The Altus Group Condominium Apartment Monitor

Vancouver Edition

Data as of Fourth Quarter 2022

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New Condominium Apartment Dashboard

Q4 2022			YTD Q4 2022	
Sales	Inventory	Avg. Launch $/SF	Sales	Avg. Launch $/SF
1,648	6,893	$986	13,529	$1,052
-72%	18%	-8%	-29%	4%
Lowest quarter in 2 years	*2nd highest quarter in 2 years*	*4th highest Q4 on record*	*4th highest YTD Q4 on record*	*Highest YTD Q4 on record*

% change is from same period a year earlier

Highlights

- **New condominium apartment sales faded further in Q4 2022 and annual sales for 2022 lagged the previous year by almost 30%**. Not only have sales been slow in each of the last two quarters, the last 45 days of 2022 say the slowest 45-day period since the onset of the pandemic.
- The slowdown in sales in the 2nd half of 2022 **has led to build-up of new condominium apartment inventory – with just over 6 months of available inventory.**
- **New condominium apartment launch prices slipped lower in Q4 2022 relative to both the previous quarter and year ago levels.**
- As 2023 begins, **concerns surrounding the macro-economic environment are causing many buyers to move to the sidelines as they await more clarity as to where the economy is headed in the near-term**.

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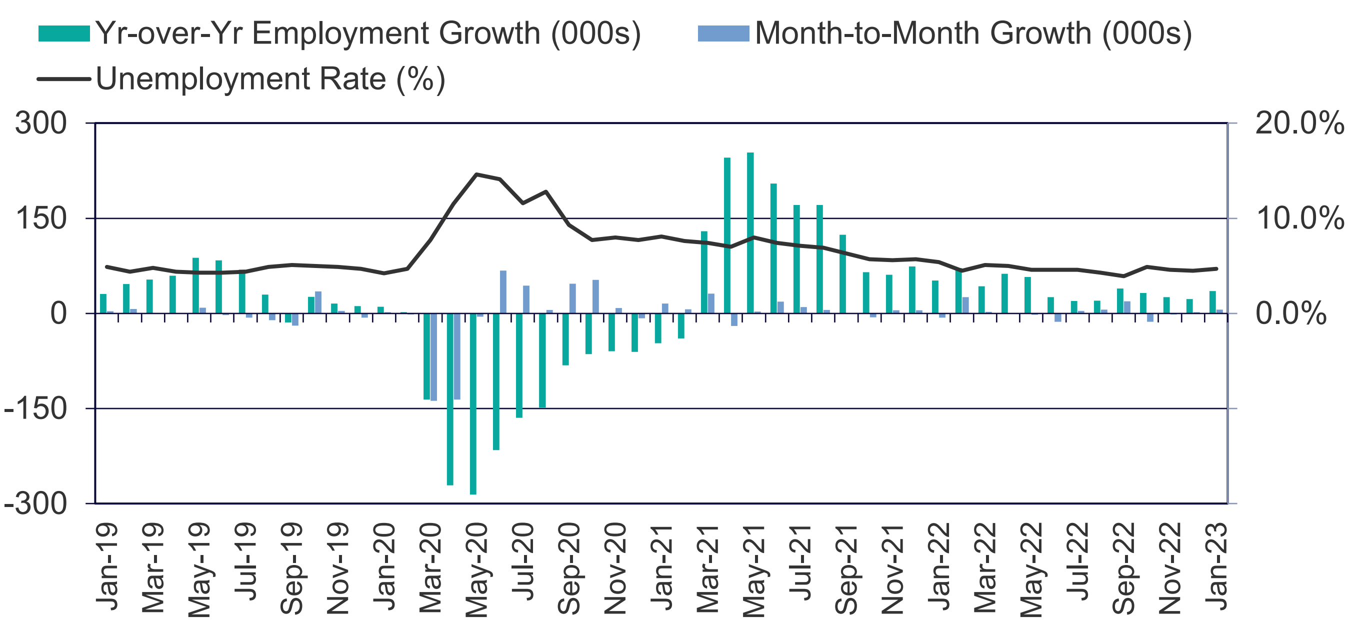
Vancouver Condominium Apartment Key Performance Indicators

	Q4 2021	Q3 2022	Q4 2022	*Yr-Over-Yr % Change*	YTD Q4 2021	YTD Q4 2022	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	199	215	219	*10%*	205	204	*-1%*
New projects opened	39	21	14	*-64%*	124	114	*-8%*
Units in new projects opened	5,659	2,428	1,453	*-74%*	17,323	14,778	*-15%*
Total sales (units)	5,899	1,773	1,648	*-72%*	19,098	13,457	*-30%*
Sales as % of total new & resale	*46%*	*31%*	*33%*		*40%*	*40%*	
Inventory (units)	5,821	6,950	6,893	*18%*	5,602	6,396	*14%*
Sales-to-inventory ratio	34%	9%	8%	*-76%*	28%	19%	*-33%*
Months of inventory	3.7	4.7	6.1	*68%*	5.2	4.4	*-14%*
Launch Price PSF	$1,072	$1,077	$986	*-8%*	$1,009	$1,052	*4%*
Launch Unit size (sq. ft)	766	712	691	*-10%*	758	721	*-5%*
Units completed	3,171	3,155	2,185	*-31%*	12,333	11,021	*-11%*
Resale Condominium Apartments (Real Estate Board of Greater Vancouver and Fraser Valley Real Estate Board data)							
Total sales (units)	6,807	3,887	3,314	*-51%*	29,146	20,457	*-30%*
New listings (units)	2,297	2,475	1,871	*-19%*	13,104	11,570	*-12%*
Inventory ("active listings", units)	3,807	5,456	4,987	*31%*	5,119	4,847	*-5%*
Sales-to-inventory ratio	60%	24%	22%	*-63%*	48%	37%	*-23%*
Months of inventory	1.6	2.7	2.9	*87%*	2.4	2.4	*2%*
HPI constant quality price	$645,001	$694,707	$671,725	*4%*	$622,318	$701,049	*13%*
HPI constant quality price index (Jan 2005=100)	209.1	221.9	215.5	*3%*	205.8	218.4	*6%*

** see end of report for Definitions*

- **Month-to-month job growth returned in the Vancouver market area over the latest two months following two consecutive months of declines**. Overall job growth for 2022 was positive and the unemployment rate inched higher to 4.7% in January 2023.
- New Statistics Canada data shows that **population growth has rebounded in the Vancouver CMA after two depressed years due to the pandemic** (*chart top of next page*). During the mid-2021 to mid-2022 period, there was a record level of net international migration. Rising immigration targets over the next few years are expected to support additional population growth in the Vancouver CMA.
- **The Bank of Canada increased the target for the overnight rate by 0.25 percent at its latest rate announcement on January 25**, stating that **"***In Canada, recent economic growth has been stronger than expected and the economy remains in excess demand. Labour markets are still tight: the unemployment rate is near historic lows and businesses are reporting ongoing difficulty finding workers. However, there is growing evidence that restrictive monetary policy is slowing activity, especially household spending. . . If economic developments evolve broadly in line with the MPR outlook, Governing Council expects to hold the policy rate at its current level while it assesses the impact of the cumulative interest rate increases.*" **The next rate announcement date is March 8.**
- **Variable rate mortgage interest rates remain above the average 5-year fixed special rate with the spread at almost 90 basis points.** The 5-year fixed variable rate is now over 400 basis points higher than its recent low in early Fall 2021 *(chart next page, bottom).*

