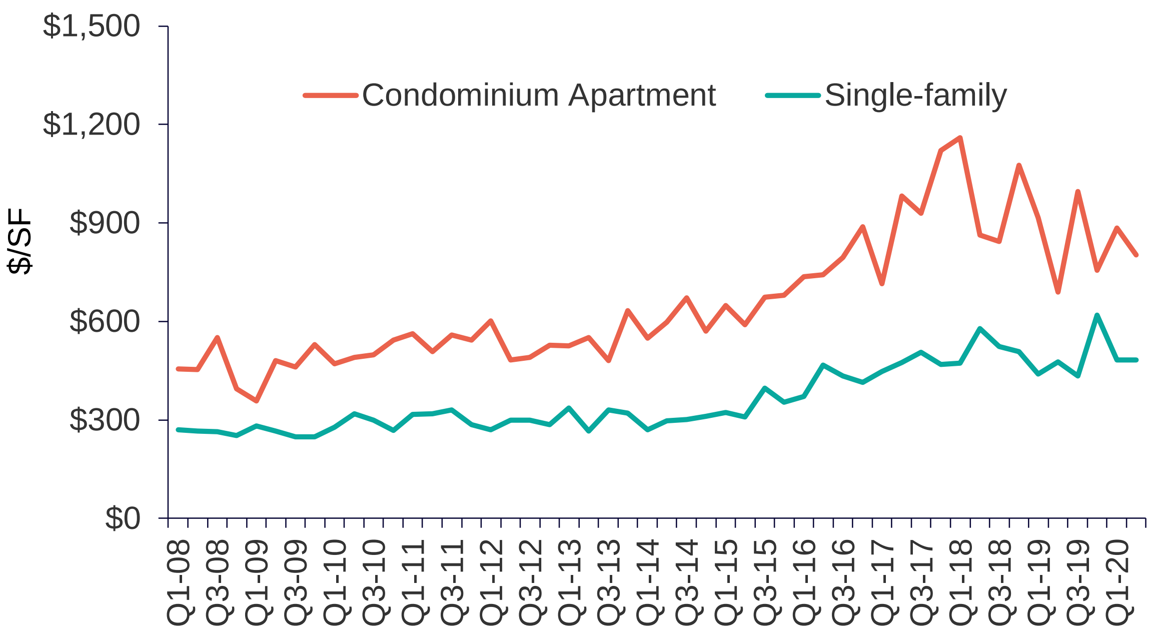
- **The total new home inventory available for sale decreased in Q2 2020.** Condominium apartment inventory fell, while single-family saw a small increase in the second quarter.
- There is now about **15 months of available condominium apartment inventory**, based on the average monthly pace of sales over the preceding 12 months. **This exceeds the average Q2 value for the previous 10 years, and is similar to the situation during the 2008/2009 and 2013 slumps**.
- Going forward as the COVID-19 restrictions continue to ease, we might expect many of the delayed projects to come to market. This may result in an increase in overall inventory, although sales demand should keep inventory levels in check.



Source: Altus Group

- Based on the average blended price per square foot at opening, **single-family new home prices were flat in Q2 2020 compared with the previous quarter** and were up 1% from a year earlier.
- **Average launch prices for new condominium apartments have been choppy in recent quarters, but decreased modestly from the pricing noted in Q1 2020.** On a year-over-year basis, the opening prices at projects that launched in Q2 2020 was 17% higher than the same period last year, a period which had a number of low-rise apartment projects launching in more affordable regions of Vancouver.
- Comparing the average prices over the past four quarters (Q3 2019-Q2 2020) to the same period last year finds that prices have reduced by approximately 2.5%. Note that these prices do not reflect constant quality product, but rather options available to purchase in newly opened projects.
- **While potential buyers may be expecting reductions in prices in the COVID-19 environment, builders are expected to favour non-price or short-term incentives.**

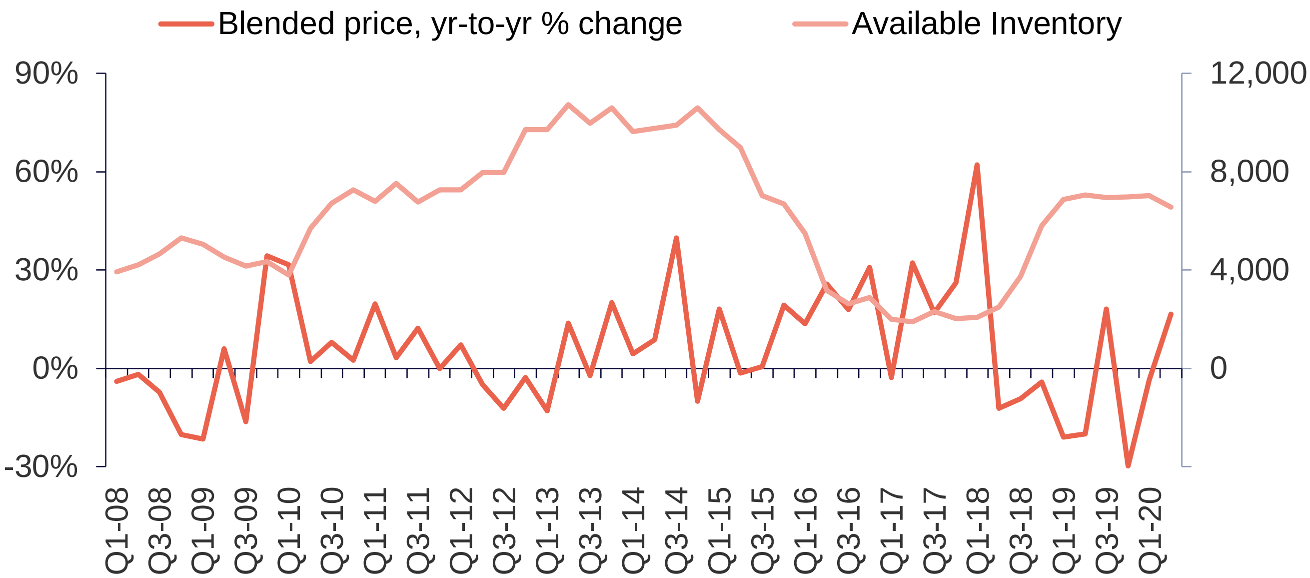
Vancouver New Home Blended Prices*



** See definitions page*

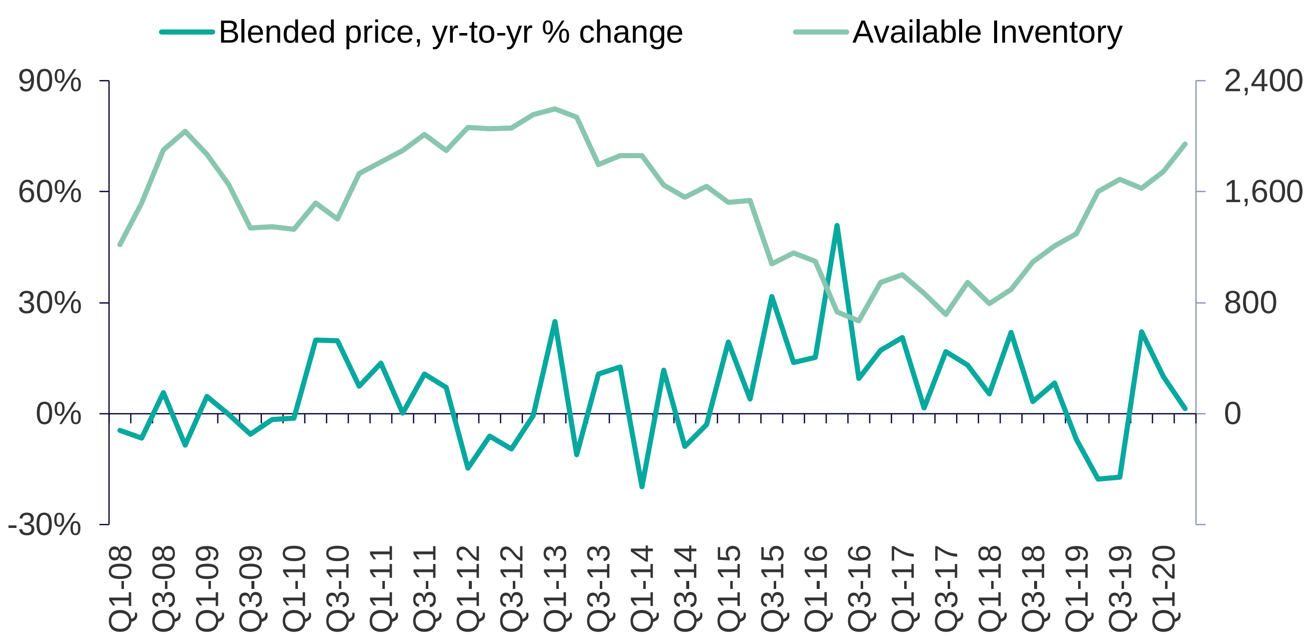
Source: Altus Group

Vancouver New Condominium Apartment Blended Price Changes by Opening Date and Available Inventory



Source: Altus Group

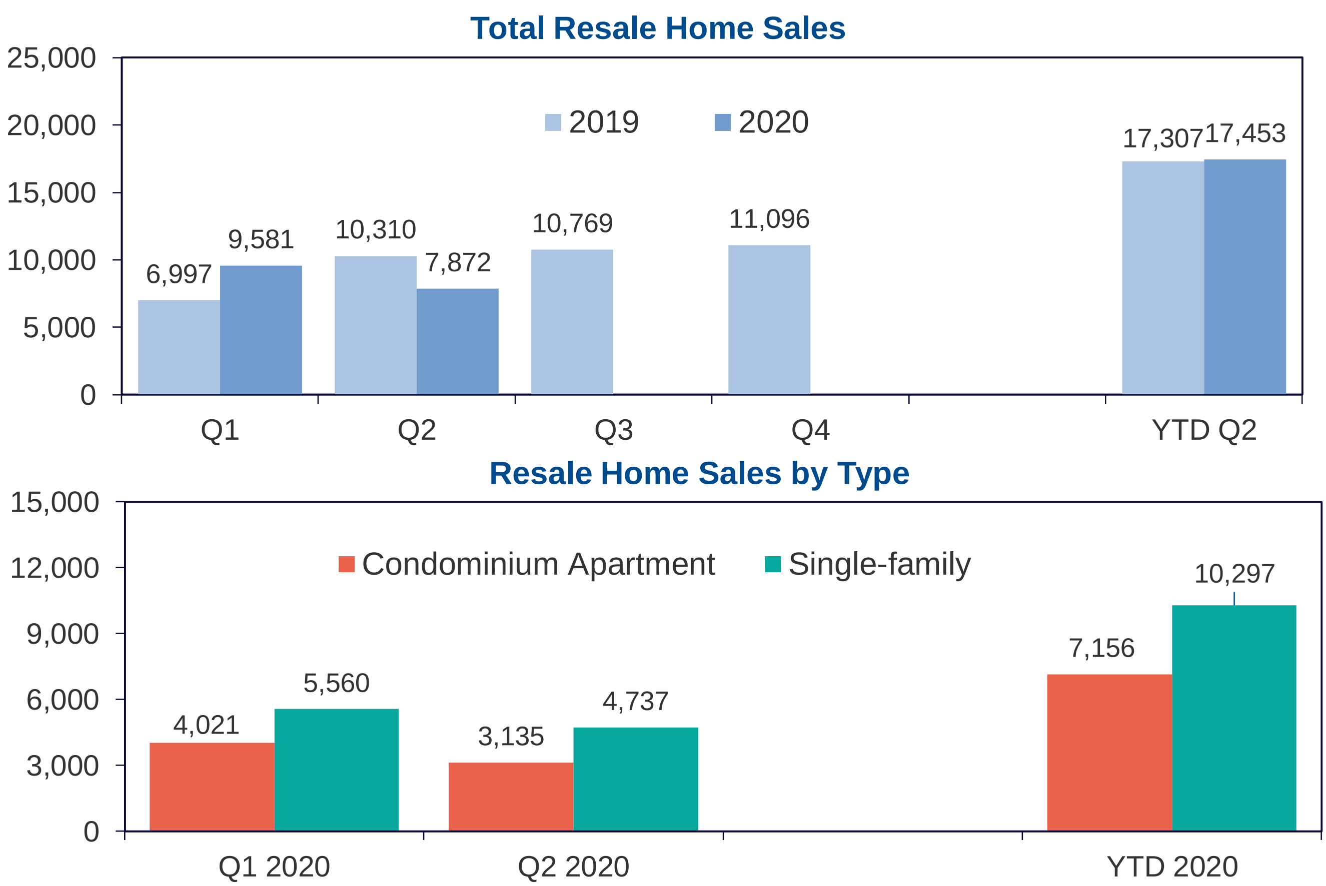
Vancouver New Single-family Blended Price Changes by Opening Date and Available Inventory



Source: Altus Group

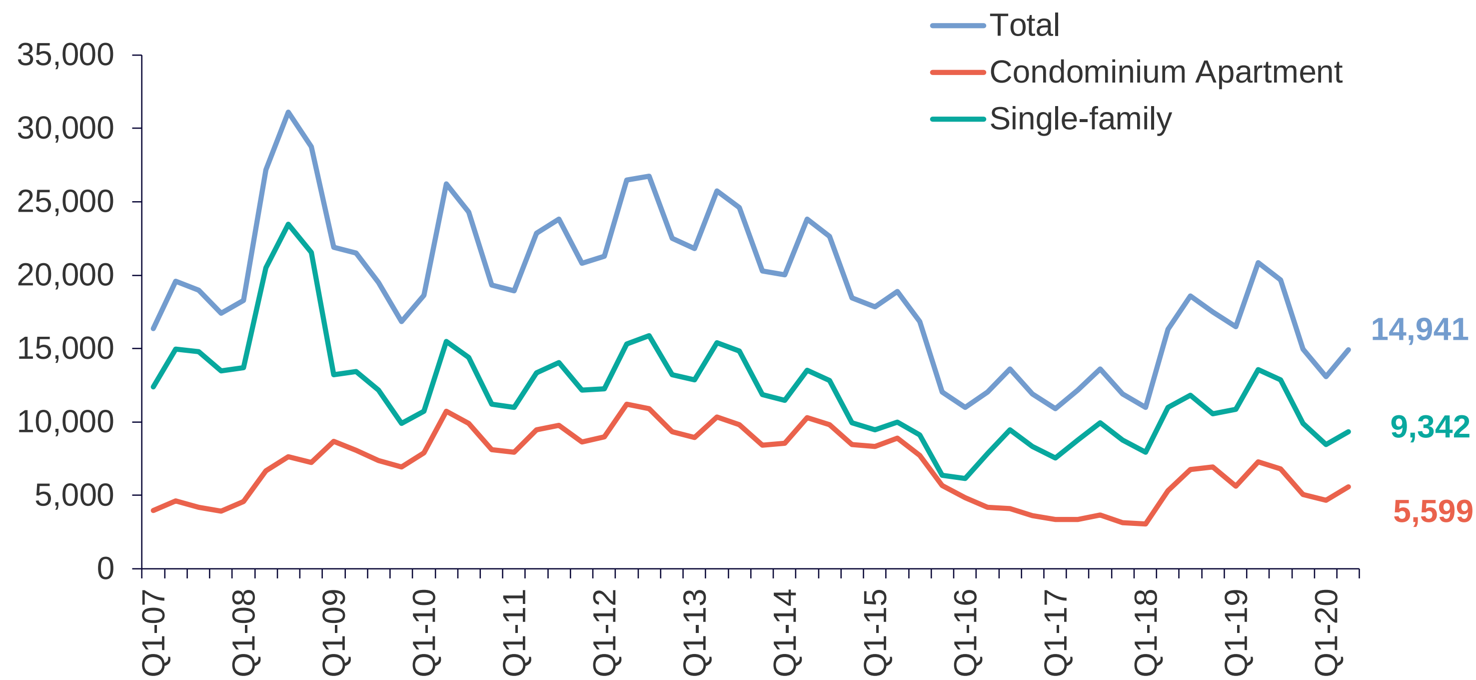
- **Total sales of existing homes** (as reported by The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board) **were down in Q2 2020, compared with a year earlier.** Both single-family and condominium apartments contributed equally to the decrease. The government restrictions related to COVID-19 directly impacted the spring resale market, while economic uncertainty related to the pandemic also disrupted buyer demand.
- **Total resale inventory (or "active listings") picked back up in Q2 2020**, with both single-family and condominium apartments contributing to the quarter-to-quarter increase. Active listings are still well below their Q2 2019 levels (*chart next page, top*).
- **The benchmark price for a resale home in Q2 2020 was up from a year earlier, and up from Q1 2020** (*chart next page, bottom*), based on MLS® Home Price Index data produced by Altus Group on behalf of the local real estate boards.

Vancouver Resale Home Sales



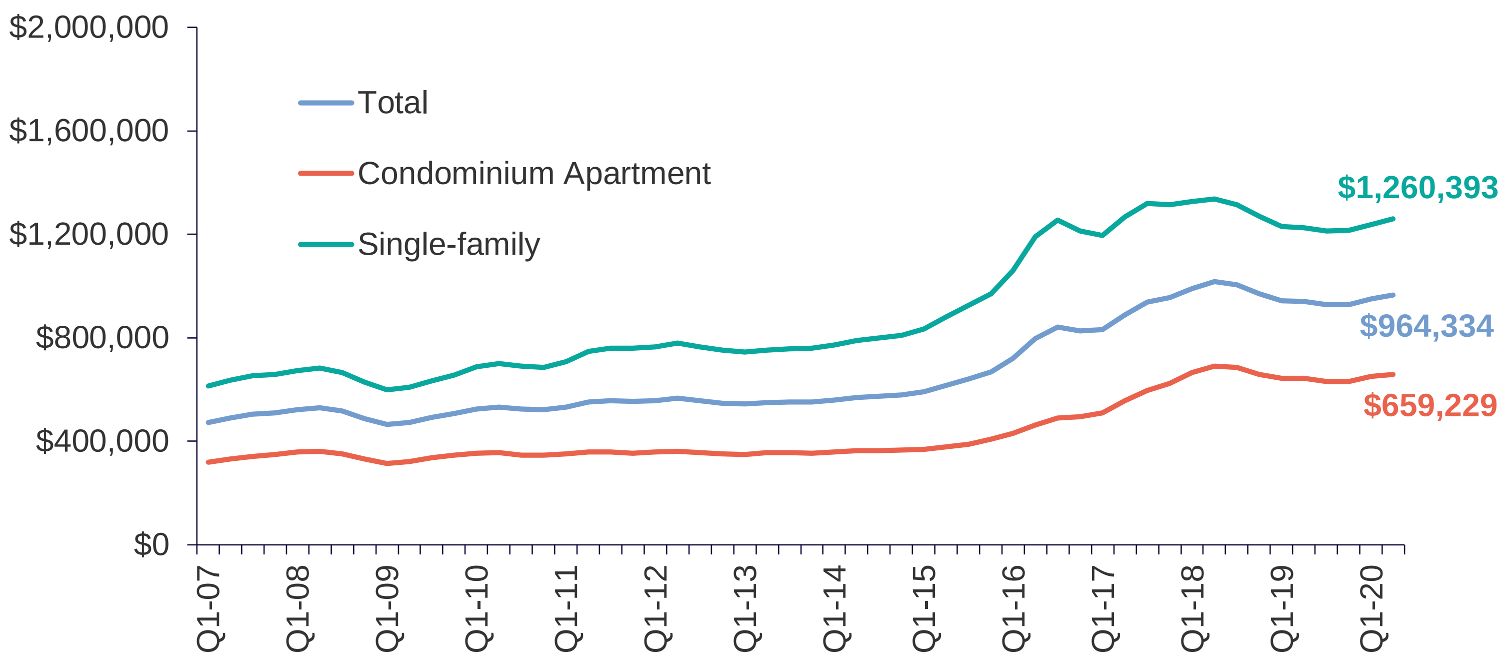
Source: Altus Group based on data from The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board

Vancouver Resale Home Inventory ("Active Listings")



Source: Altus Group based on data from The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board

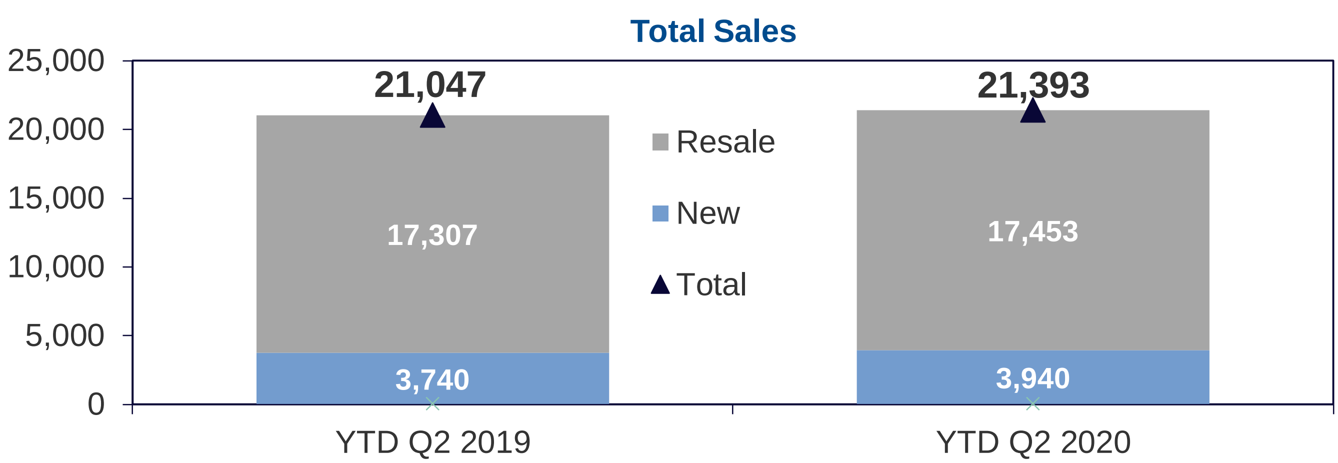
Vancouver Benchmark Resale Home Prices

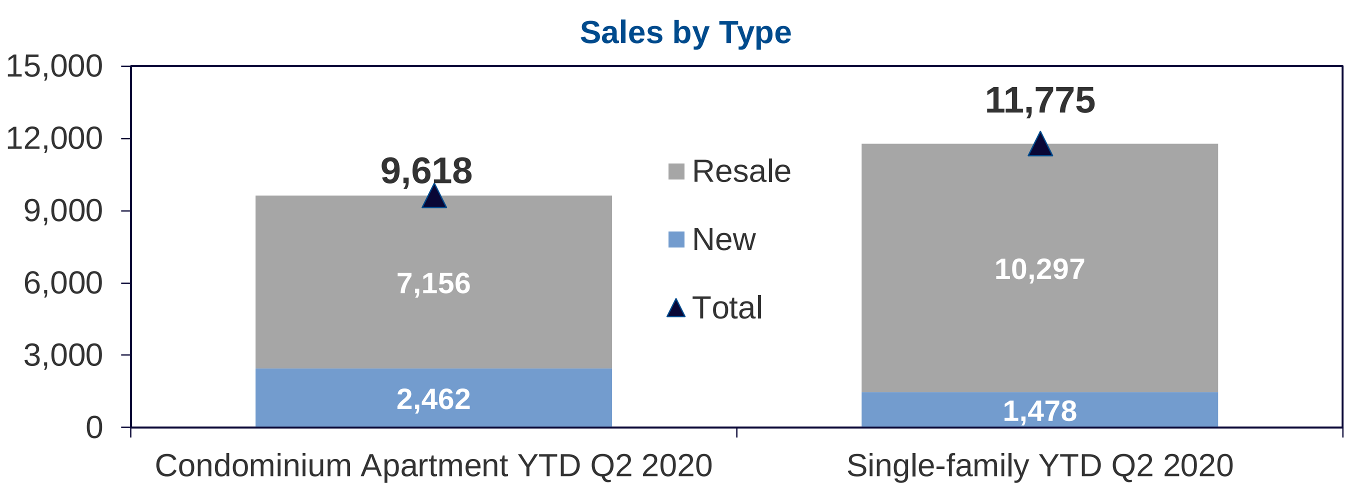


Source: Altus Group based on MLS® Home Price Index for the Lower Mainland

- **Combined resale and new home sales,** as measured by The Real Estate Board of Greater Vancouver, The Fraser Valley Real Estate Board and Altus Group, **totaled almost 21,400 units for the half of 2020, up 2% from 2019**. Both the new and resale sectors contributed to the modest increase, with each just slightly surpassing their total from the first half of 2019.
- **Almost 1 in 5 home sales in the first half of 2020 were new homes in projects of 20 or more units**. The ratios however are quite different for single-family homes, with new accounting for about 1 in 8 sales in the first half of 2020, and condominium apartments, where about 1 out of 4 sales were new condos.