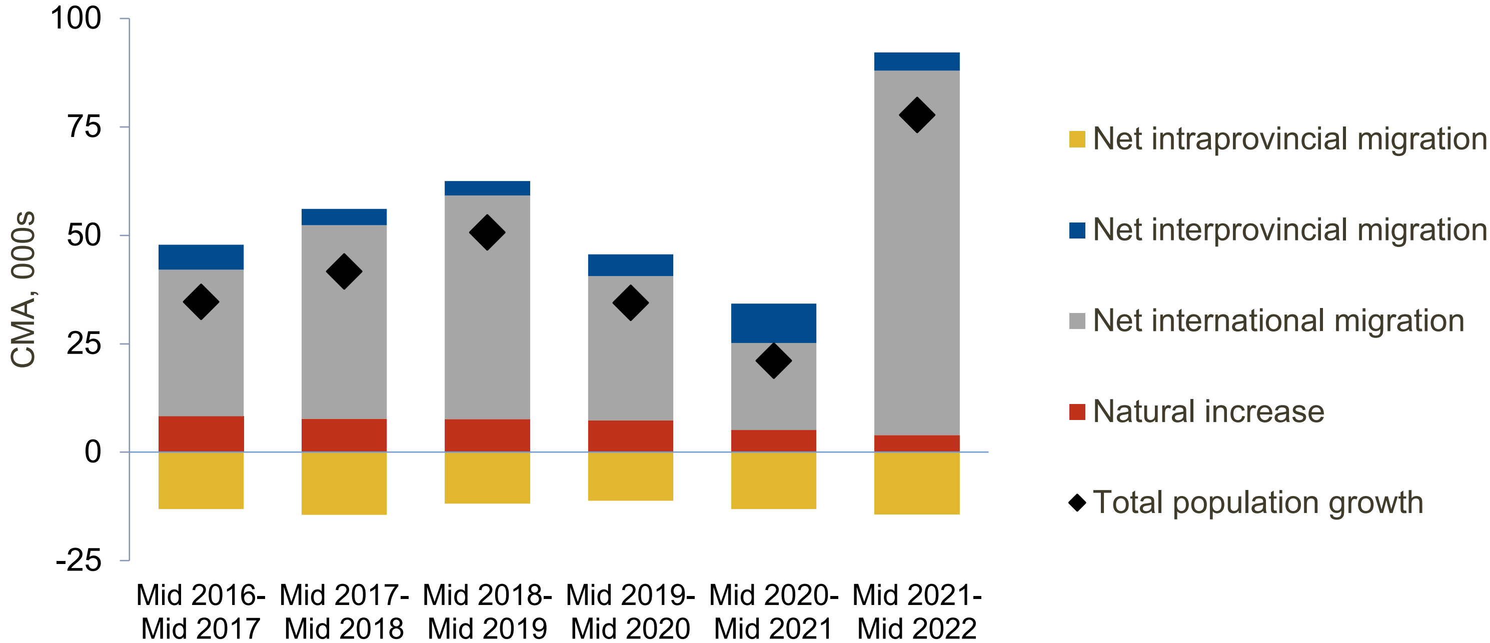
Vancouver CMA Employment*



Source: Altus Group based on Statistics Canada data

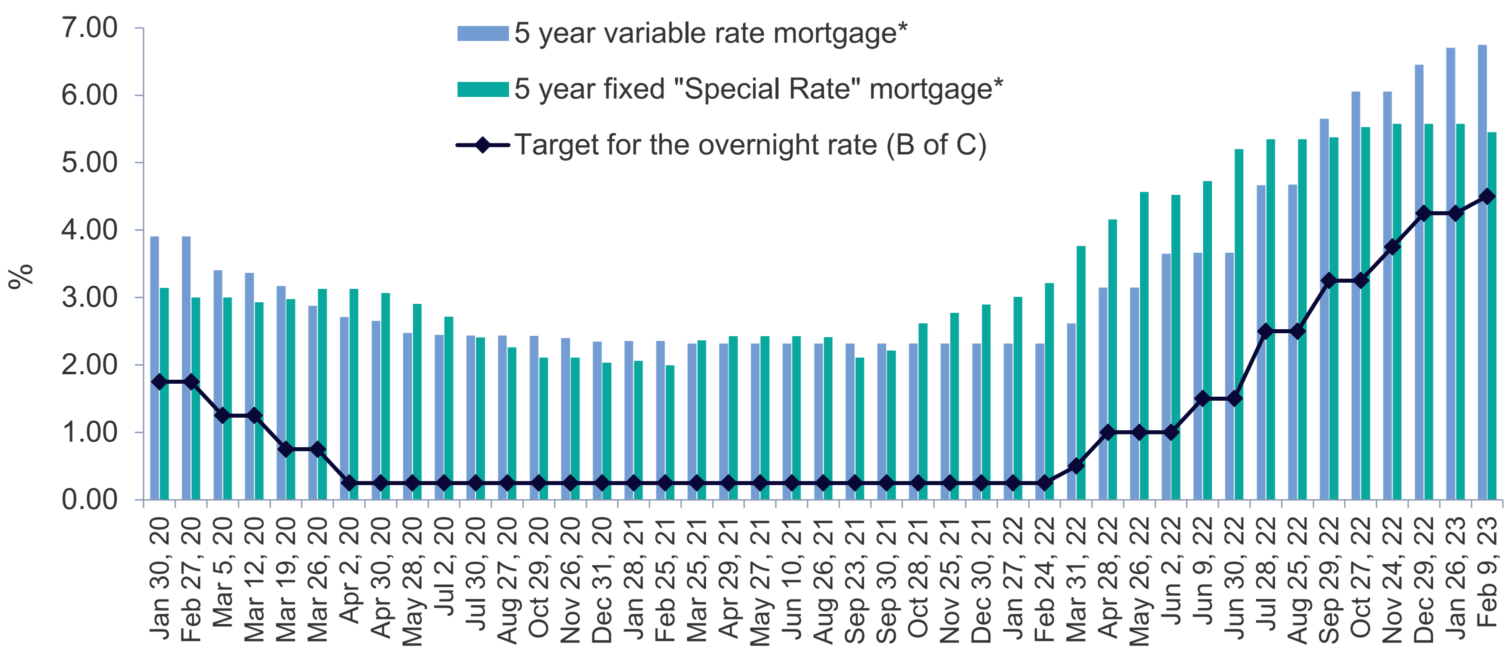
* Data are monthly, seasonally adjusted

Components of Population Growth



Source: Altus Group based on Statistics Canada data

Selected Interest Rates

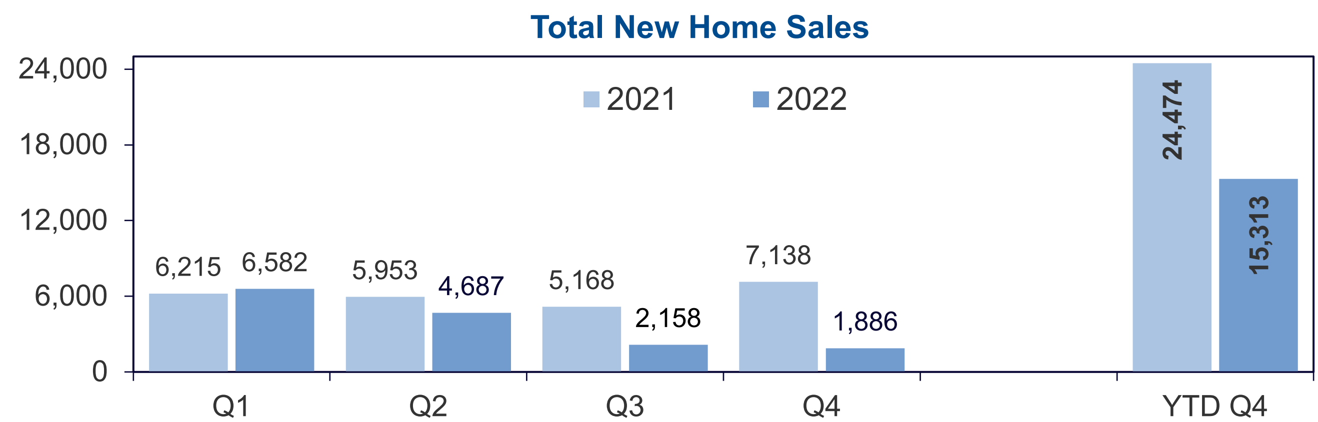


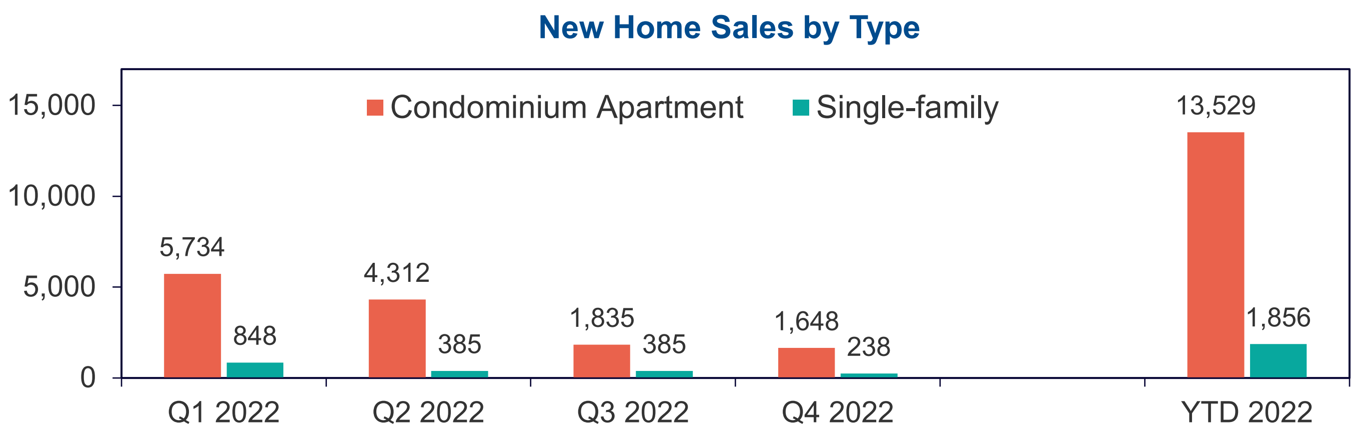
** Average for the major banks*

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

- **Total new home sales continued to slow markedly in Q4 2022 and are about one-quarter the level of Q4 2021**. Total new home sales for 2022 are down nearly 40% from 2021 as the 2nd half of 2022 saw a significant slowdown in sales activity.
- **Single-family sales recorded a record low quarter to close out 2022** about 80% below than Q4 2021. *Note that Altus Group's coverage of new single-family sales only includes projects of 20 or more units.* **New condominium apartment sales in Q4 2022 were also down sharply from the previous year,** with the last half of the quarter showing particular weakness.
- **After nearing record levels for the 1st half of 2022, 2022 apartment sales fell by about 30% compared to 2021.**
- All of the subareas saw lower total new home sales through in 2022 compared to a year earlier *(charts next page)*. Burnaby North was the sole market to record a large increase in total new home sales in 2022, with Guildford, Langley and Burnaby Metrotown heading up submarkets recording large declines (*chart after next page).*

Vancouver New Home Sales

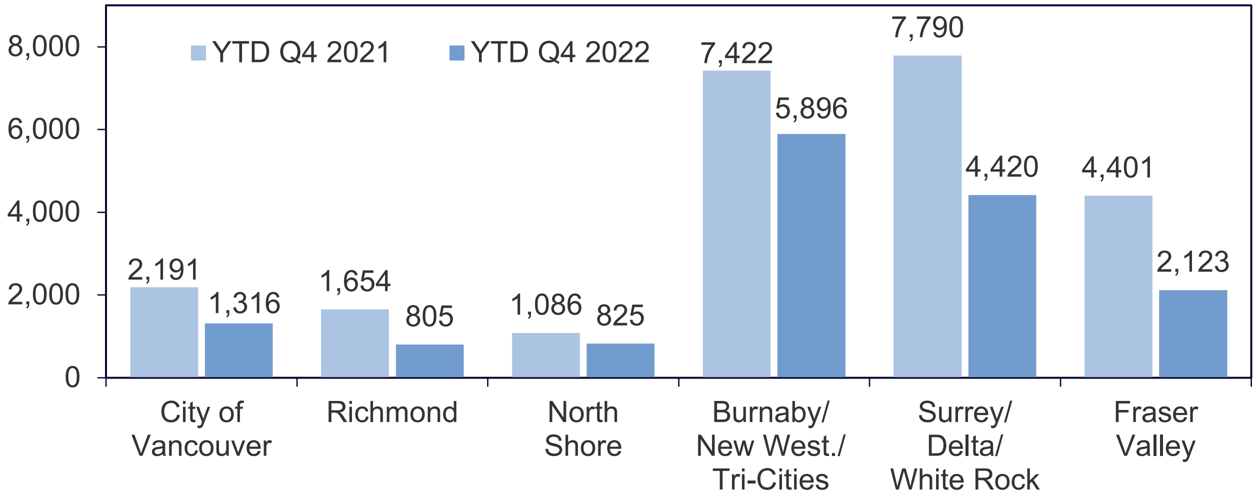




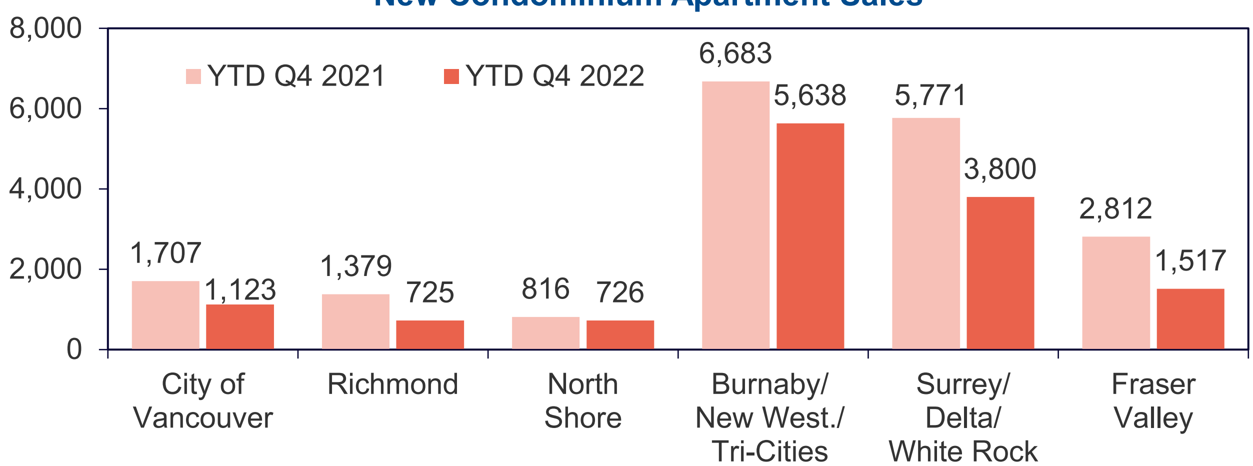
Source: Altus Group

Vancouver New Home Sales by Subarea

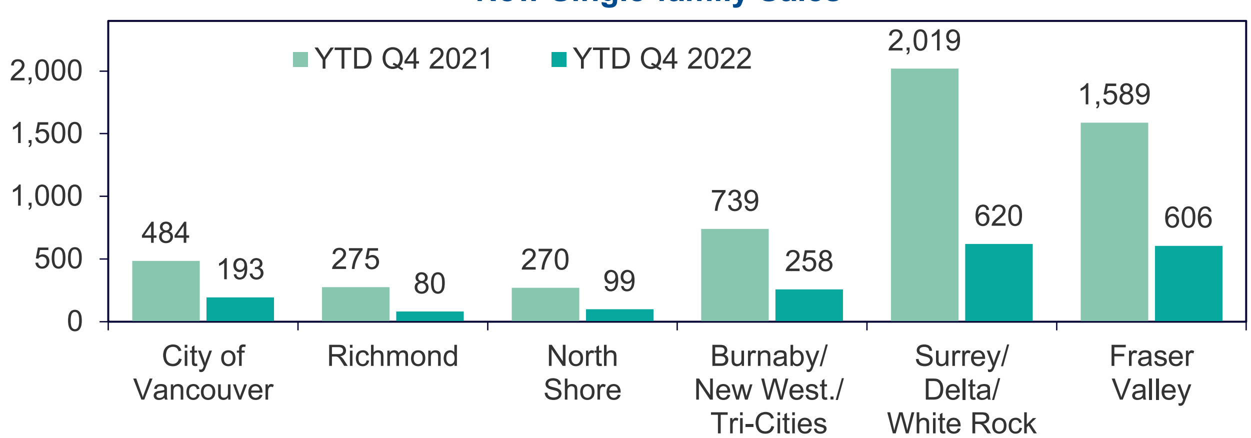
Total New Home Sales



New Condominium Apartment Sales

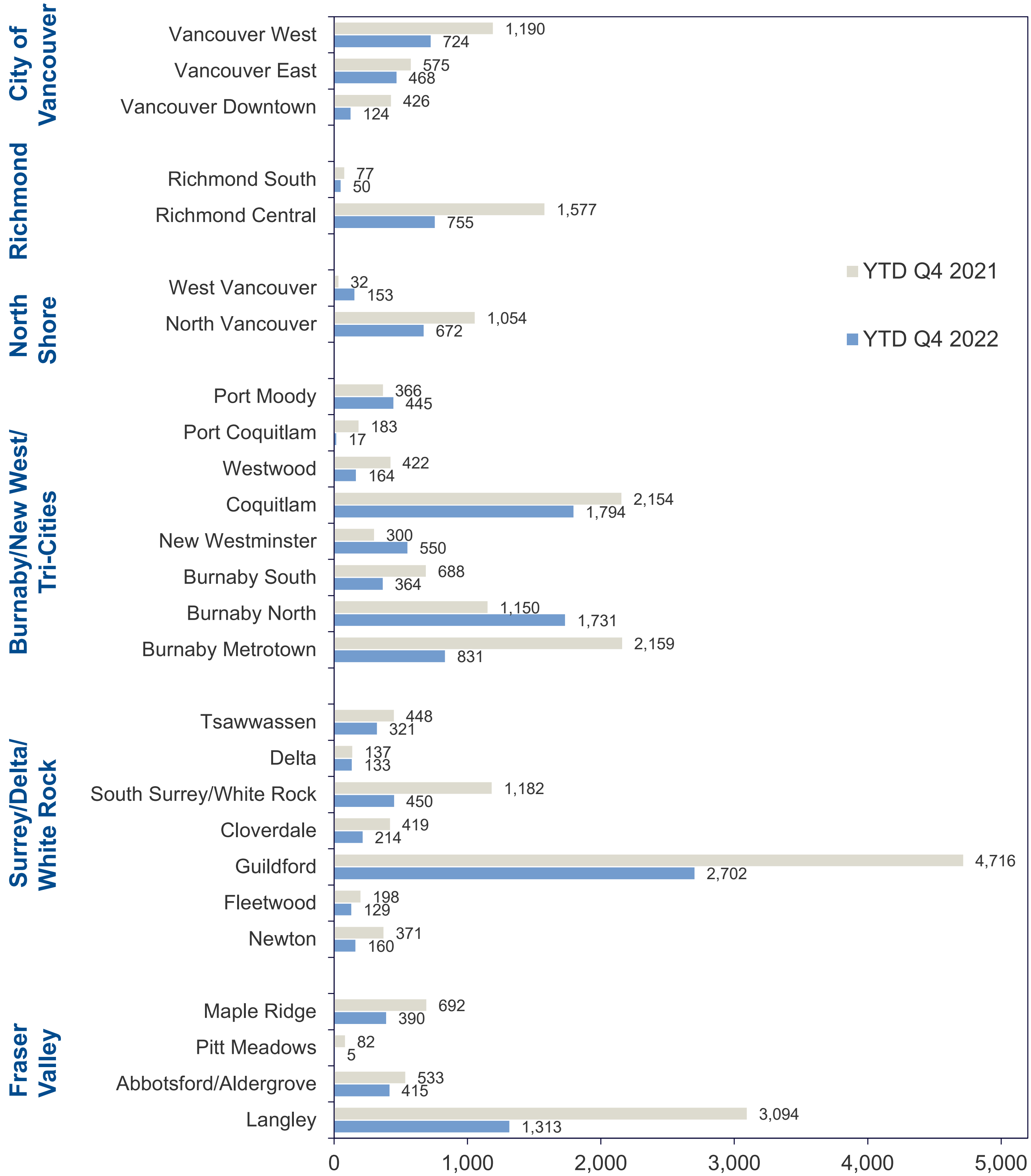


New Single-family Sales



Source: Altus Group

Vancouver Total New Home Sales by Submarket

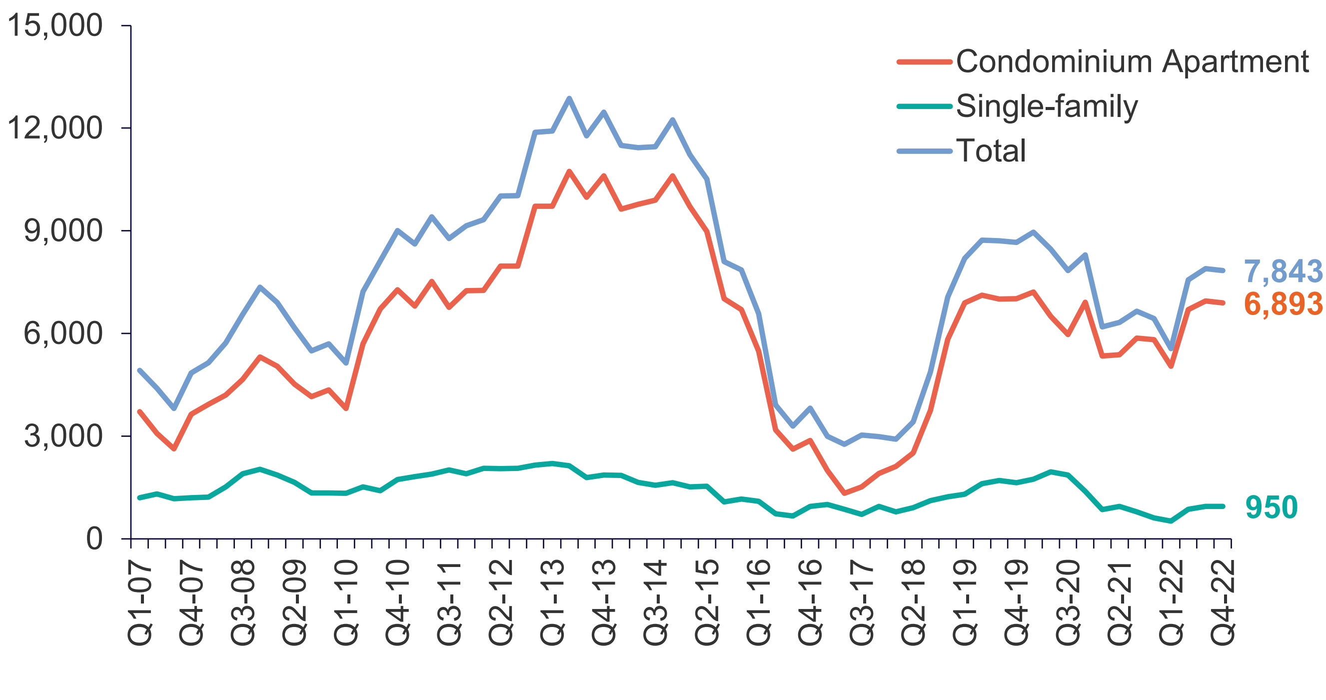


Source: Altus Group

New Home Market - Inventory

- **Total inventory was little changed in Q4 2022 and is just below the 10-year average.**
- **New condominium apartment inventory eased marginally as slumping sales still surpassed new supply from project openings.** Inventory levels reached about 6 months, still below the 10-year average of about 8½ months.
- **New single-family home inventory levels were unchanged and are 30 percent below the 10-year average.**
- Looking ahead, **there is still a significant amount of potential additional new condominium apartment supply in the pipeline.** Faced with climbing inventory levels, rising interest rates and construction costs coupled with concerns around economic conditions, builders continue to delay project openings awaiting more clarity on market conditions.