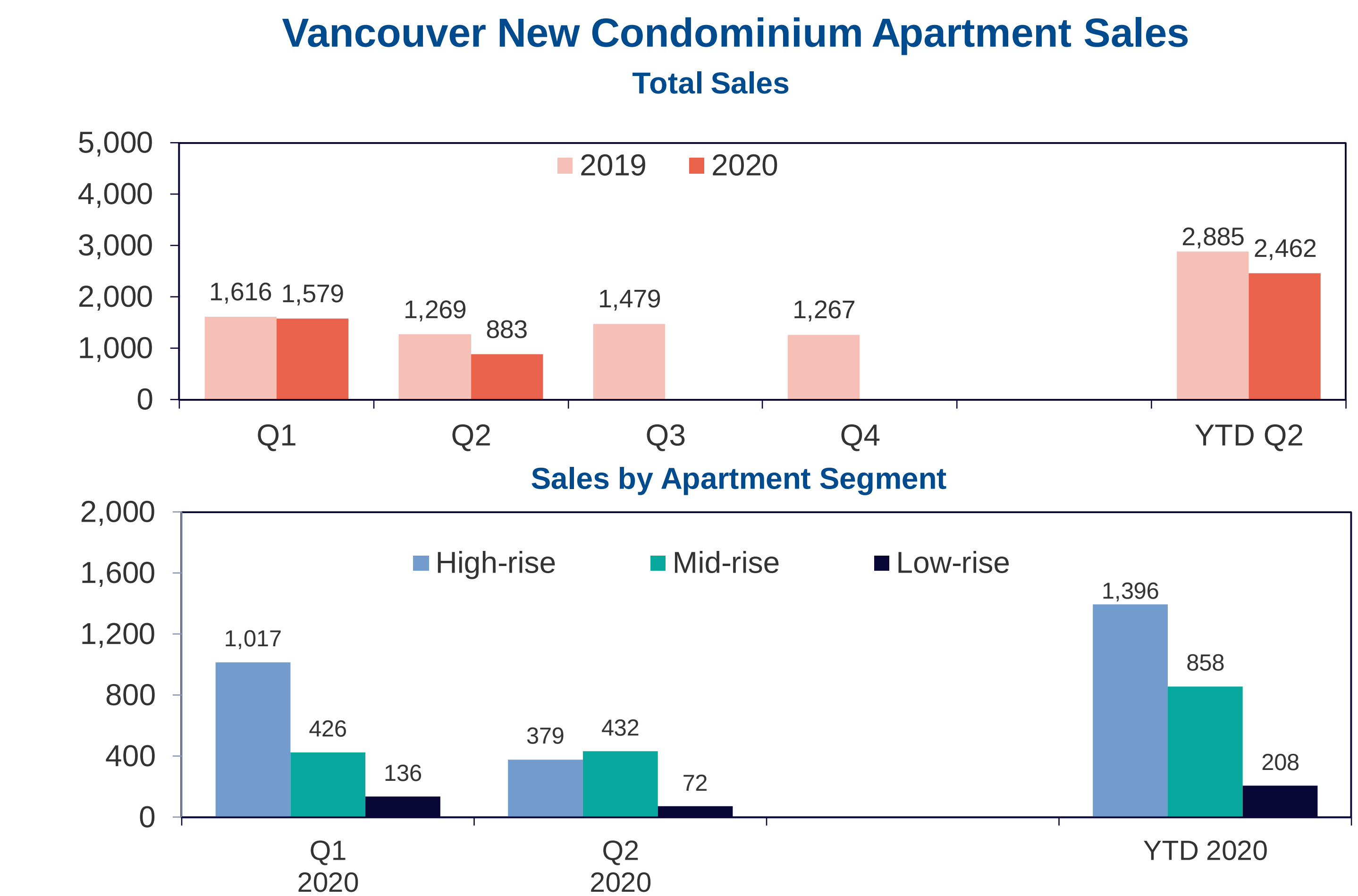
Vancouver Combined New & Resale Home Sales





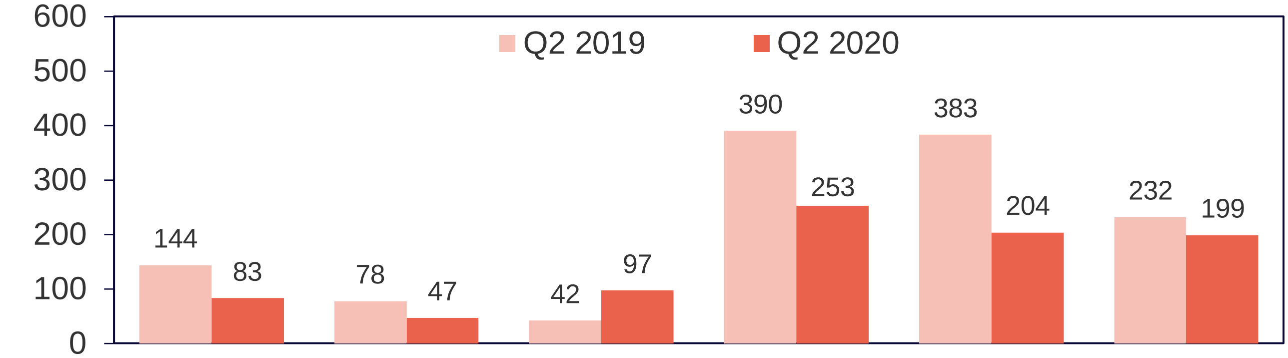
Source: Altus Group, The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board data

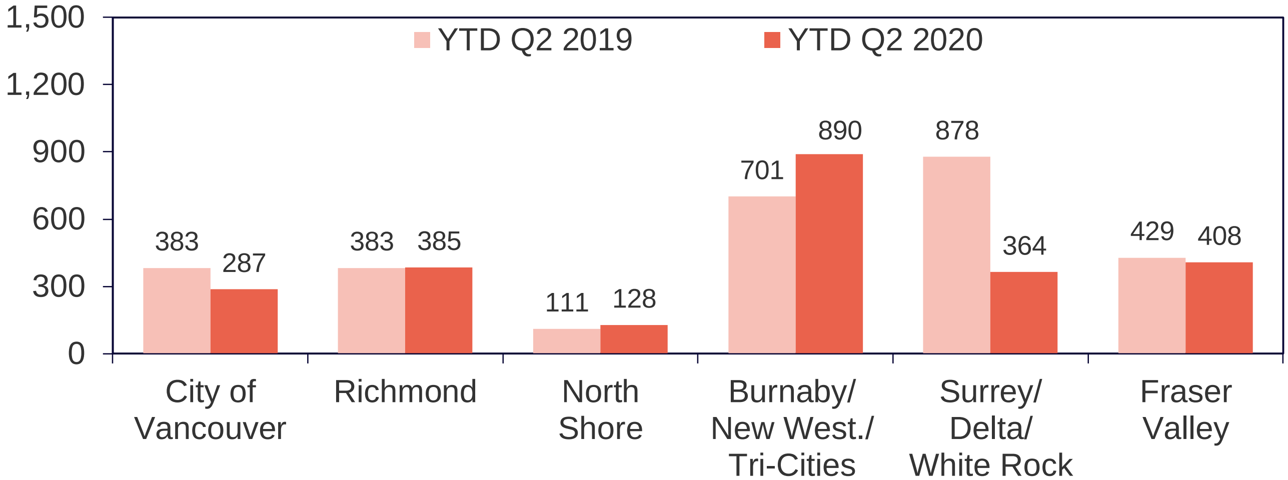
- **New condominium apartment sales in Q2 2020 were** down 30% from a year earlier for the quarter, making it **the lowest Q2 since 2009.** Sales were also down 44% from Q1 2020 (the normal seasonal pattern is up). **As mentioned earlier, sales were much stronger in the second half of the quarter (and higher than a year earlier) as the restrictions related to COVID-19 began to ease in late May and June.**
- High-rise apartment projects saw lower sales in Q2 compared to Q1, while mid-rise apartment sales held steady compared with the previous quarter.
- **Sales were down across most subareas in Q2 2020 compared with the previous year** (*chart next page*) with the exception of the North Shore which had a slight increase. Overall, Burnaby/New Westminster/Tri-Cities still had a much more active first half of 2020 than 2019.
- Among the local submarkets, Richmond Central, Coquitlam and Langley have all been able to see increased sales to date in 2020 over the first six months of 2019 (*chart on page after next page*), while Guildford has been very quiet compared to the strong showing last year.

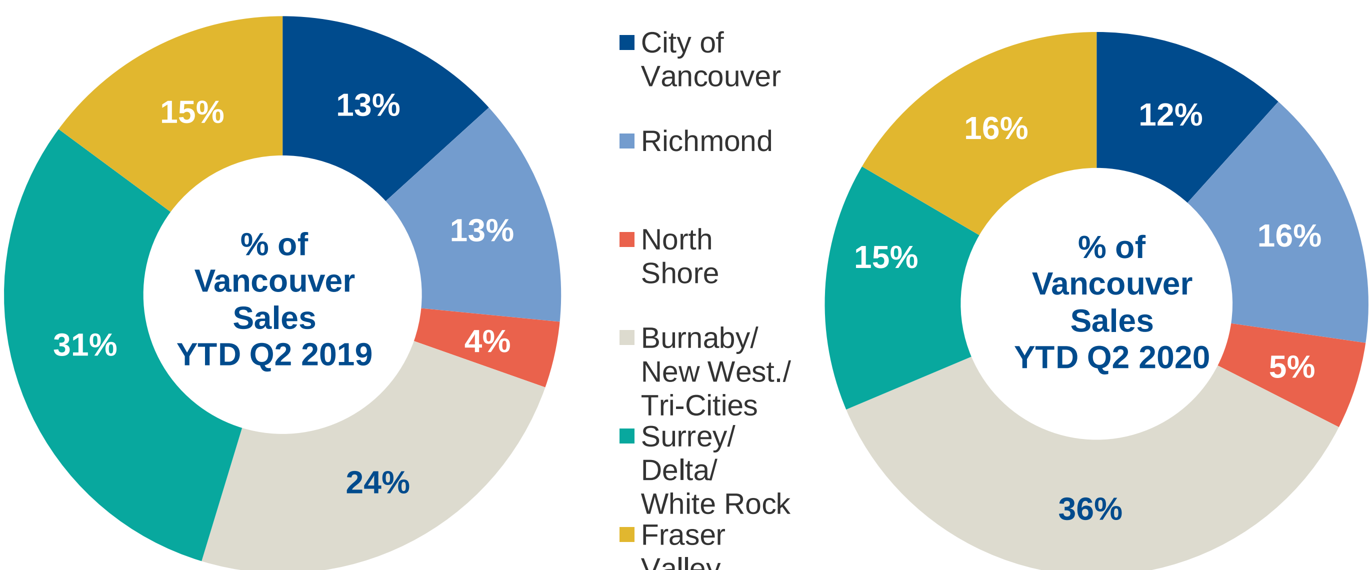


Source: Altus Group

Vancouver New Condominium Apartment Sales by Subarea

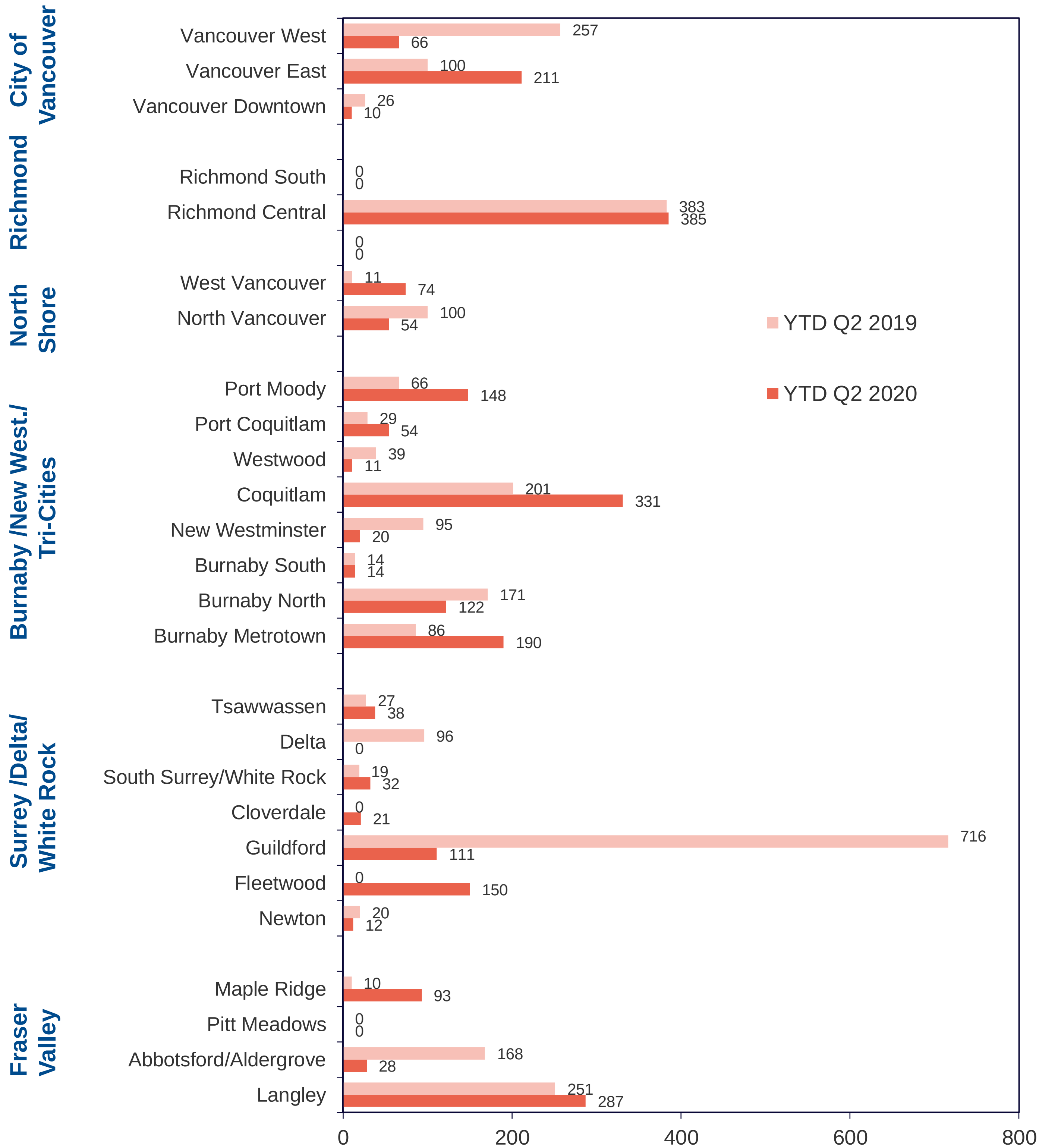






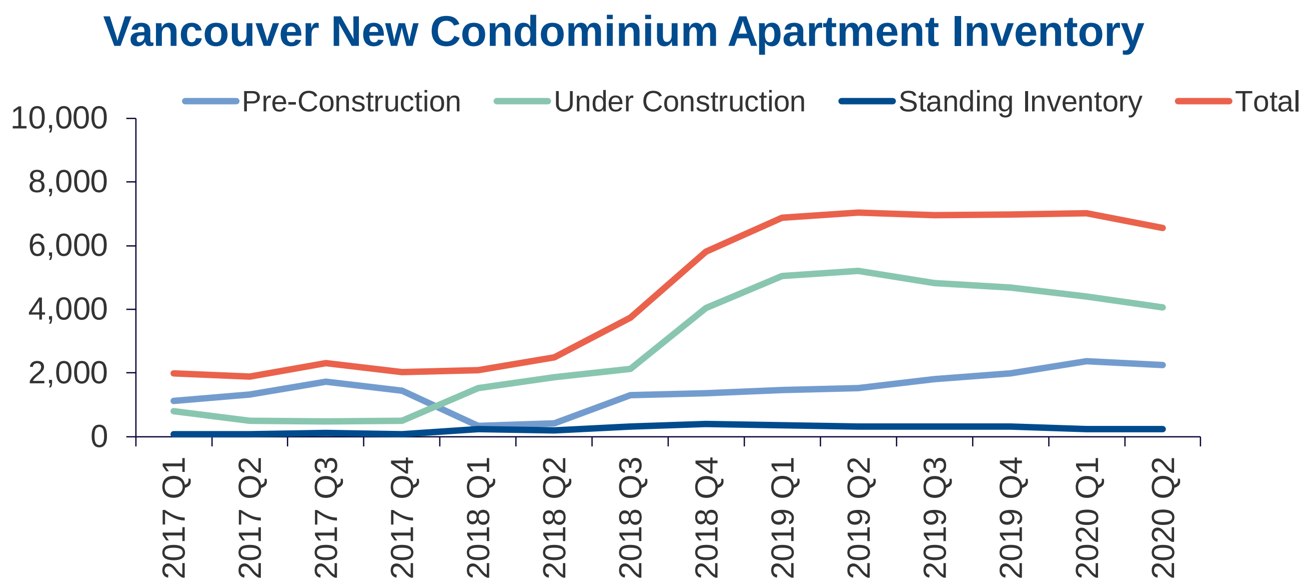
Source: Altus Group

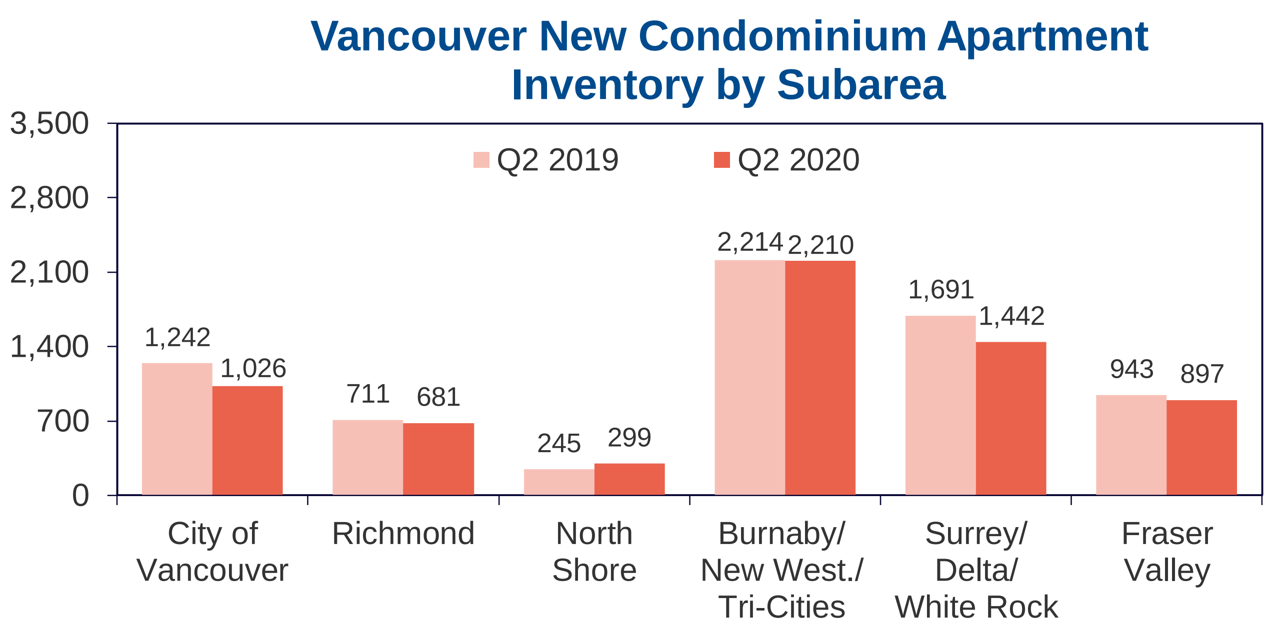
Vancouver New Condominium Apartment Sales by Submarket



Source: Altus Group

- As discussed earlier, **total new condominium apartment available inventory in Q2 2020 was down from Q1 2020**, and from a year earlier as very few new openings have come to market during the COVID-19 pandemic. Only the North Shore had higher inventories among the subareas at the end of Q2 2020 compared with the previous year related to one new project.
- **About one-third of new condominium apartment units are available at pre-construction projects,** and most of the other two-thirds is under construction. There are very few (245) units available to purchase with immediate occupancy (i.e., standing inventory).