Vancouver New Home Inventory

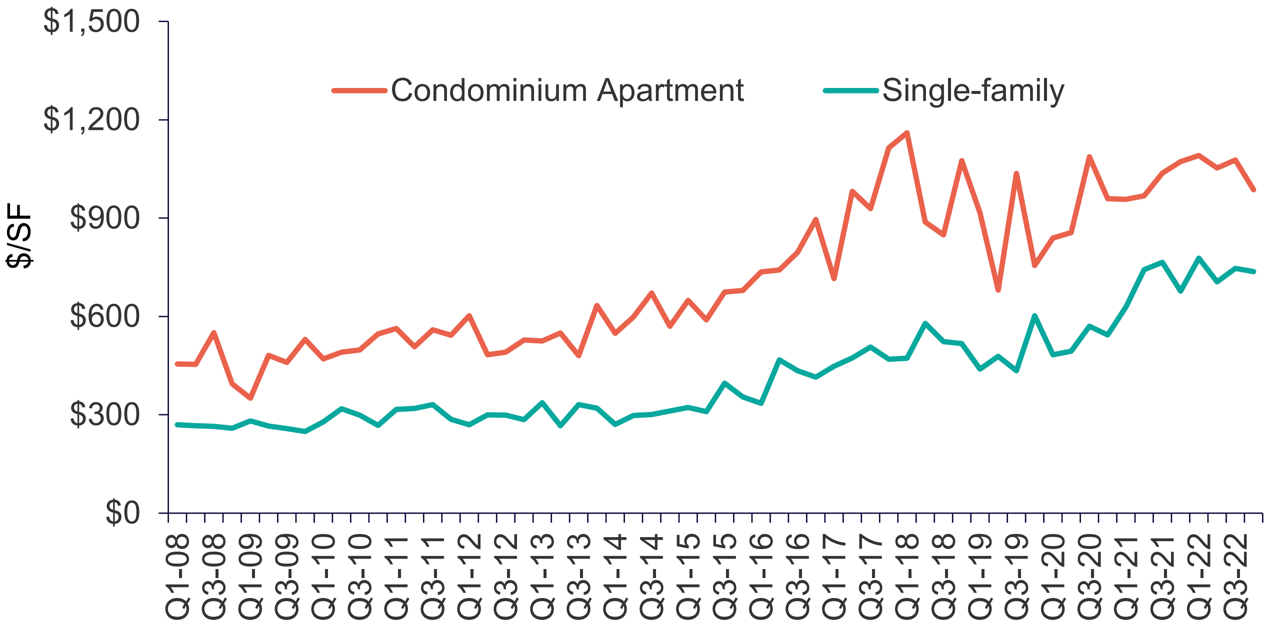


Source: Altus Group

New Home Market - Prices

- **Average launch prices for new condominium apartments in Q4 2022 are almost 10% lower than 2021** *(chart bottom of next page)*. Note that these prices do not reflect constant quality product, but rather a mix of product and location of units available to purchase in newly opened projects.
- **New single-family home prices posting a nearly 10% year-over-year increase in Q4 2022,** though down from the peak in Q1 2022.
- With the elevated condominium apartment inventory, **price increases for new condos in general are expected to level off, especially with more potential supply in the pipeline and the impact of recent interest rate hikes.**