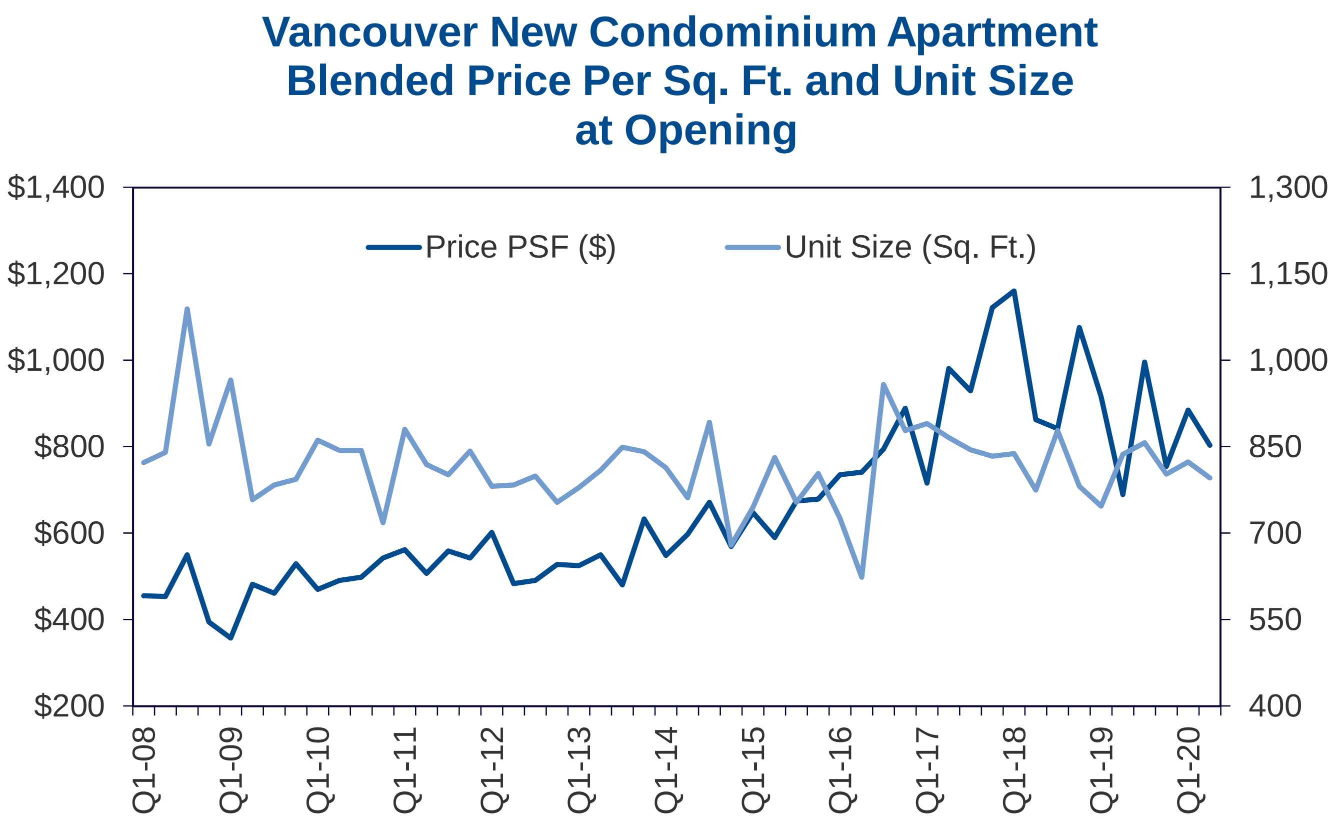




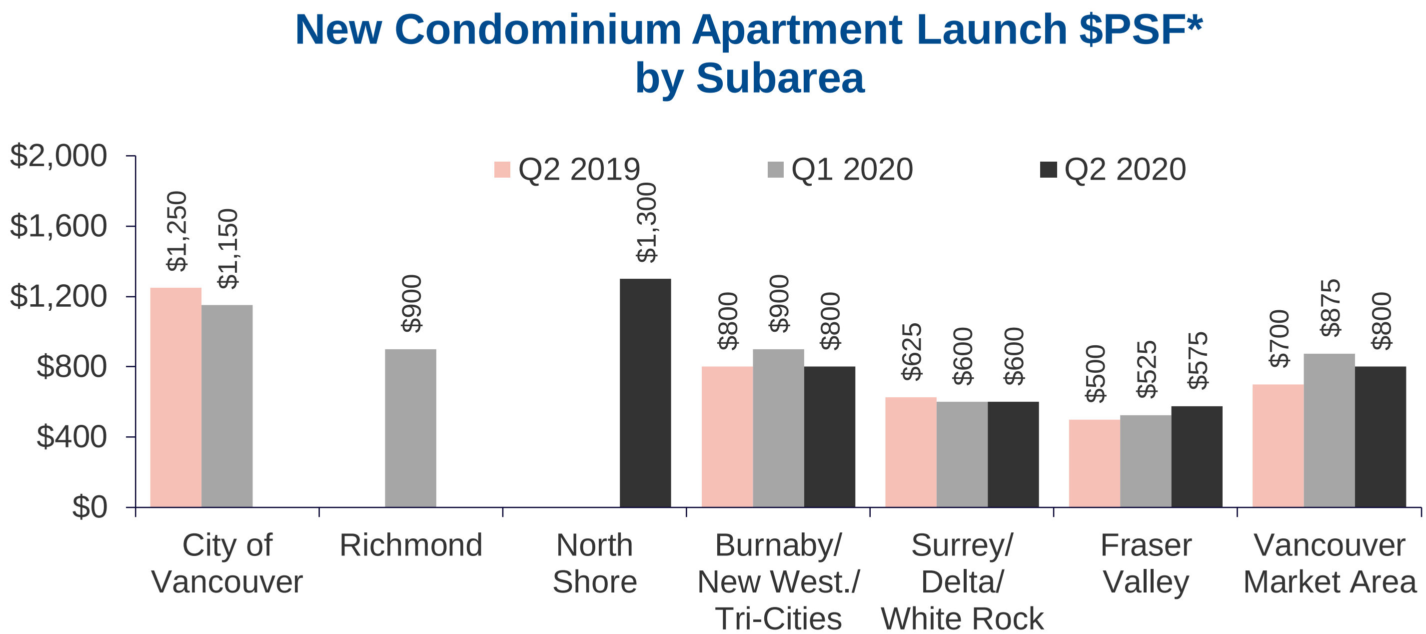
Source: Altus Group

New Condominium Apartments - Prices

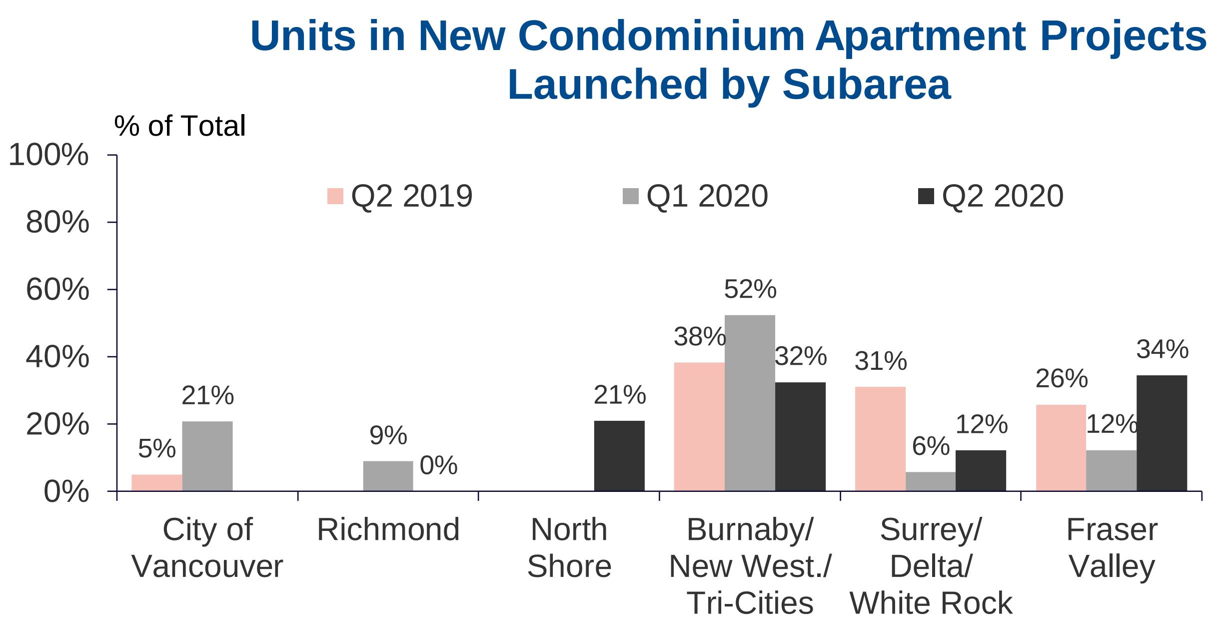
- The **price per square foot for available new condominium apartments at launch** *(see definitions page)* **decreased in Q2 2020,** however, was 17% higher than the same period last year.
- Caution needs to be used in interpreting the price per sq. ft. data, as smaller unit sizes on average have higher prices per sq. ft. Therefore, a decline in price per sq. ft. could reflect both "pure" price decreases, as well as increases in average size of units launched - and, of course, location shifts.
- The lower average price PSF in Q2 2020 compared to Q1 2020 is at least in part attributable to a larger share of new product being located in the lower-priced Fraser Valley subarea (*charts next page*) as well as a larger proportion of the new openings being relatively lower priced wood frame product.



Source: Altus Group

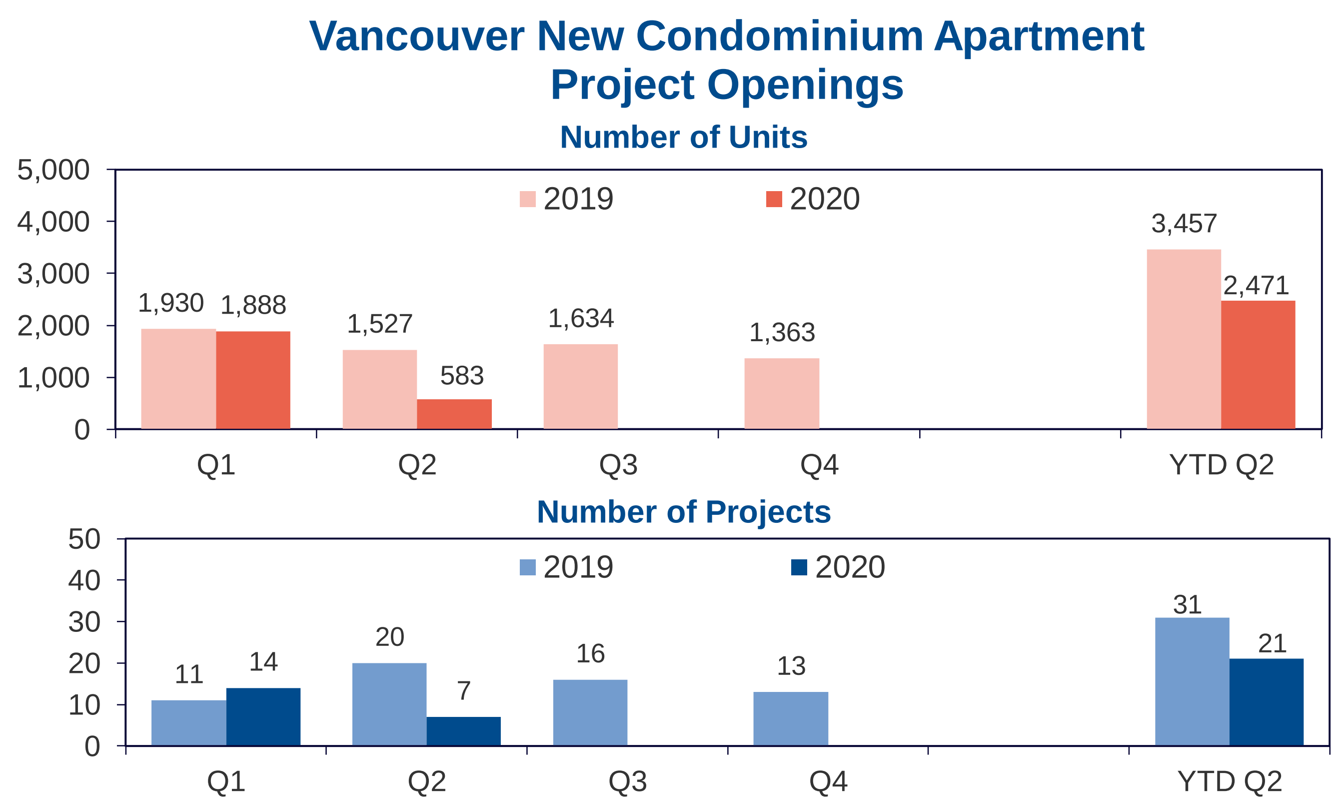


* Round to the nearest $25
Source: Altus Group



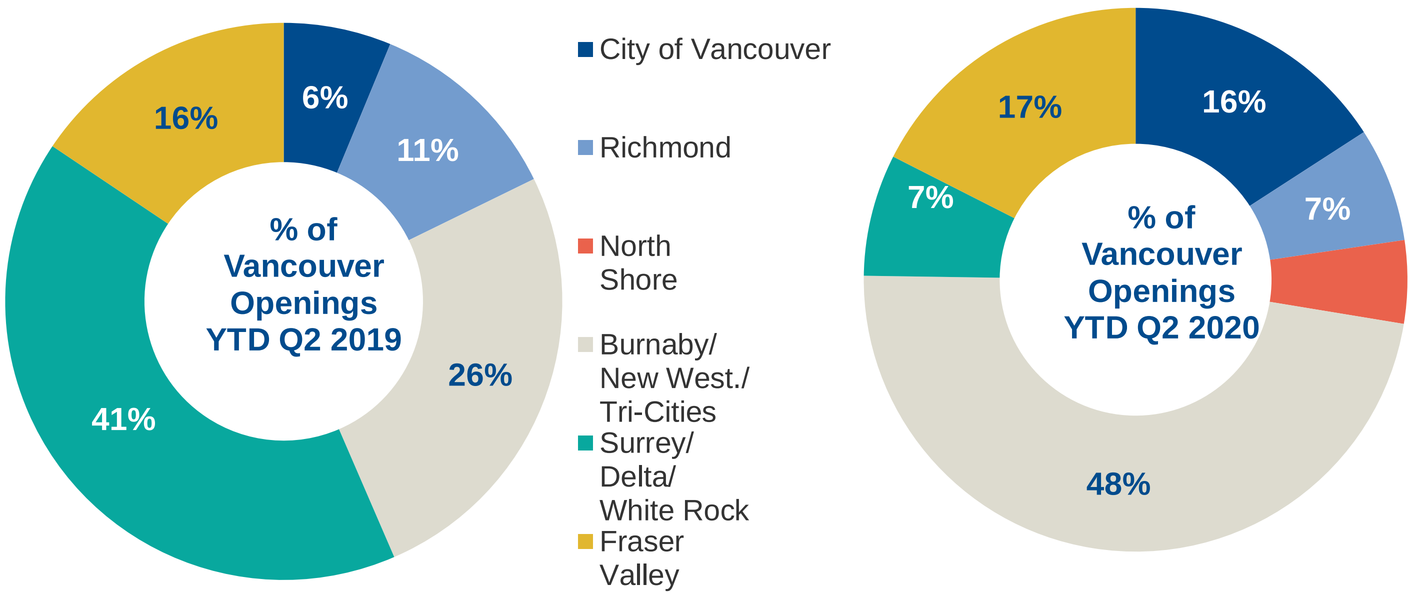
Source: Altus Group

- **There were only 7 new condominium apartment projects that opened in the Vancouver Market Area in Q2 2020.** The roughly 600 units in new projects that opened in Q2 2020 is the lowest number seen during this period since 2009. As many openings have been delayed, there is potential for more new launches in the back half of the year.
- Almost half of the units in new openings to date in 2020 were in Burnaby/New Westminster/Tri-Cities (*charts after next page, top*). It was noted that units with den spaces have become more common in 2020 compared to 2019 (*charts after next page, bottom*); this shift may have been prescient, as dens would be attractive for some buyers who might be seeking space for home offices.
- Following the next page are maps showing the location of new projects launched in April, May, and June, accompanied by summary tables with additional detail on each project. *Note that the unit type information coverage may vary; for some projects, it includes unreleased units, while for others it excludes unreleased units.*
- *Note: clicking on the "project record" link in the summary tables will take logged-in Altus Group RealNet Vancouver Residential New Homes module subscribers directly to the full on-line record for that project; as the on-line record becomes updated, specific data may be more up-to-date than information contained in the report here.*