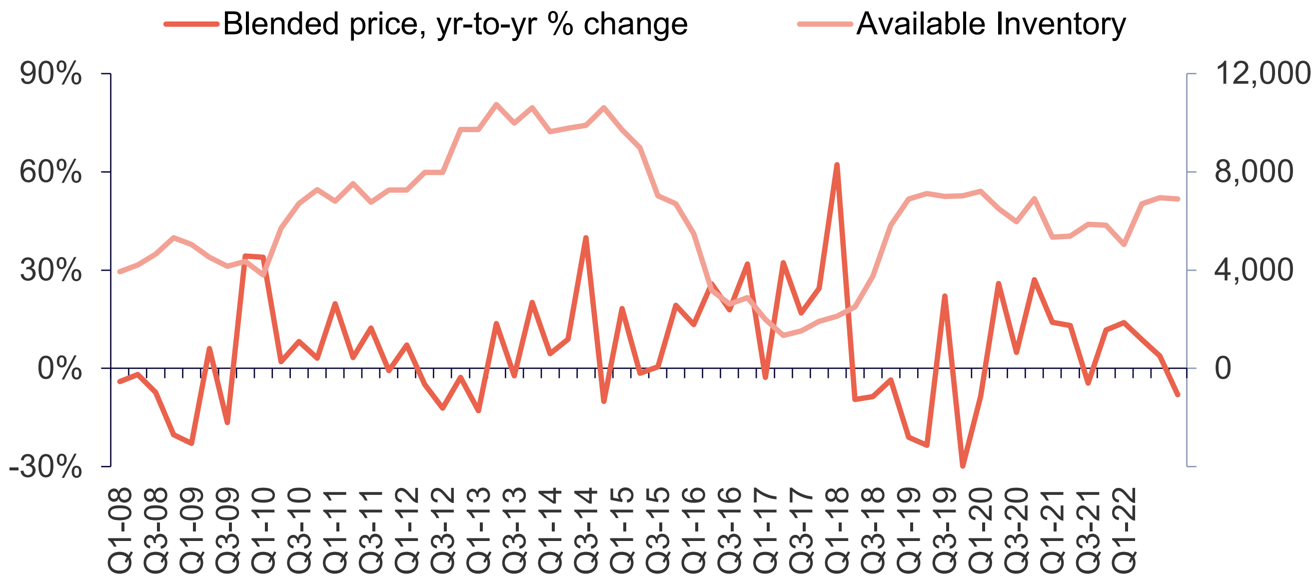
Vancouver New Home Blended Prices*



** See definitions page*

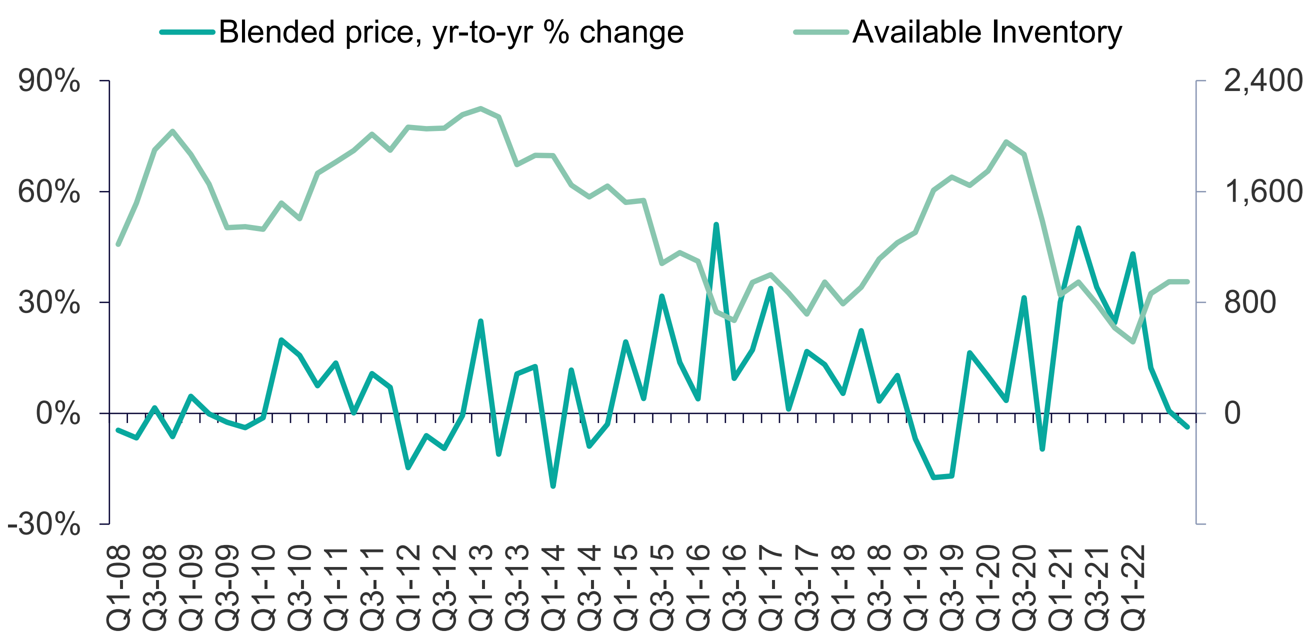
Source: Altus Group

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



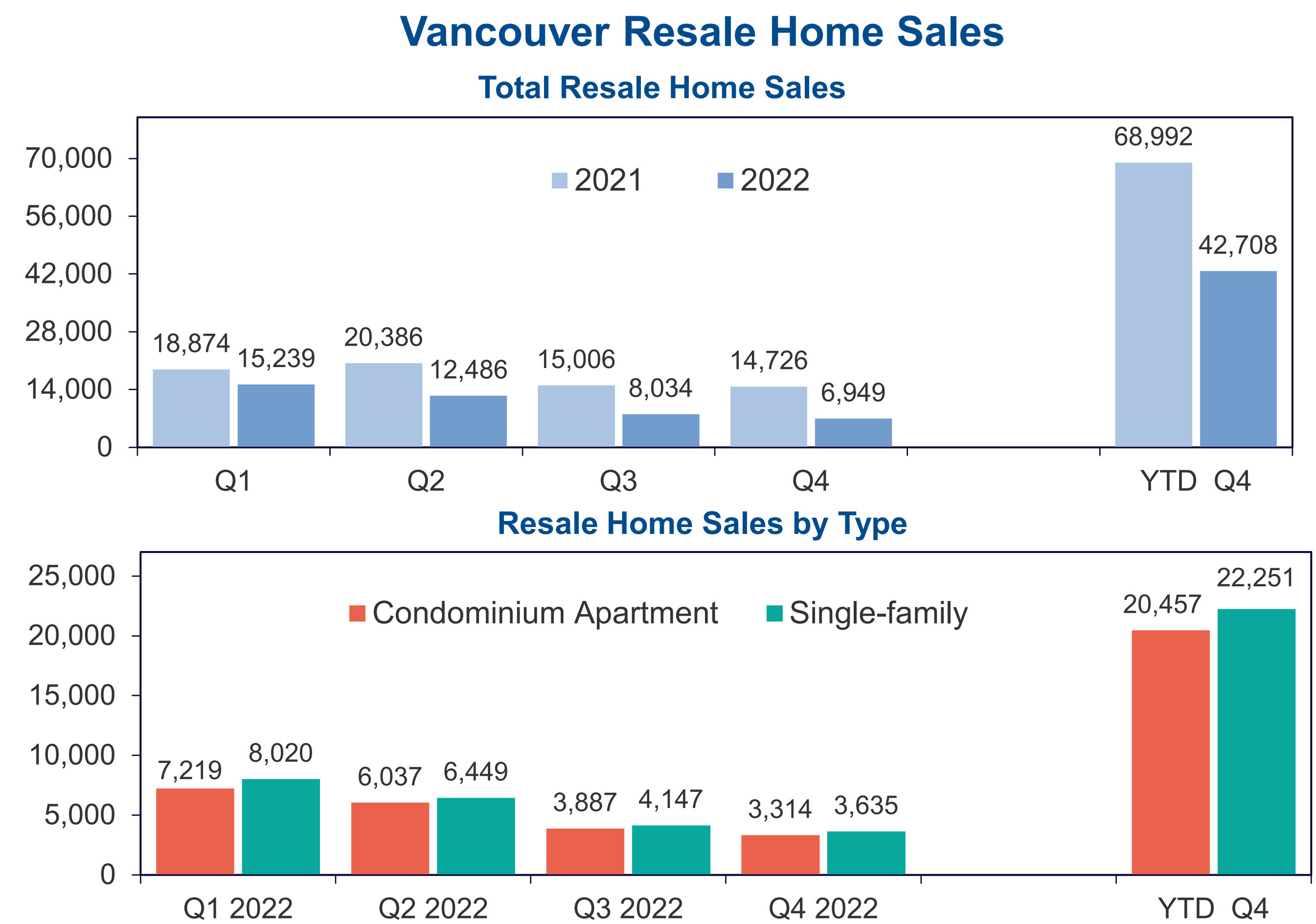
Source: Altus Group

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



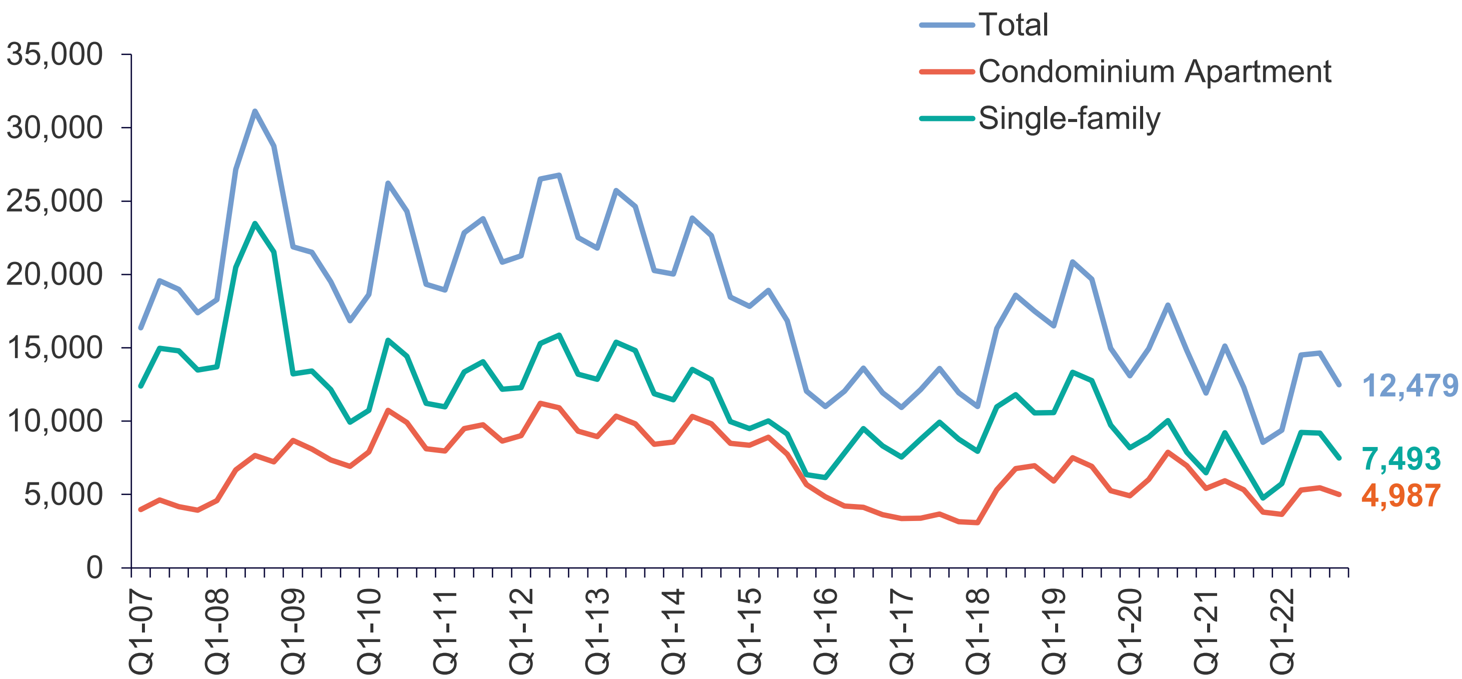
Source: Altus Group

- **Total resale home sales recorded a 6th consecutive year-over-year decline in Q4 2022, slumping to the lowest Q4 since 2008** with both the single-family and condominium apartment sector sharing in the fall-off (based on data as reported by The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board).
- Total resale inventory (or "active listings") in Q4 2022 was up nearly 50% from the previous year (*chart next page, top*). Despite the recent rise in inventory, **resale inventory remains relatively low in historical terms thus offering less competition for the new home market**.
- **The combination of higher inventory and lower sales pushed resale prices even lower in Q4 2022**, based on MLS® Home Price Index data produced by Altus Group on behalf of the local real estate boards (*chart next page, bottom).*



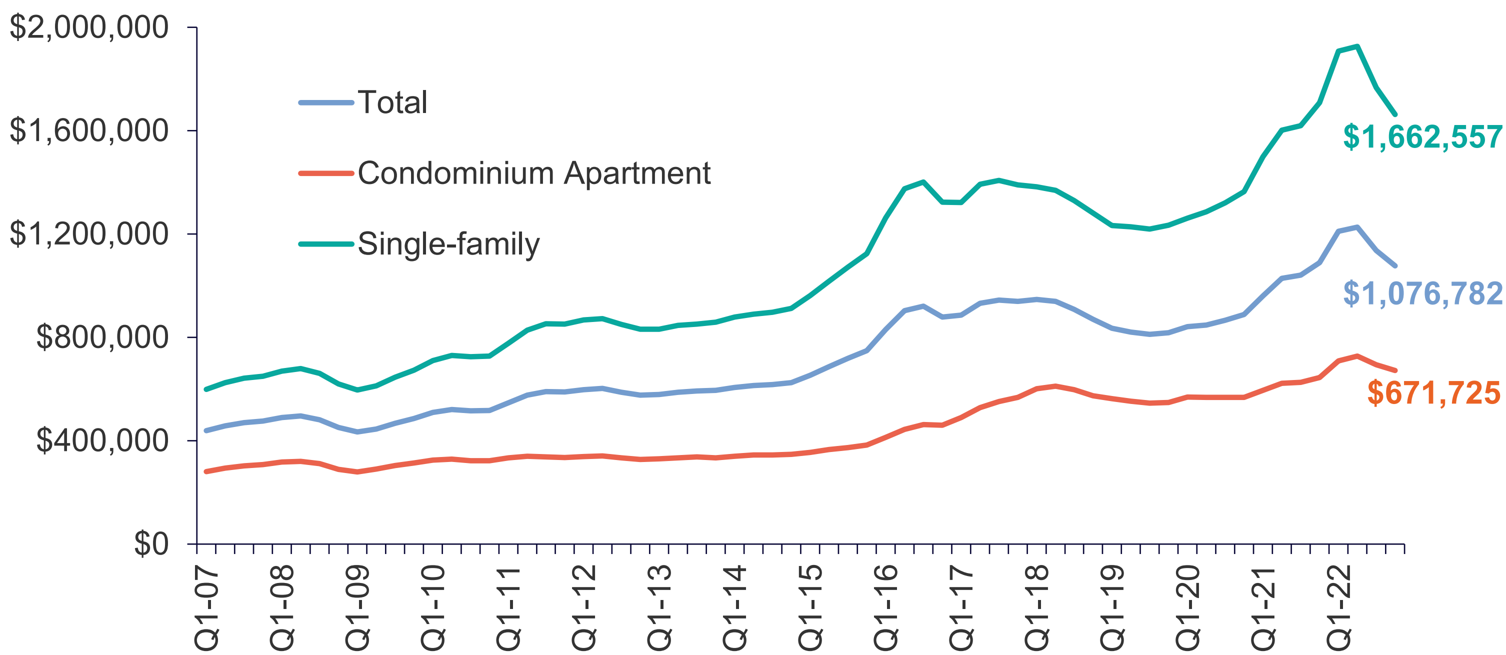
Source: Altus Group based on data from The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board

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

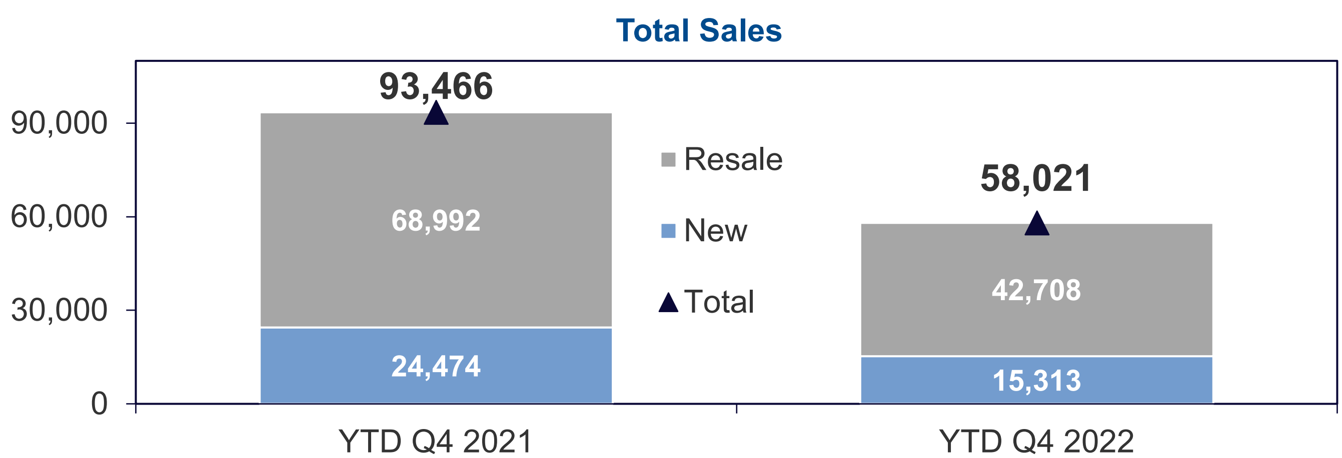


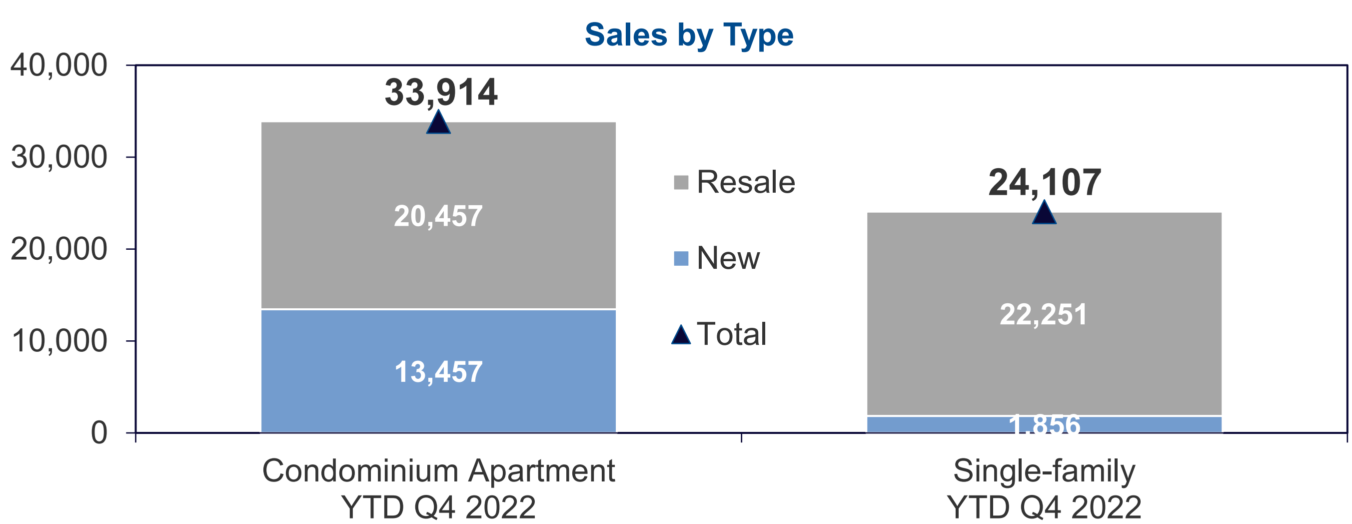
Source: Altus Group based on MLS® Home Price Index for the Lower Mainland

Overall Home Market - Sales

- **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 just over 58,000 units in 2022, **down almost 40% from 2021**. Lower single-family resales (-47%) as well as lower condominium apartment resales (-30%) contributed to the overall decline.
- **Over one-quarter of total home sales in 2022 were new homes in projects of 20 or more units** – on par with a year earlier. The ratios are quite different for single-family homes, with new homes accounting for about 1 in 13 home sales (down from about 1 in 8 in 2021), and condominium apartments, where 4 in 10 sales were new condos (equal to 2021).

Vancouver Combined New & Resale Home Sales





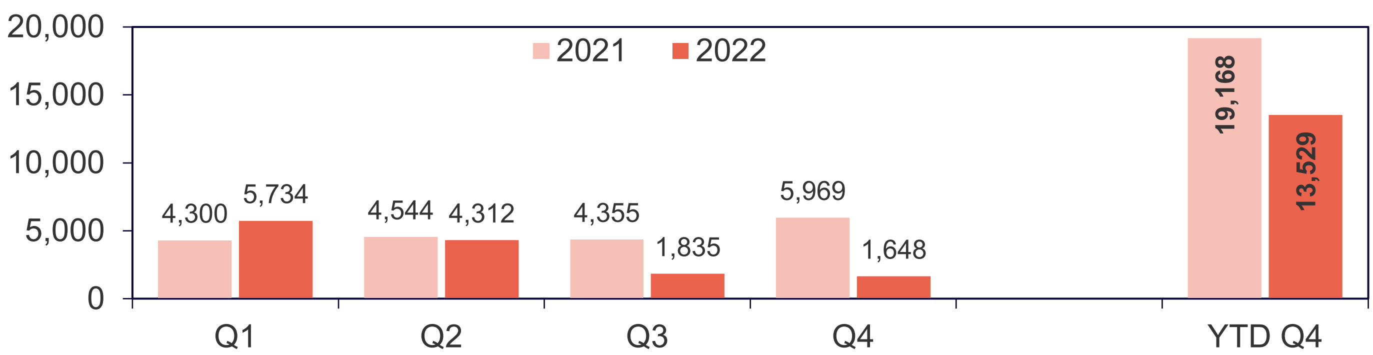
Source: Altus Group, The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board data

New Condominium Apartments - Sales

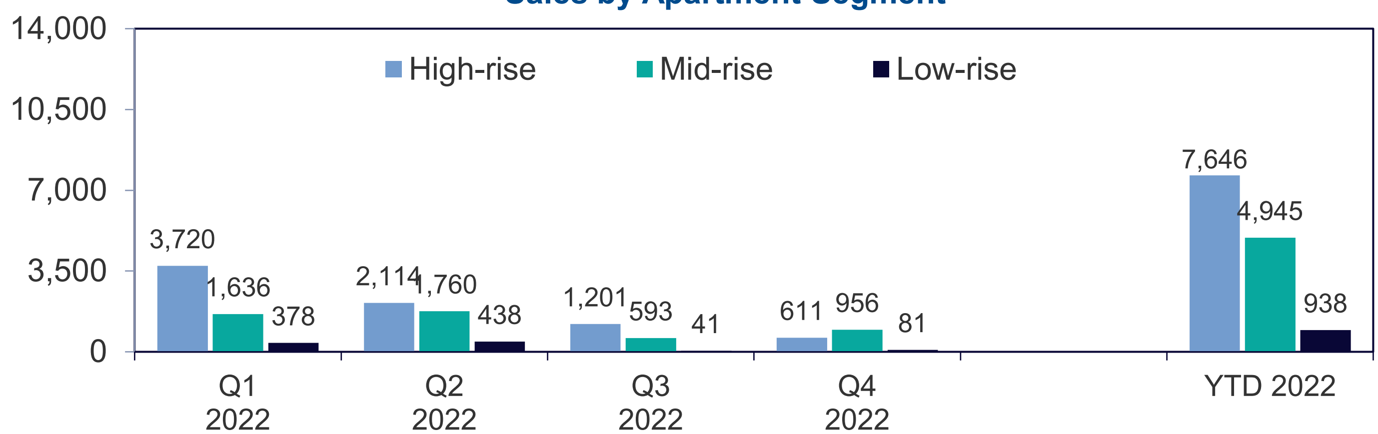
- **New condo apartment sales fell further in Q4 2022 as compared a year earlier, down over 70 percent.** Sales were the lowest 4th quarter since 2019 and sales were quite a bit slower in the last 45 days of the quarter.
- **The Q4 2022 decline was most acute in the high-rise (-83%) and low-rise (-78%) sectors and less severe in the mid-rise (-51%) apartment sectors compared to the previous year.**
- All subareas posted lower new condo apartment sales in Q4 2022, most notably Surrey/Delta/White Rock (*chart next page, top*), which also saw the largest fall-off in full year sales (*chart next page, middle*).
- Among the submarkets, **Burnaby North and New Westminster bucked the trend and recorded a sizeable increase in new condominium apartment sales in 2022** (*chart following next page)*.

Vancouver New Condominium Apartment Sales

Total Sales

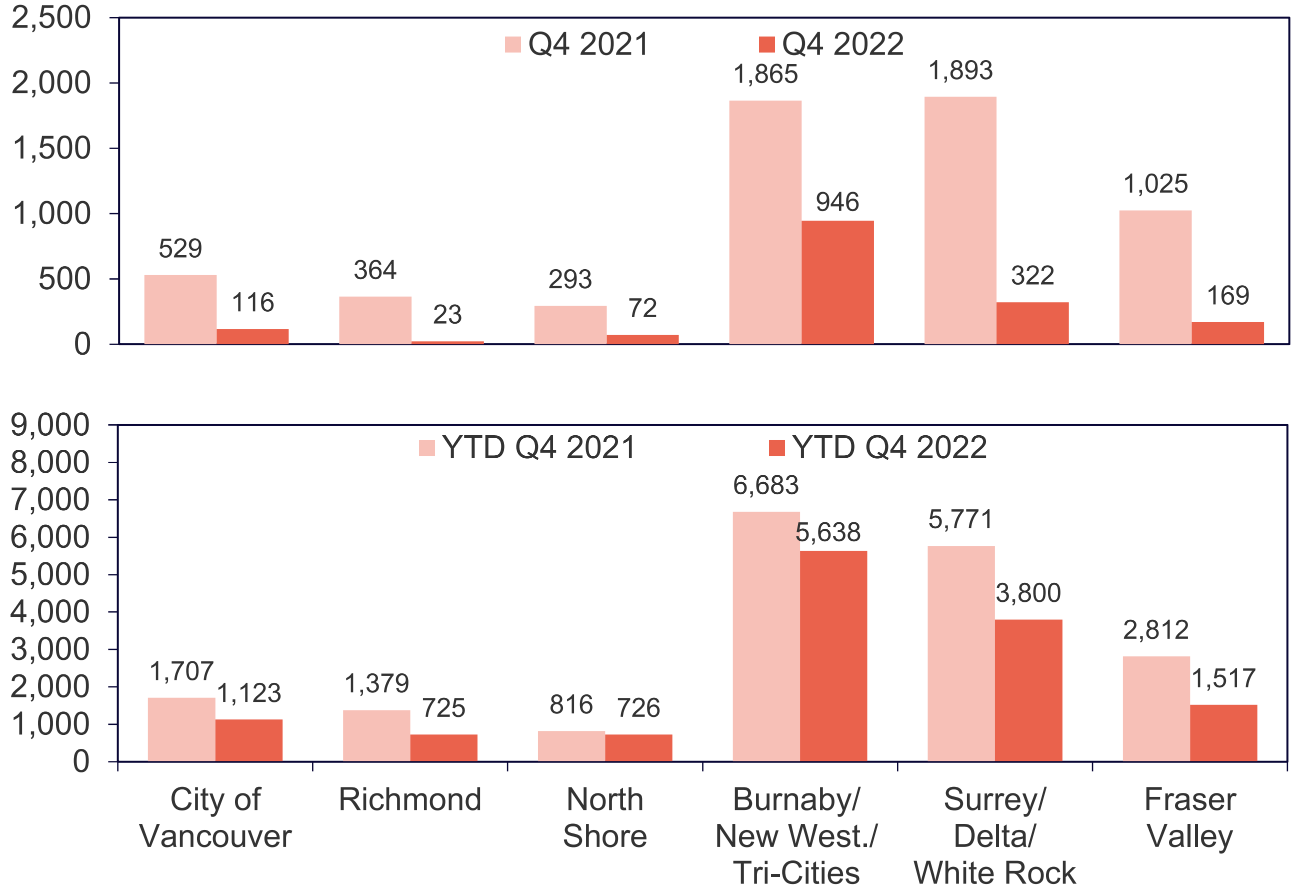


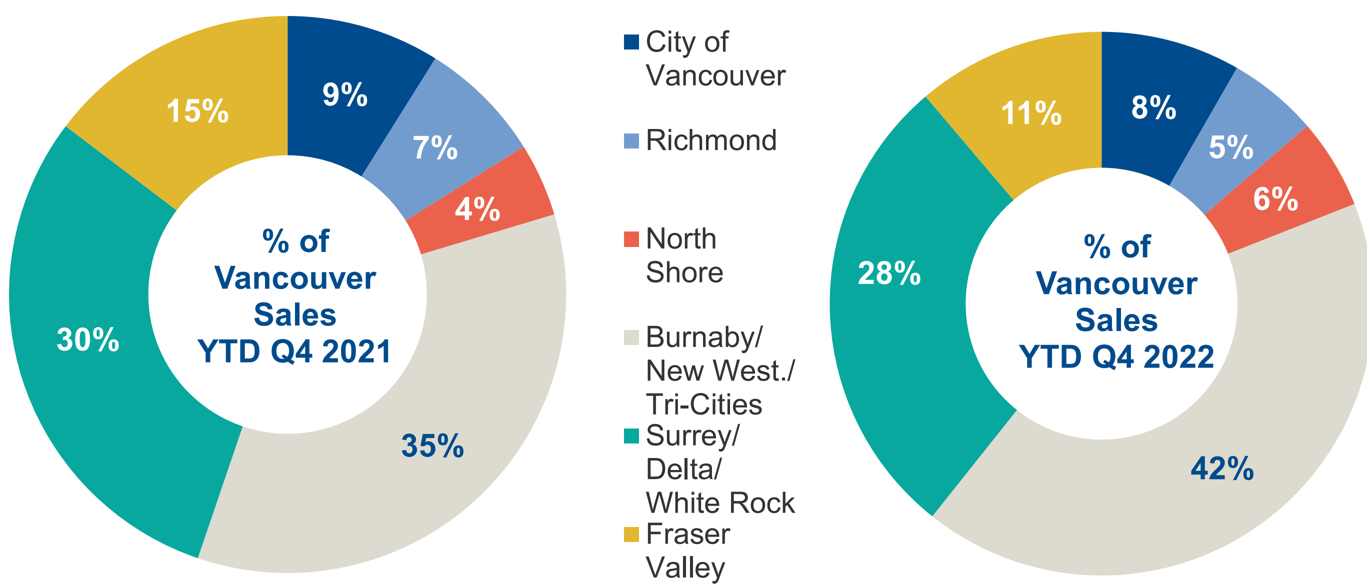
Sales by Apartment Segment



Source: Altus Group

Vancouver New Condominium Apartment Sales by Subarea





Source: Altus Group

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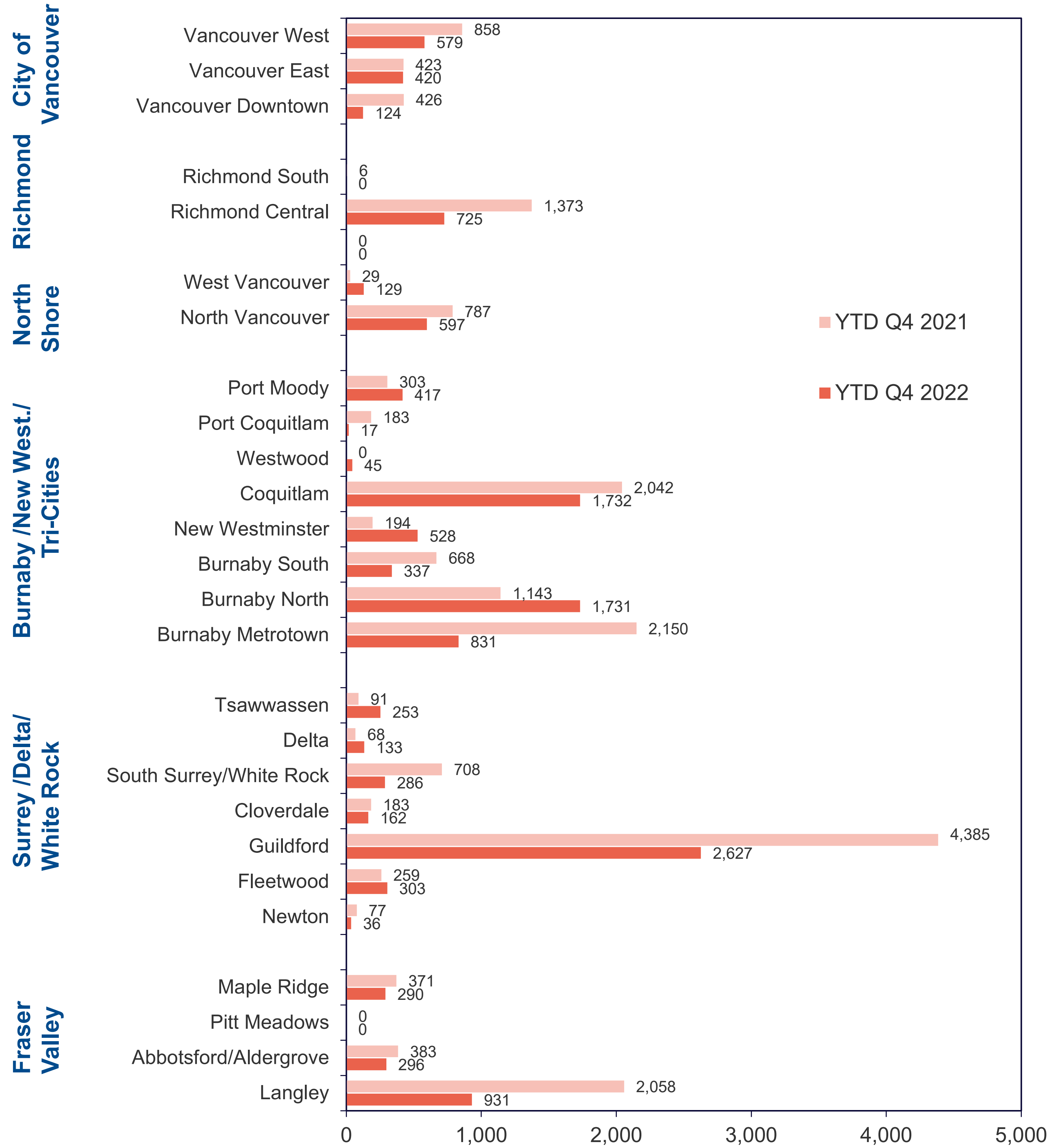
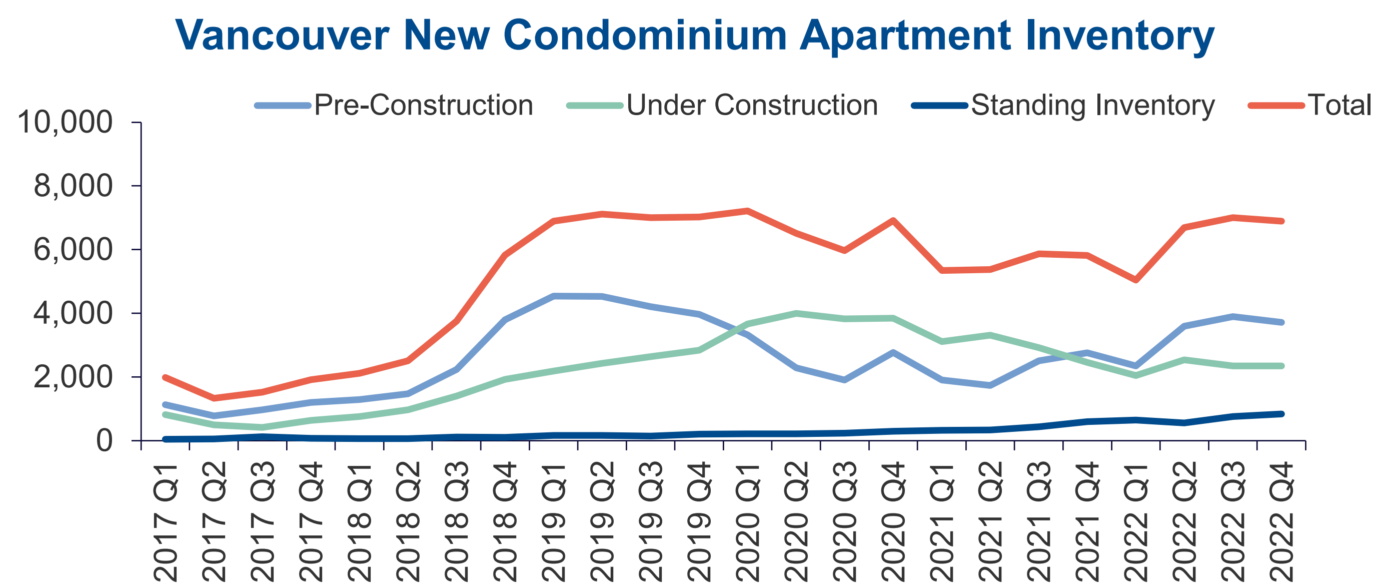
Vancouver New Condominium Apartment Sales by Submarket

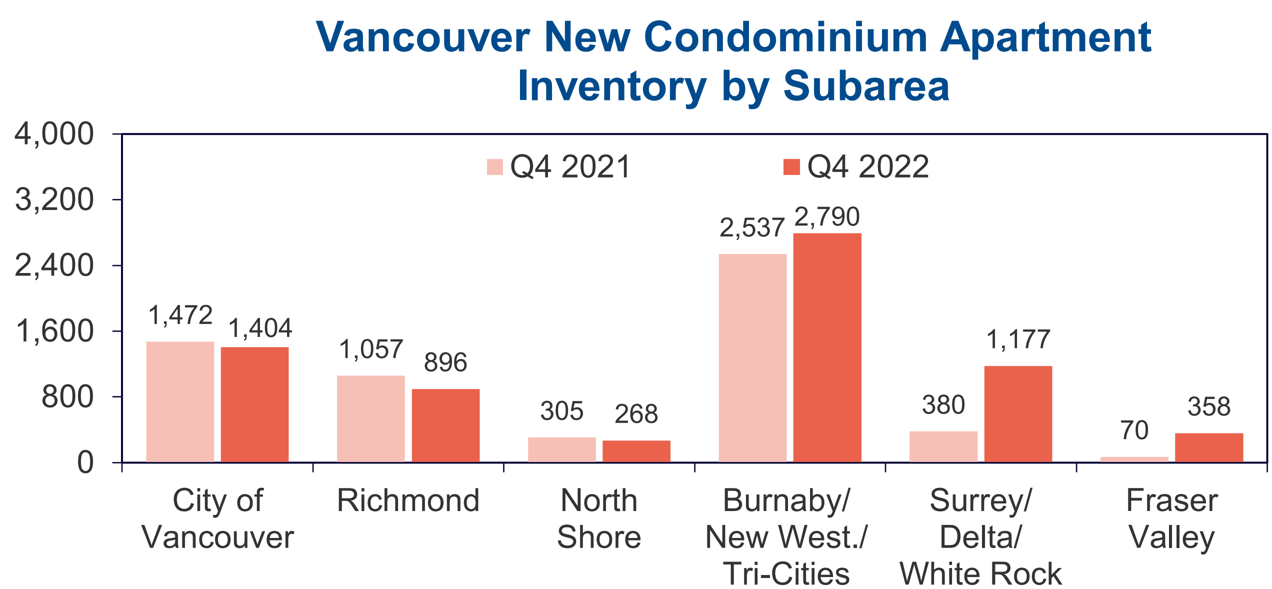


Source: Altus Group

New Condominium Apartments - Inventory

- **Nearly 6,900 new condo apartments units were available to purchase at the end of Q4 2022 representing just over 6 months of supply**, based on the average monthly rate of sales in the previous 12 months – this is about two-thirds of the longer-term average of about 9.5 months.
- Pre-construction inventory remains above the number of units available that are under construction. **Units available for occupancy (standing inventory) are limited but have risen to an all-time high of over 830 units.**
- Amongst the subareas, inventory moved higher in the outer areas of the CMA - Burnaby/New Westminster/Tri-Cities, Surrey/Delta/White Rock and Fraser Valley. Months of inventory rose in all subareas, ranging from a high of 8.4 in the City of Vancouver to a low of 1.4 months in the Fraser Valley subarea.