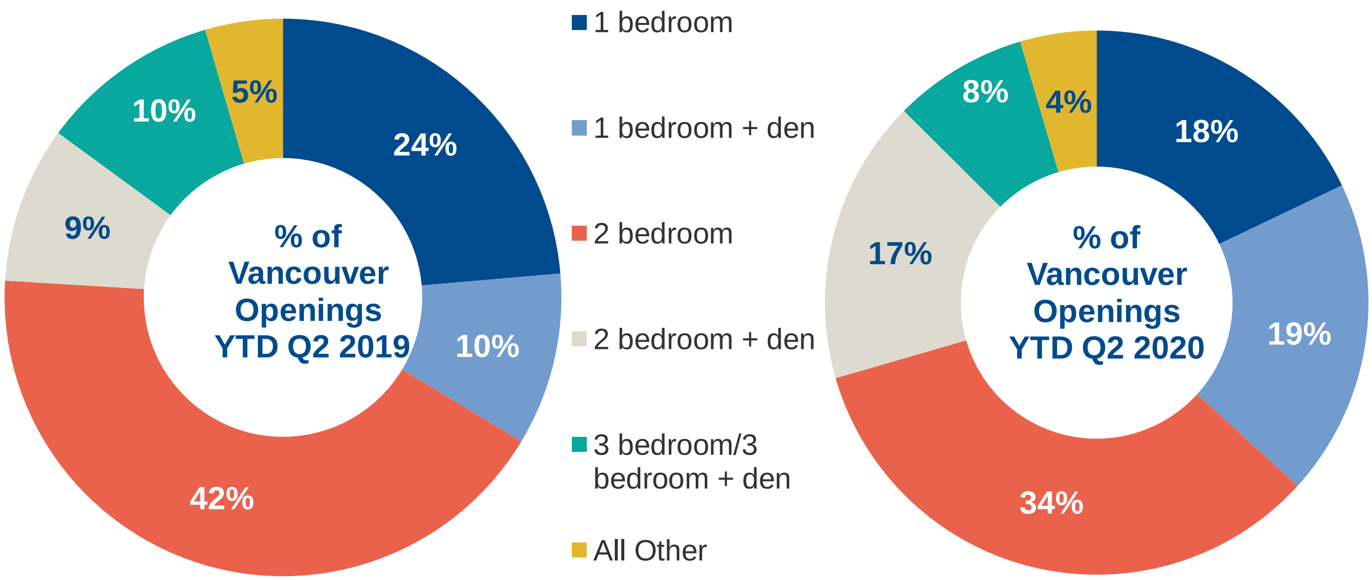


Source: Altus Group

Vancouver Condominium Apartment Units in New Openings by Subarea

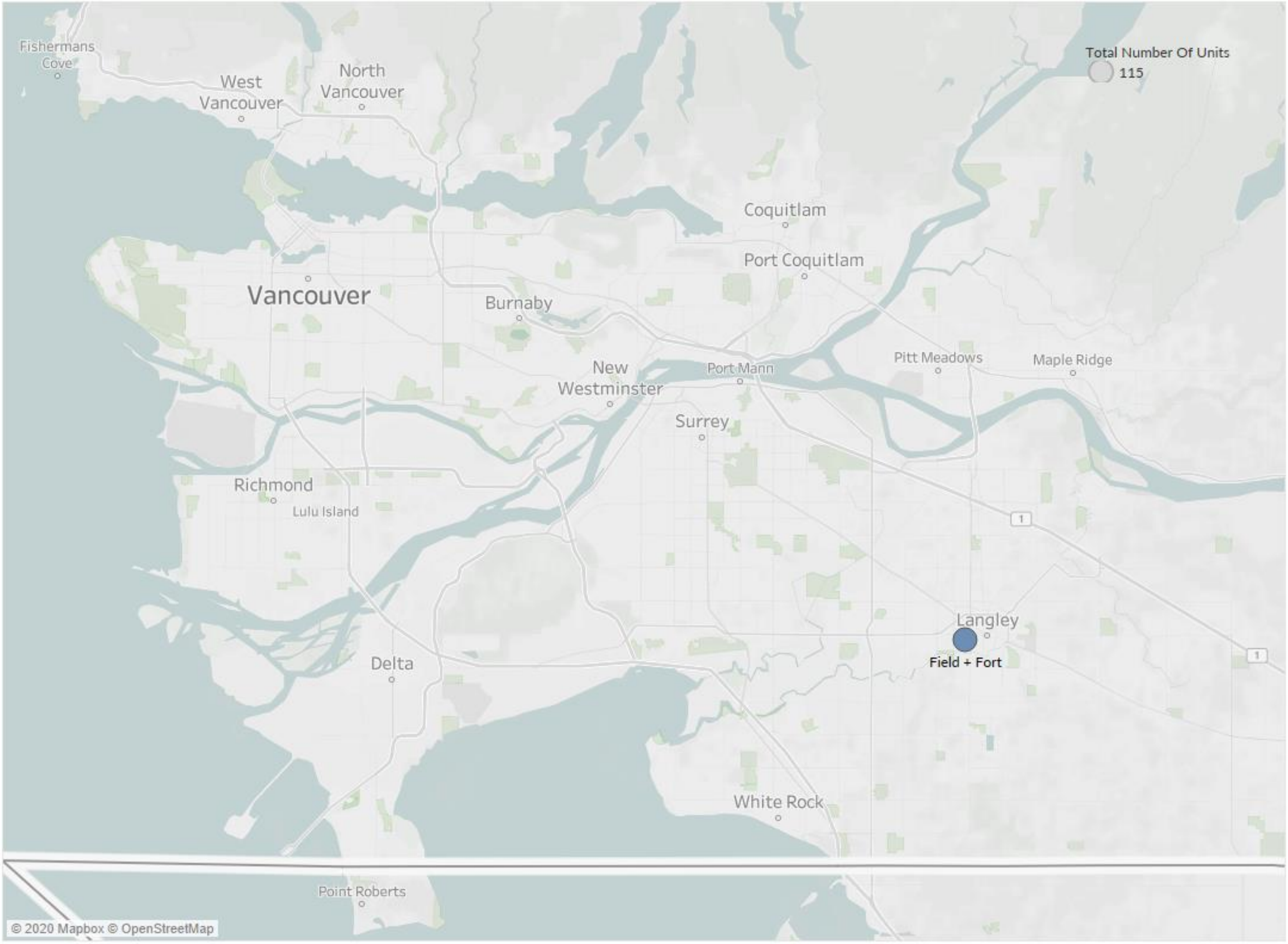


Vancouver Condominium Apartment Units in New Openings by Bedroom Type



Source: Altus Group

April 2020 New Project Launches by Number of Units



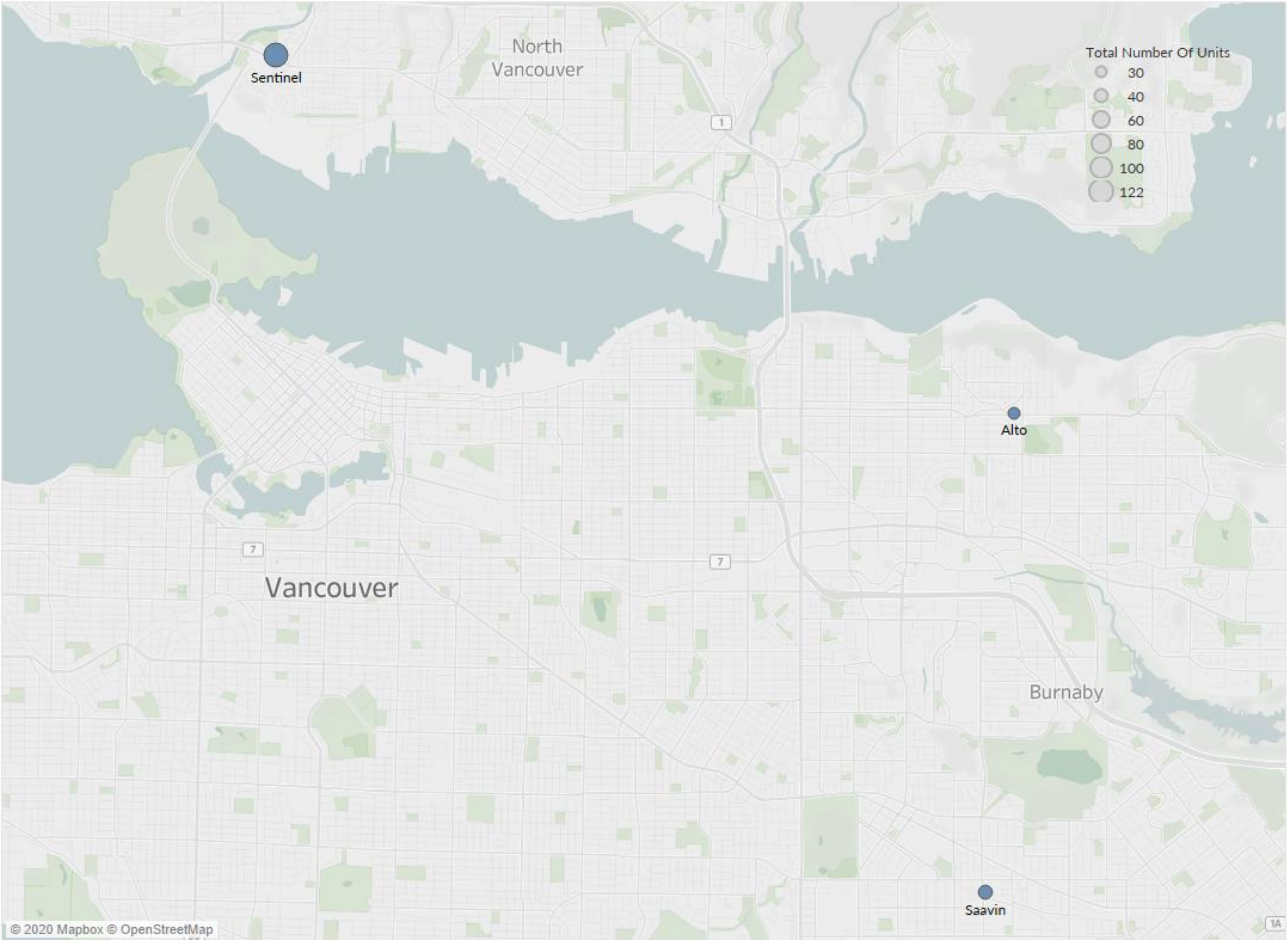
Source: Altus Group

Project Record Field + Forti

New Condominium Apartment Project Openings - April 2020	
Project Name	**Field + Fort**
Developer	Altos Properties Corp.
Date Opened	2020-04-25
Subarea	Fraser Valley
Submarket	Langley
Project Type	Mid Rise
Construction Type	Wood Frame
Floors	5
Project Total Units	**115**
Total Units Released	**115**
Unit Type (see note in text)	
Studio	-
1 bedroom	25
1 bedroom + den	-
2 bedroom	79
2 bedroom + den	5
3 bedroom & up	6
Penthouse	-
Other	-
Opening quarter sales	**30**
% Sold (of released units)	*26%*
Remaining inventory	85
Blended $PSF	$552
Minimum Size (sq. ft.)	414
Maximum Size (sq. ft.)	1,080
Minimum Price	$279,900
Maximum Price	$559,900
Notes	