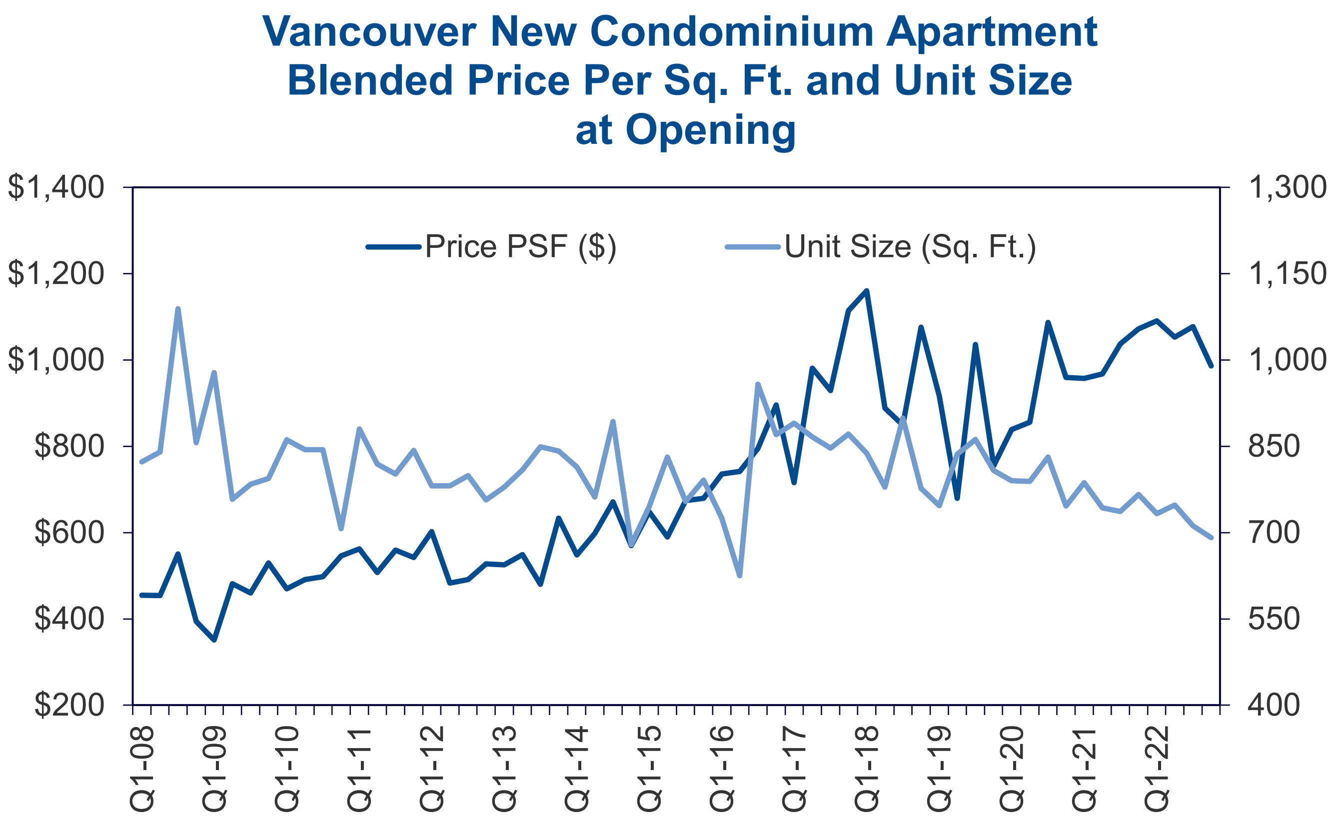




Source: Altus Group

New Condominium Apartments - Prices

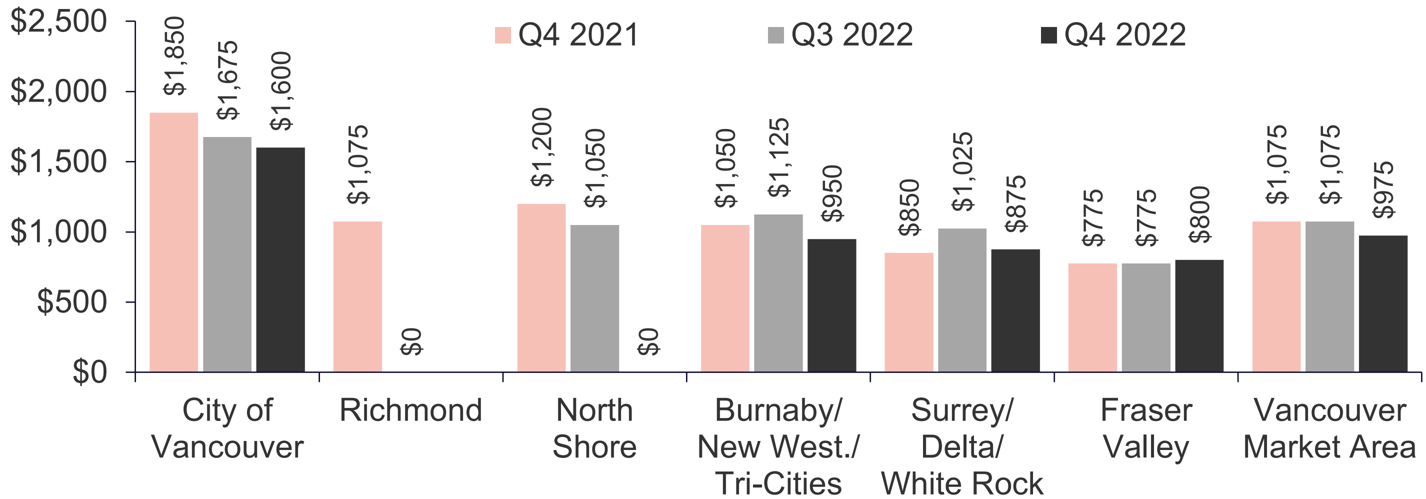
- **New condo apartment launch prices slipped lower in Q4 2022 relative to both the previous quarter and year ago levels.** The average size of new condominium apartments launched *(see definitions page)* dropped in Q4 2022 to its lowest level in 1½ years.
- Caution needs to be used in interpreting the price per sq. ft. data, as smaller unit sizes on average have higher prices per sq. ft. Therefore, an increase in price per sq. ft. could reflect both “pure” price increases, as well as decreases in average size of units launched (as was the case in recent quarters) - and, of course, location shifts.
- The fall-off in overall average price PSF in the current quarter is attributable to lower prices in most subareas except for a small uptick in Fraser Valley (*charts next page).*



Source: Altus Group

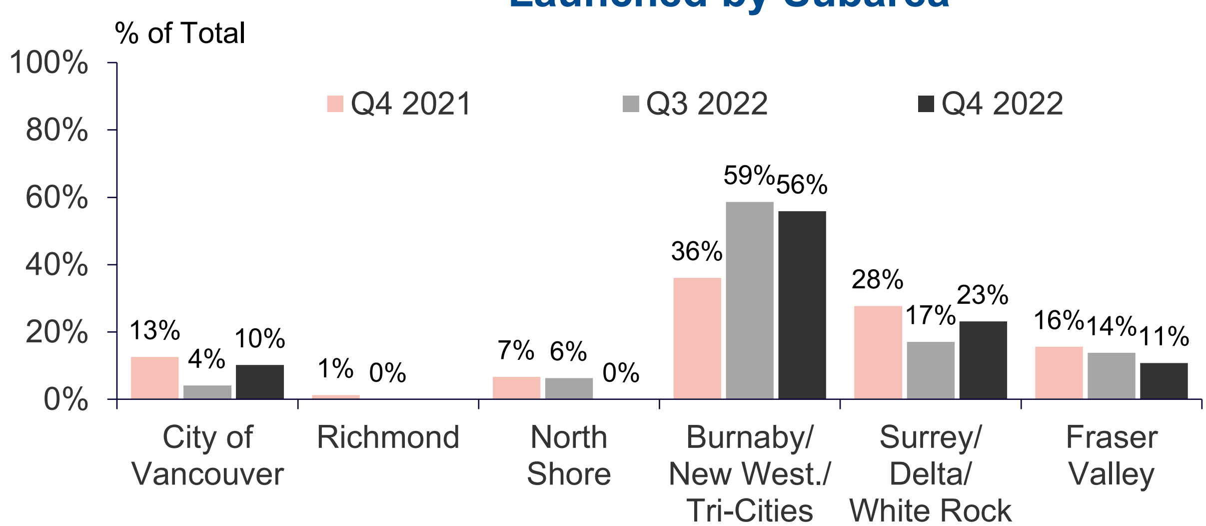
New Condominium Apartments - Prices

New Condominium Apartment Launch $PSF* by Subarea



* Round to the nearest $25
Source: Altus Group

Units in New Condominium Apartment Projects Launched by Subarea

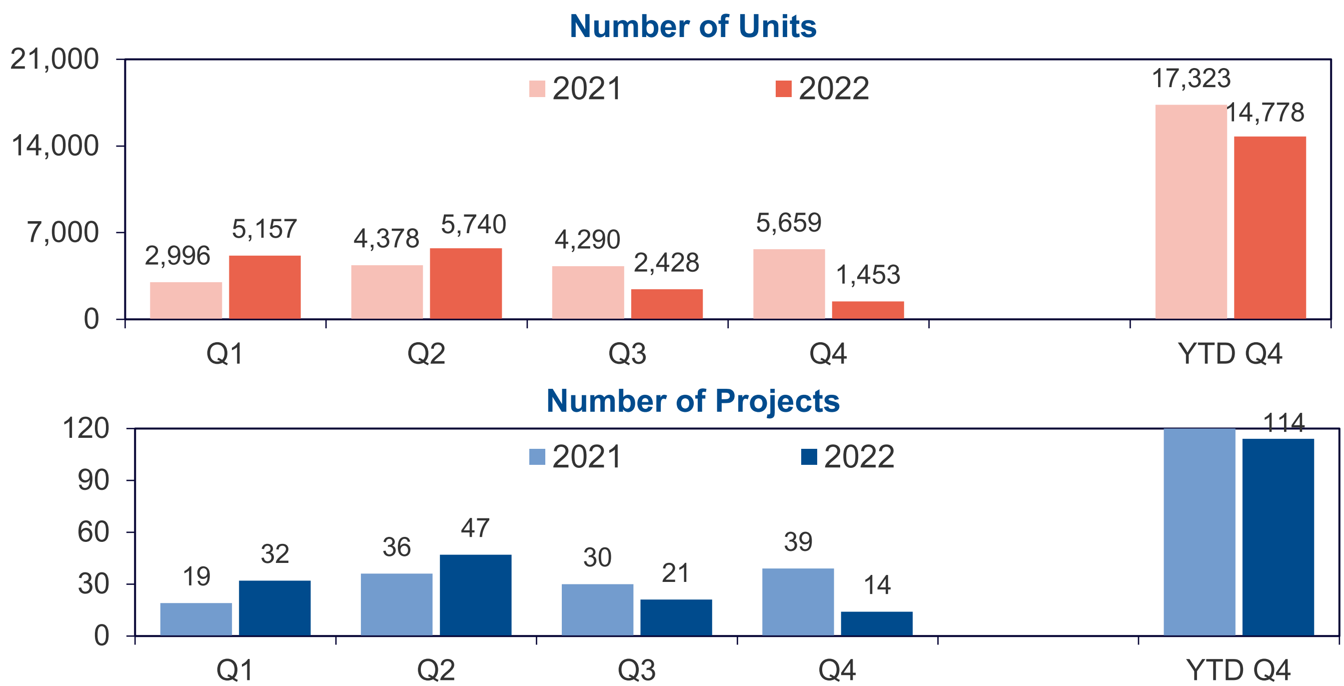


Source: Altus Group

New Condominium Apartments - Openings

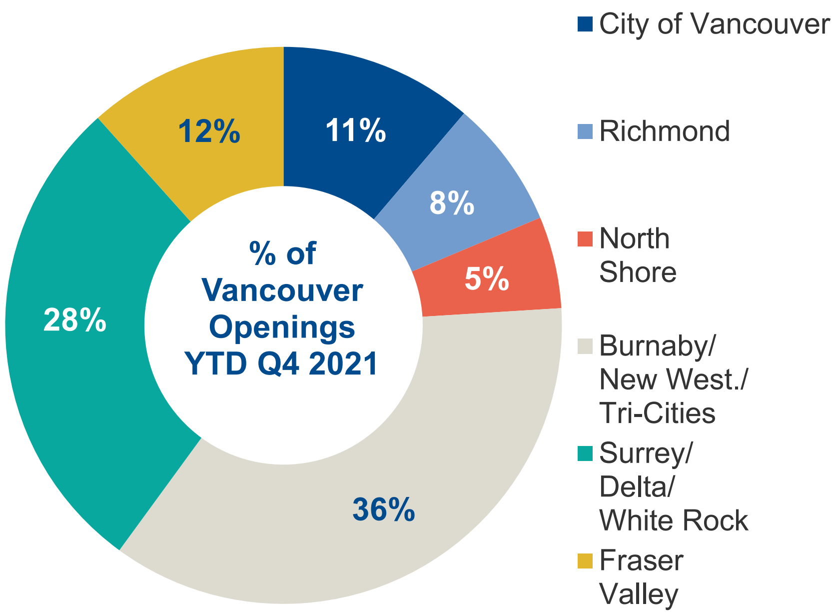
- **Builders have started further reduced new launches in response to the fall-off in sales in the 2nd half of 2022.** Fewer than 1,500 new condominium apartment units were launched in Q4 2022, a nearly 75 percent decline from Q4 2021 and the lowest level since the start of the pandemic.
- The Surrey/Delta/White Rock and Burnaby/New Westminster/Tri-Cities subareas increased their share of new launches in 2022, largely at the expense of the City of Vancouver and Richmond subareas (*chart next page, top*).
- Developers have slightly increased the share of one-bedroom units included in new project openings in 2022, accounting for the decline in average launch sizes noted earlier.
- Following the next page are maps showing the location of new projects launched in October, November and December 2022 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.*