Source: Altus Group

May 2020 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

Altus Group

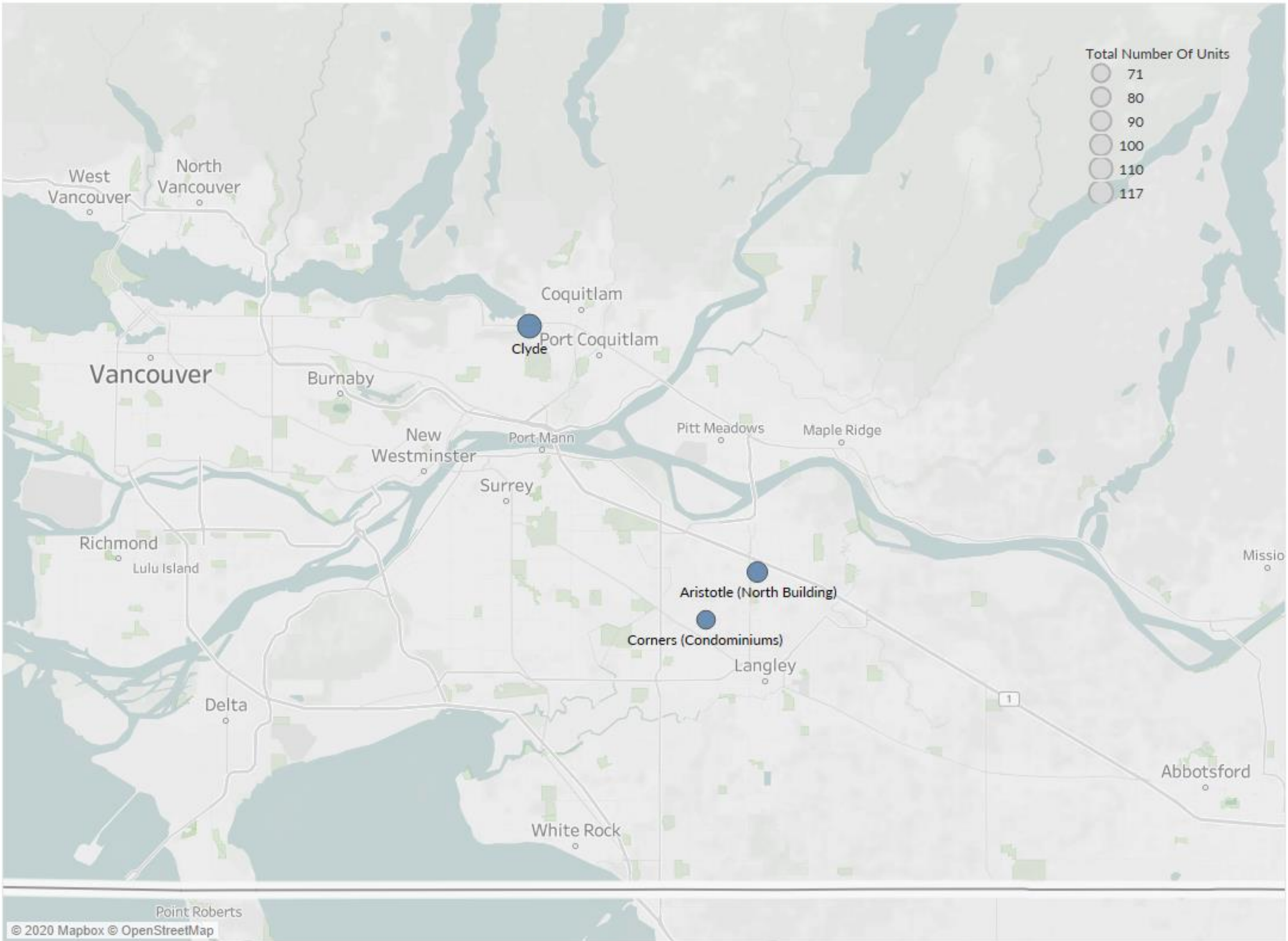
Project Record | Alto | Saavin | Sentinel

New Condominium Apartment Project Openings - May

Project Name	**Alto**	**Saavin**	**Sentinel**
Developer	Private Investor	Kirpal Group	Denna Homes
Date Opened	2020-05-16	2020-05-23	2020-05-06
Subarea	Burnaby / New Westminster / Tri-Cities	Burnaby / New Westminster / Tri-Cities	North Shore
Submarket	Burnaby North	Burnaby South / Edmonds	West Vancouver
Project Type	Low Rise	Low Rise	High Rise
Construction Type	Wood Frame	Wood Frame	Concrete
Floors	4	4	26
Project Total Units	**31**	**42**	**122**
Total Units Released	**31**	**42**	**122**
Unit Type (see note in text)			
Studio	11	-	-
1 bedroom	8	15	42
1 bedroom + den	6	-	14
2 bedroom	-	27	28
2 bedroom + den	4	-	28
3 bedroom & up	2	-	-
Penthouse	-	-	10
Other	-	-	-
Opening quarter sales	**0**	**1**	**73**
% Sold (of released units)	*0%*	*2%*	*60%*
Remaining inventory	31	41	49
Blended $PSF	$865	$815	$1,312
Minimum Size (sq. ft.)	521	604	499
Maximum Size (sq. ft.)	1,170	830	1,612
Minimum Price	$469,000	$499,900	$639,900
Maximum Price	$899,900	$650,900	$2,900,000
Notes			

Source: Altus Group

June 2020 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

Project Record	[Aristotle (North Building)]	[Clyde]	[Corners (Condominiums)]

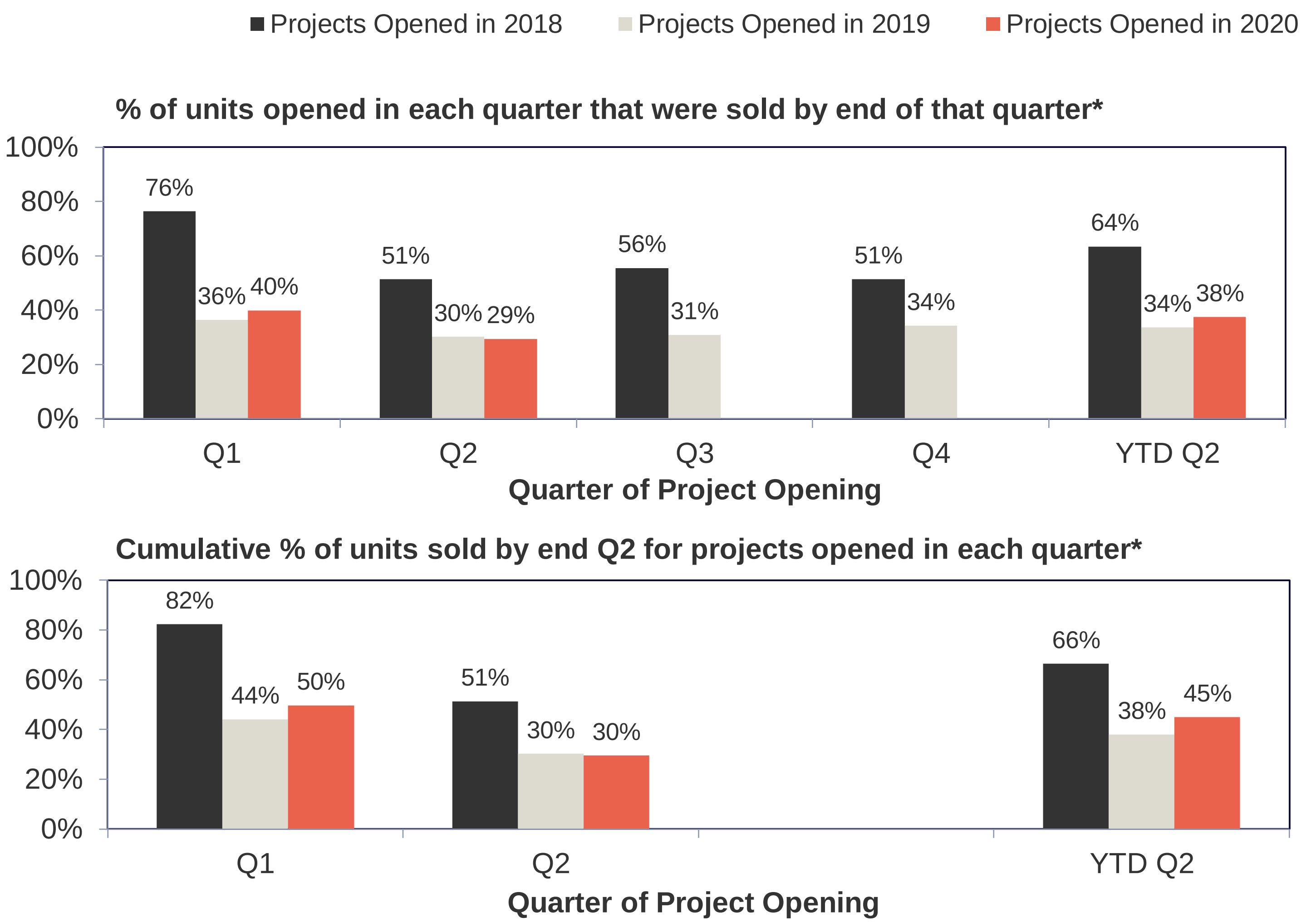
New Condominium Apartment Project Openings - June

Project Name	**Aristotle (North Building)**	**Clyde**	**Corners (Condominiums)**
Developer	ML Emporio Properties	Porte Development Corp.	RDG Management
Date Opened	2020-06-27	2020-06-01	2020-06-13
Subarea	Fraser Valley	Burnaby / New Westminster / Tri-Cities	Surrey / Delta / White Rock
Submarket	Langley	Port Moody	Cloverdale
Project Type	Mid Rise	Mid Rise	Mid Rise
Construction Type	Wood Frame	Wood Frame	Wood Frame
Floors	6	6	5
Project Total Units	**86**	**117**	**71**
Total Units Released	**86**	**117**	**71**
Unit Type (see note in text)			
Studio	-	-	-
1 bedroom	4	23	12
1 bedroom + den	16	44	5
2 bedroom	4	17	47
2 bedroom + den	53	22	-
3 bedroom & up	9	11	7
Penthouse	-	-	-
Other	-	-	-
Opening quarter sales	**32**	**15**	**21**
% Sold (of released units)	*37%*	*13%*	*30%*
Remaining inventory	54	102	50
Blended $PSF	$582	$784	$605
Minimum Size (sq. ft.)	650	383	461
Maximum Size (sq. ft.)	965	1,253	1,258
Minimum Price	$372,900	$284,900	$289,900
Maximum Price	$699,900	$1,049,900	$699,900
Notes			

Source: Altus Group

- **Sales rates at new projects opened in Q2 2020 were similar to Q2 2019.** For projects opened earlier in the quarter (April and May), sales rates through the end of Q2 were higher than those opened later, as might be expected given being on the market for a longer period of time.
- It should be noted that the percentage of units sold at the projects that opened in Q2 is generally consistent with activity seen last year, indicating that buyers were not dissuaded by virtual/appointment only launches.
- Caution needs to be used in comparing sales rates for projects opened in any particular quarter, as the timing of when projects opened in the quarter may vary (i.e. have differing numbers of days opened).

Vancouver Market Area New Condominium Apartment New Project Absorption Timelines

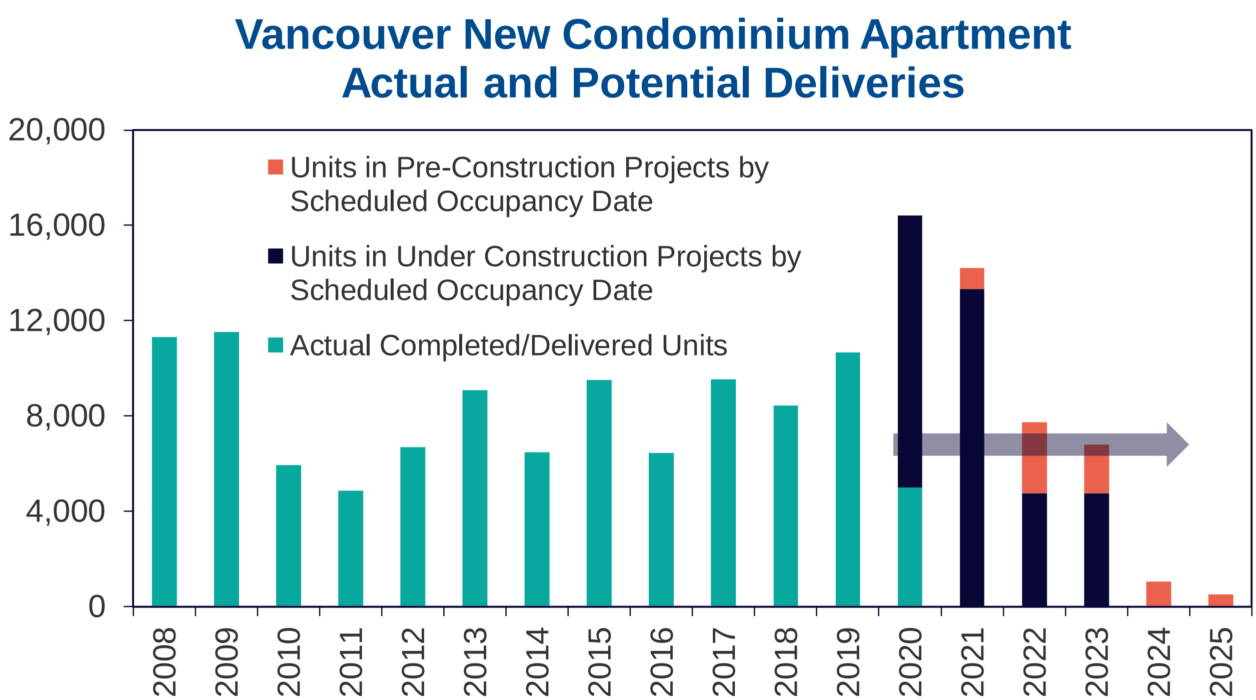


** The total includes unreleased units*

Source: Altus Group

New Condominium Apartments - Completions

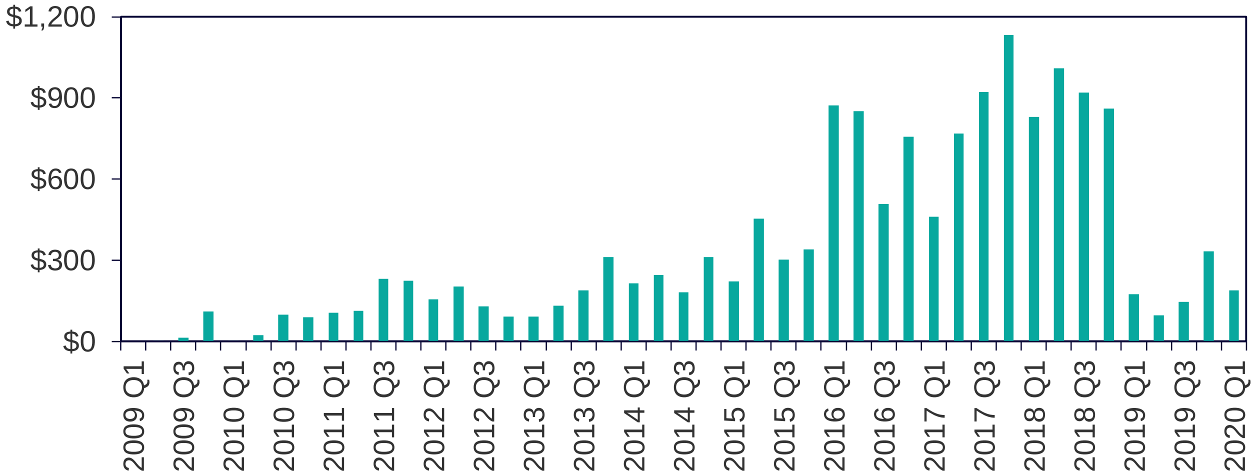
- As of the end of Q2 2020, there were **over 41,000 new condominium apartment units in projects that were either under construction or in pre-construction stages in the Vancouver Market Area**.
- There were 5,001 units delivered/completed through the second quarter of 2020, based on Altus Group data, down 7% from the first half of 2019.
- Based on scheduled occupancy dates, and only considering units currently under construction, **it is possible that completions of condominium apartment units could be higher this year than in 2019.** However, industry capacity thresholds, as well as some construction site delays due to social distancing measures, worker illness, disruption in materials supply chain, etc. are expected to push the delivery timeline for some of these units out further than originally planned dates. Looking beyond 2020, slower absorption rates of more recently launched projects could push intended start dates for some newer projects out, with a corresponding delay in delivery dates.



Source: Altus Group

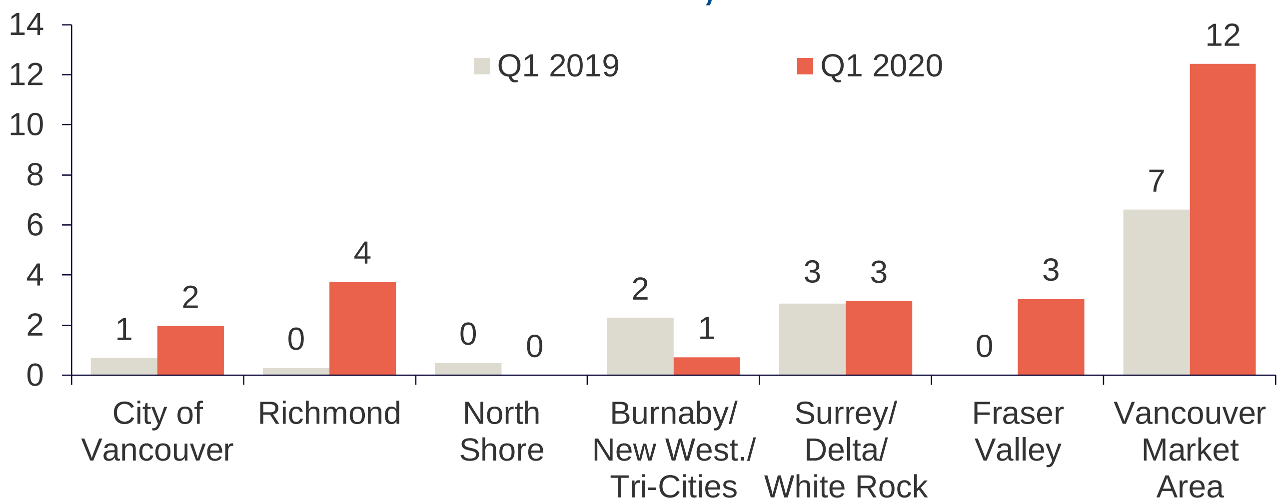
- **The dollar volume of sales of high density residential land in the Vancouver Market Area decreased in Q1 2020**, according to Altus Group transactions data, up 8% from Q1 2019. In Q1 2020, high density residential land sales – potential land for future condominium and purpose-built rental projects – totaled just $190 million.
- For Q1 2020, there were 12 acres of high density residential land purchased, an 88% increase from the same period in 2019. The increase in acreage sales of high density residential land was in Richmond as well as the lower priced Fraser Valley.

Vancouver High Density Residential Land Sales Transactions, $Millions



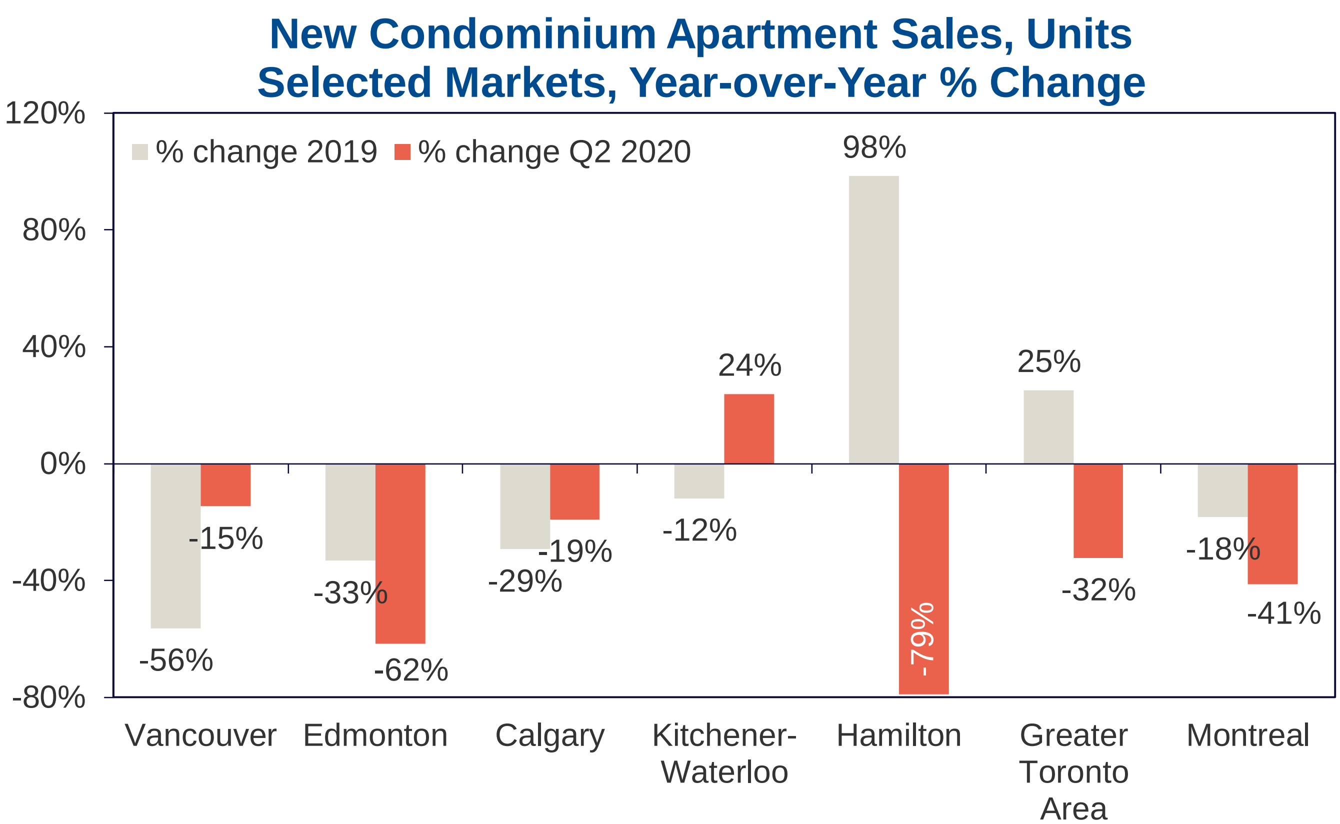
Source: Altus Group

Vancouver High Density Residential Land Sales Transactions, Acres



Source: Altus Group

- Of the major markets tracked by Altus Group, **only Kitchener-Waterloo has seen an increase in condominium apartment sales to date in 2020,** as the COVID-19 situation has greatly impacted markets across the country.
- **The GTA and Hamilton have both seen particularly large drops in the first half of 2020,** after recording relatively large increases in sales in 2019.



*Source: Altus Group

Altus Group New Home Data Definitions
Vancouver Market Area

AltusGroup

Vancouver Market Area	The Vancouver Census Metropolitan Area plus Abbotsford. For simplicity in the report, the area is generally referred to as "Vancouver"; whereas the central municipality is clarified with "City of Vancouver".
Condominium apartment	Includes condominium apartment structures of all heights (low, mid and high-rise). Low-rise: up to and including 4 storeys Mid-rise: 5-9 storeys High-rise: 10 or more storeys
Single-family	Includes detached, semi-detached (duplex) and townhouse units (including stacked townhouse) in projects of 20 or more units.
Inventory	New units available to purchase/unsold at end of the period. Includes available units in pre-construction, under construction and completed projects.
Months of inventory	Unsold inventory at period end divided by average monthly sales in the previous 12 months. Indicates how long current inventory would last assuming same pace of sales (and no additional product added).
Blended $ PSF	The average price of units in projects launched during the period. Calculated by taking a unit weighted average of individual project blended average prices per square foot. The prices do not reflect constant quality product, but rather what is available to purchase in newly launched projects.
Unit size	Average size (sq. ft.) of units in projects launched during the period. Calculated by taking a unit weighted average of individual project blended average sizes.
Completions	Units in projects that have reached occupancy status/been delivered during the period.
"Record" performance	All "record highs" and "record lows" are based on the time period over which Altus Group has been tracking the variable.

Note: all historical data is subject to revision

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