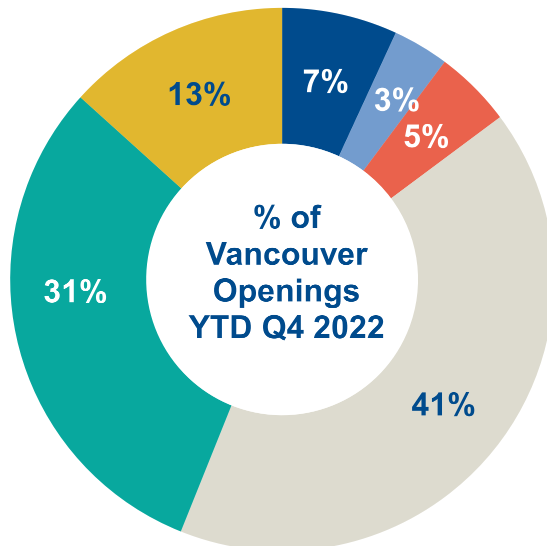
Vancouver New Condominium Apartment Project Openings



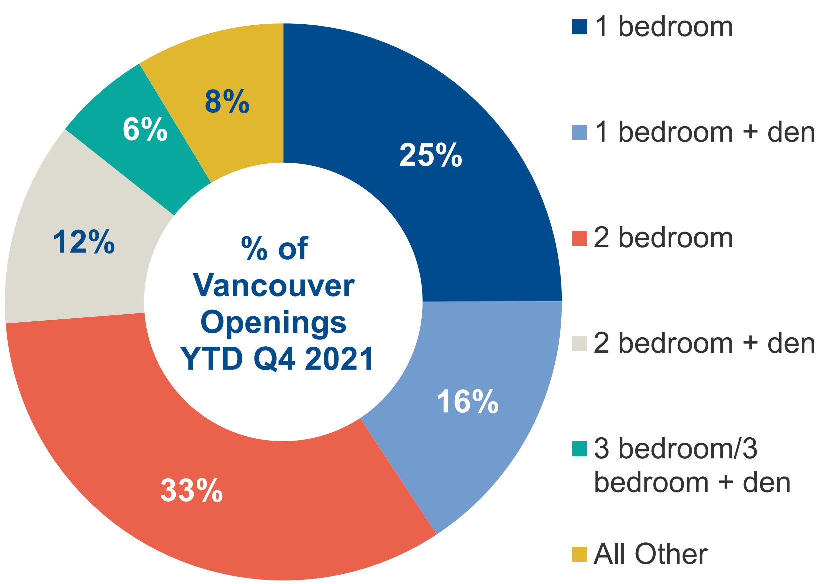
Source: Altus Group

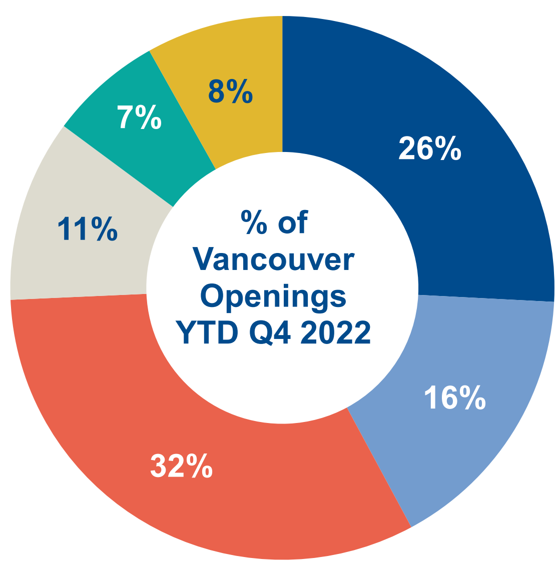
Vancouver Condominium Apartment Units in New Openings by Subarea





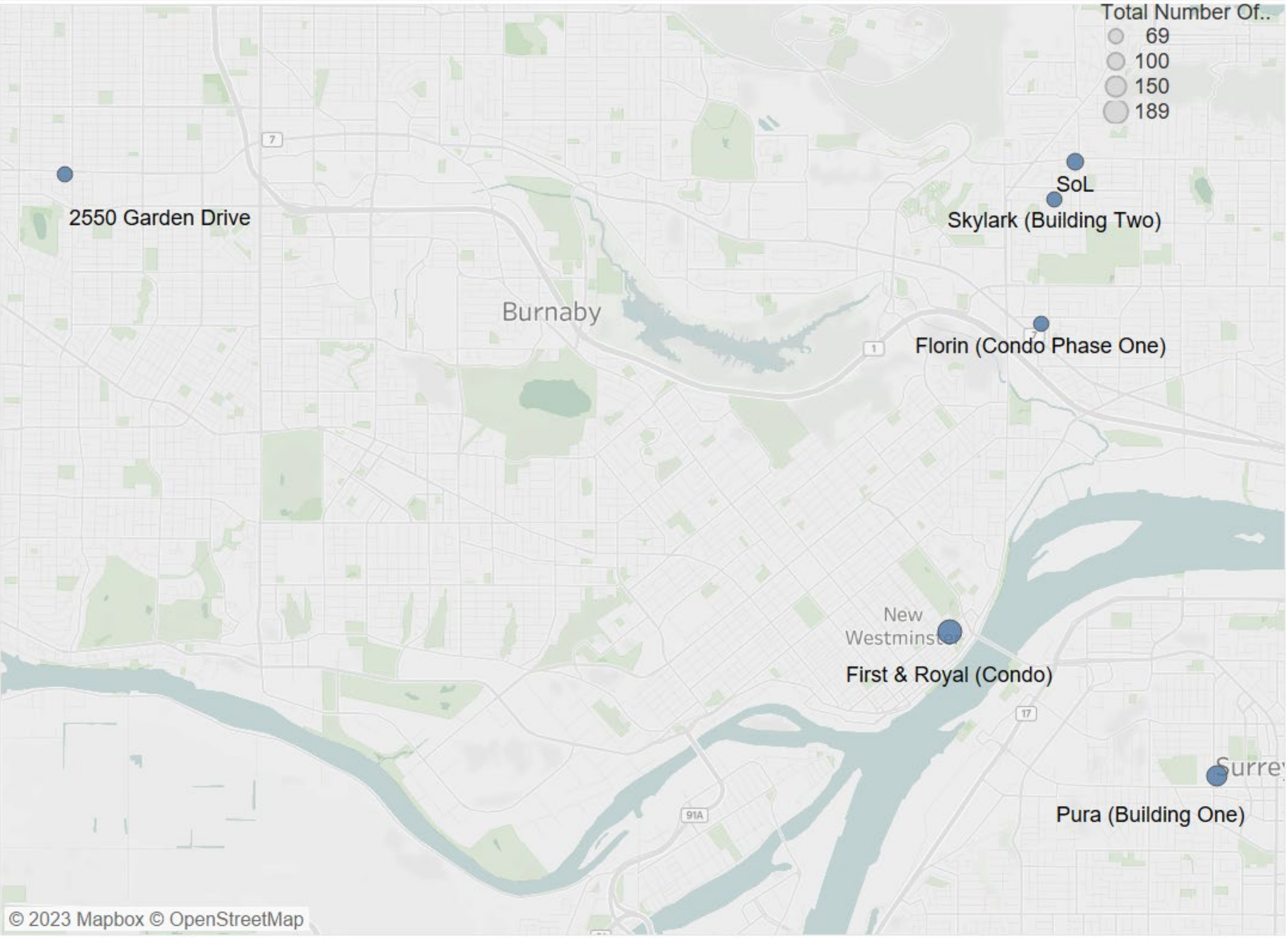
Vancouver Condominium Apartment Units in New Openings by Bedroom Type





Source: Altus Group

October 2022 New Project Launches by Number of Units



Source: Altus Group

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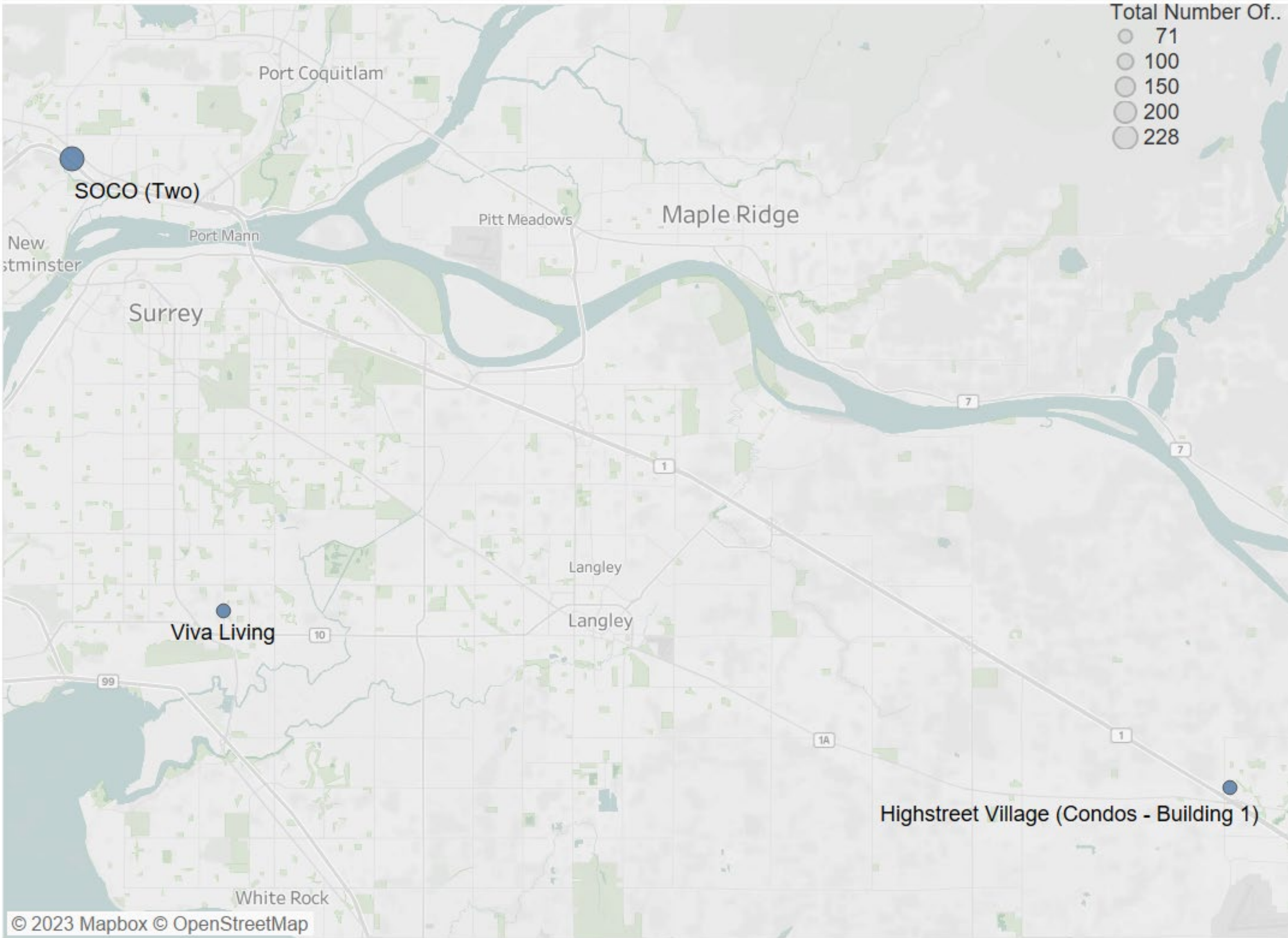
New Condominium Apartment Project Openings - October 2022

Project Name	**2550 Garden Drive**	**First & Royal (Condo)**	**Florin (Condo Phase One)**	**Pura (Building One)**	**Skylark (Building Two)**	**SoL**
Developer	Bucci Development Ltd	Redic Developments,Areva Living	Allaire,Headwater	Adera	Polygon Homes	Adera
Date Opened	October 1, 2022	October 22, 2022	October 1, 2022	October 8, 2022	October 15, 2022	October 15, 2022
Subarea	City of Vancouver	Burnaby / New Westminster / Tri-Cities	Burnaby / New Westminster / Tri-Cities	Surrey / Delta / White Rock	Burnaby / New Westminster / Tri-Cities	Burnaby / New Westminster / Tri-Cities
Submarket	Vancouver Eastside	New Westminster	Coquitlam	Guildford	Coquitlam	Coquitlam
Project Type	Mid Rise	Mid Rise	Mid Rise	Mid Rise	Mid Rise	Mid Rise
Construction Type	Wood Frame	Wood Frame	Wood Frame	Wood Frame	Wood Frame	Wood Frame
Floors	6	8	6	6	6	6
Project Total Units	**69**	**189**	**71**	**136**	**76**	**92**
Total Units Released	**69**	**189**	**71**	**136**	**76**	**92**
Unit Type (see note in text)						
Studio	10	3	3	-	-	-
1 bedroom	8	57	35	54	-	10
1 bedroom + den	14	41	14	36	24	41
2 bedroom	20	52	9	24	28	30
2 bedroom + den	9	7	-	22	16	-
3 bedroom & up	8	21	10	-	8	11
Penthouse	-	-	-	-	-	-
Townhouse	-	-	-	-	-	-
Other	-	-	-	-	-	-
Opening quarter sales	**13**	**178**	**64**	**100**	**26**	**69**
% Sold (of released units)	*19%*	*94%*	*90%*	*74%*	*34%*	*75%*
Remaining inventory	56	11	7	36	50	23
Blended $PSF	$1,215	$910	$930	$840	$905	$895
Minimum Size (sq. ft.)	424	417	437	464	633	502
Maximum Size (sq. ft.)	1,357	1,327	1,001	858	1,175	918
Minimum Price	$575,900	$549,000	$549,900	$479,900	$569,900	$594,900
Maximum Price	$1,650,900	$1,150,900	$969,900	$799,900	$1,029,900	$899,900
Notes						

Source: Altus Group

AltusGroup

November 2022 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

New Condominium Apartment Project Openings - November 2022

Project Name	Highstreet Village (Condos - Building 1)	SOCO (Two)	Viva Living
Developer	AB Wall	Anthem Properties	Four Square Properties
Date Opened	November 6, 2022	November 2, 2022	November 12, 2022
Subarea	Fraser Valley	Burnaby / New Westminster / Tri-Cities	Surrey / Delta / White Rock
Submarket	Aldergrove / Abbotsford	Coquitlam	Newton
Project Type	Mid Rise	High Rise	Low Rise
Construction Type	Wood Frame	Concrete	Wood Frame
Floors	6	28	4
Project Total Units	**77**	**228**	**71**
Total Units Released	**77**	**225**	**71**
Unit Type (see note in text)			
Studio	-	50	11
1 bedroom	12	25	1
1 bedroom + den	14	75	24
2 bedroom	43	53	35
2 bedroom + den	-	-	-
3 bedroom & up	6	25	-
Penthouse	-	-	-
Townhouse	-	-	-
Other	-	-	-
Opening quarter sales	**77**	**125**	**36**
% Sold (of released units)	*100%*	*56%*	*51%*
Remaining inventory	0	100	35
Blended $PSF	$874	$1,010	$890
Minimum Size (sq. ft.)	500	426	392
Maximum Size (sq. ft.)	798	1,040	866
Minimum Price	$399,900	$399,900	$435,900
Maximum Price	$629,900	$1,000,900	$744,900
Notes			

Source: Altus Group

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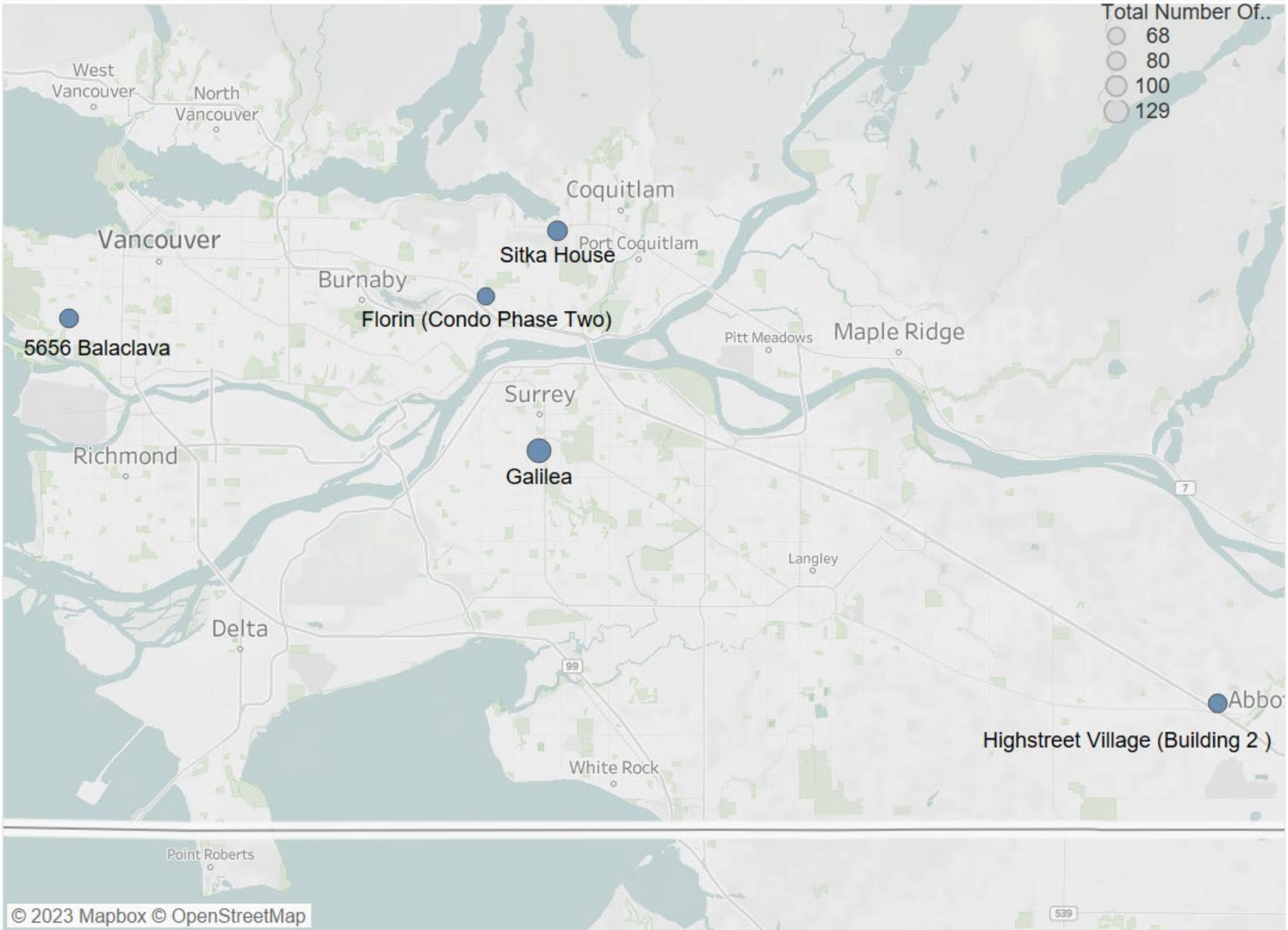
December 2022 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

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New Condominium Apartment Project Openings - December 2022

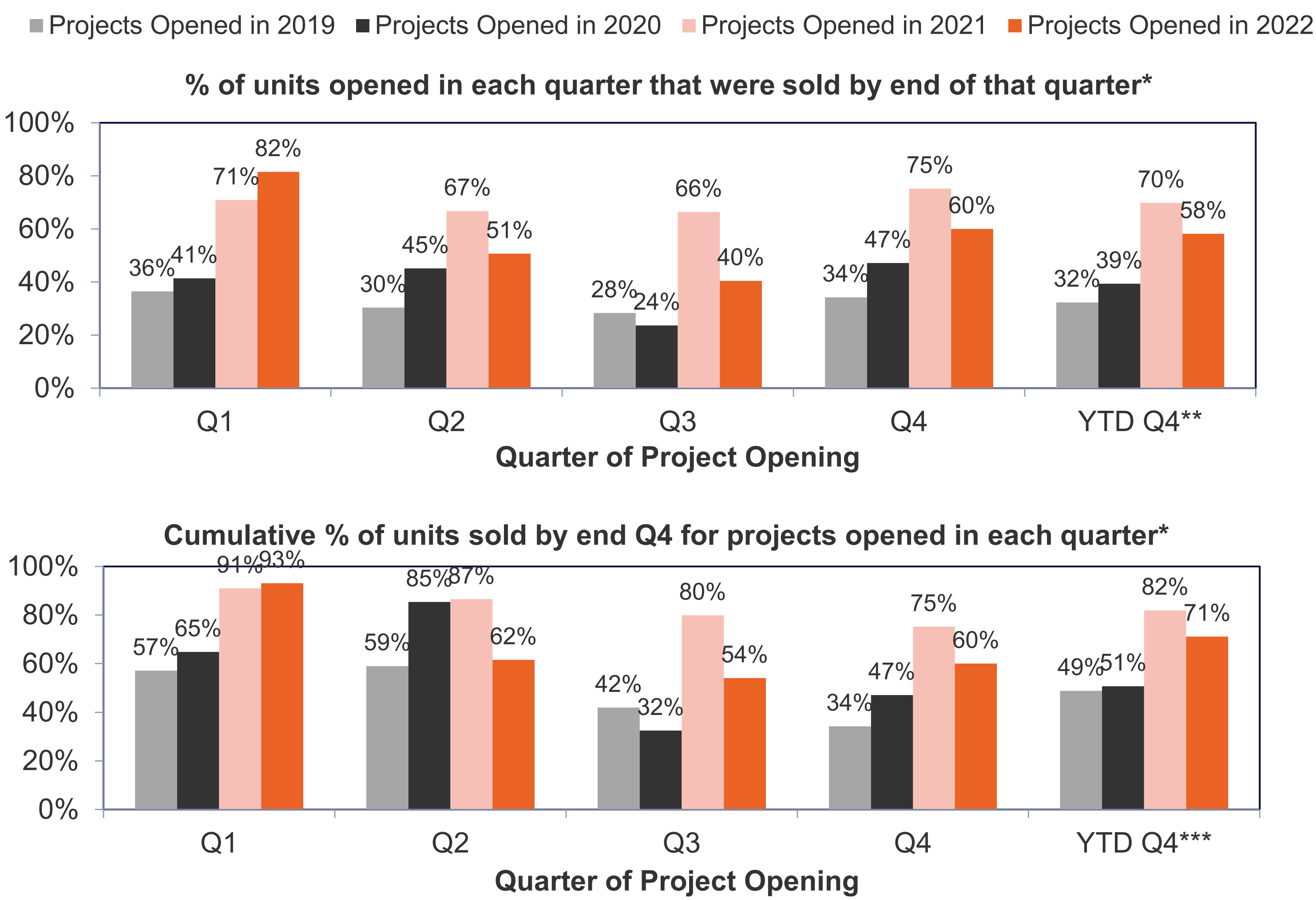
Project Name	5656 Balaclava	Florin (Condo Phase Two)	Galilea	Highstreet Village (Building 2)	Sitka House
Developer	Hon Developments	Allaire,Headwater	Whitetail Homes	AB Wall	Laidler Group
Date Opened	December 1, 2022	December 3, 2022	December 3, 2022	December 3, 2022	December 3, 2022
Subarea	City of Vancouver	Burnaby / New Westminster / Tri-Cities	Surrey / Delta / White Rock	Fraser Valley	Burnaby / New Westminster / Tri-Cities
Submarket	Vancouver Westside	Coquitlam	Guildford	Aldergrove / Abbotsford	Port Moody
Project Type	Mid Rise	Mid Rise	Mid Rise	Mid Rise	Mid Rise
Construction Type	Concrete	Wood Frame	Wood Frame	0	Wood Frame
Floors	5	6	6	6	6
Project Total Units	**79**	**68**	**129**	**80**	**88**
Total Units Released	**79**	**68**	**129**	**80**	**88**
Unit Type (see note in text)					
Studio	-	4	-	-	23
1 bedroom	9	30	82	20	36
1 bedroom + den	15	10	17	13	5
2 bedroom	34	7	20	33	19
2 bedroom + den	9	6	10	-	-
3 bedroom & up	12	11	-	14	5
Penthouse	-	-	-	-	-
Townhouse	-	-	-	-	-
Other	-	-	-	-	-
Opening quarter sales	**8**	**11**	**50**	**40**	**75**
% Sold (of released unit	*10%*	*16%*	*39%*	*50%*	*85%*
Remaining inventory	71	57	79	40	13
Blended $PSF	$1,925	$940	$875	$750	$1,090
Minimum Size (sq. ft.)	596	437	457	510	400
Maximum Size (sq. ft.)	1,519	1,111	892	974	848
Minimum Price	$993,900	$484,900	$424,900	$419,900	$474,900
Maximum Price	$3,499,900	$1,009,900	$709,900	$684,900	$839,900
Notes					

Source: Altus Group

New Condominium Apartments - Openings

- **Sales rates at new condominium apartment projects launched during Q4 2022 were behind the level from the previous year and have been fallen behind year ago levels in each of the last three quarters of 2022.** Thus, sales of units in newly launched projects in 2022 lagged 2021.
- Caution needs to be used in comparing sales rates for projects opened in different years/quarters, 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



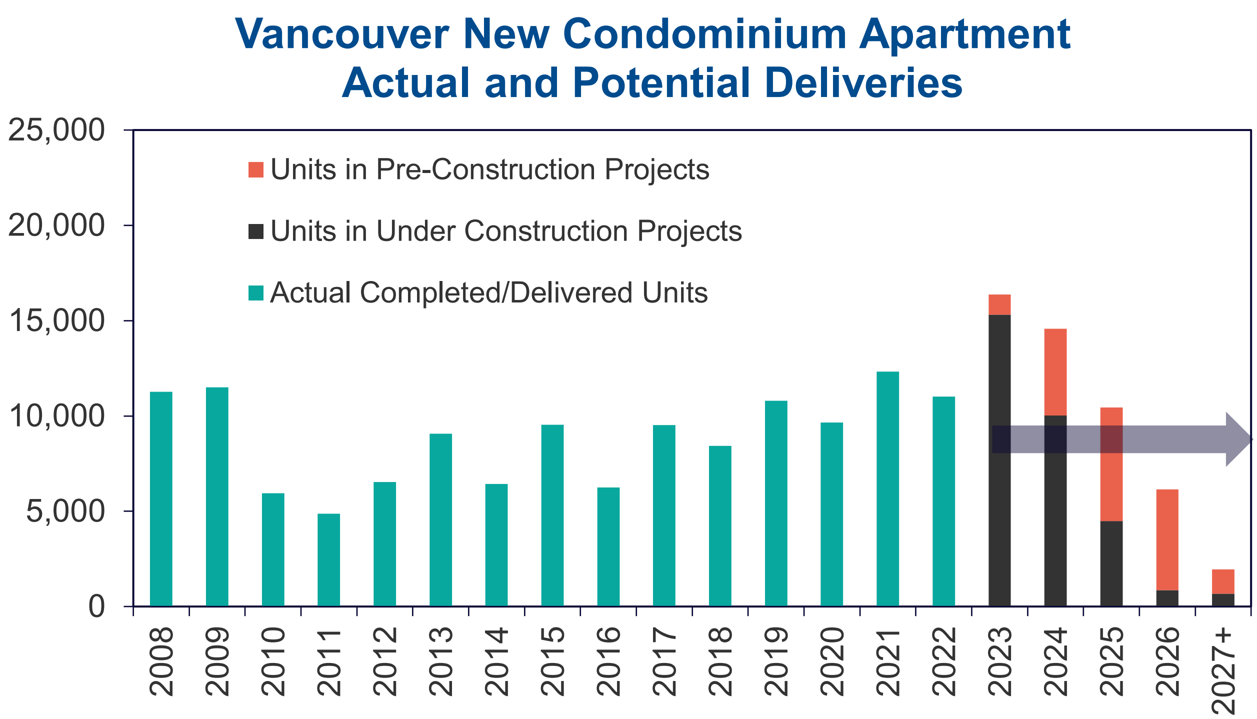
** The total includes unreleased units. **Average of the opening quarter sales rates*

**** Includes Q1 to Q4 sales of projects opened in Q1; Q2 to Q4 sales of projects opened in Q2; Q3 and Q4 sales of projects opened in Q3, and Q4 sales of projects opened in Q4*

Source: Altus Group

New Condominium Apartments - Completions

- At the end of 2022, **there were almost 49,500 new condominium apartment units in projects that were either under construction or in pre-construction stages in the Vancouver Market Area** (this compares to about 45,600 at the end of 2021).
- **Just over 11,000 new condo apartment units were completed/delivered in 2022** (based on Altus Group data), **about 10% less than in 2021.**
- Based on scheduled occupancy dates, and only considering units currently under construction, **completions of condominium apartment units could potentially be higher in 2023 than in recent years.** However, **i**ndustry capacity thresholds, as well as some construction site delays due to disruption in materials supply chain, and availability of labour could push the delivery timeline for some of the units scheduled to be completed in 2023 out further than originally planned dates.

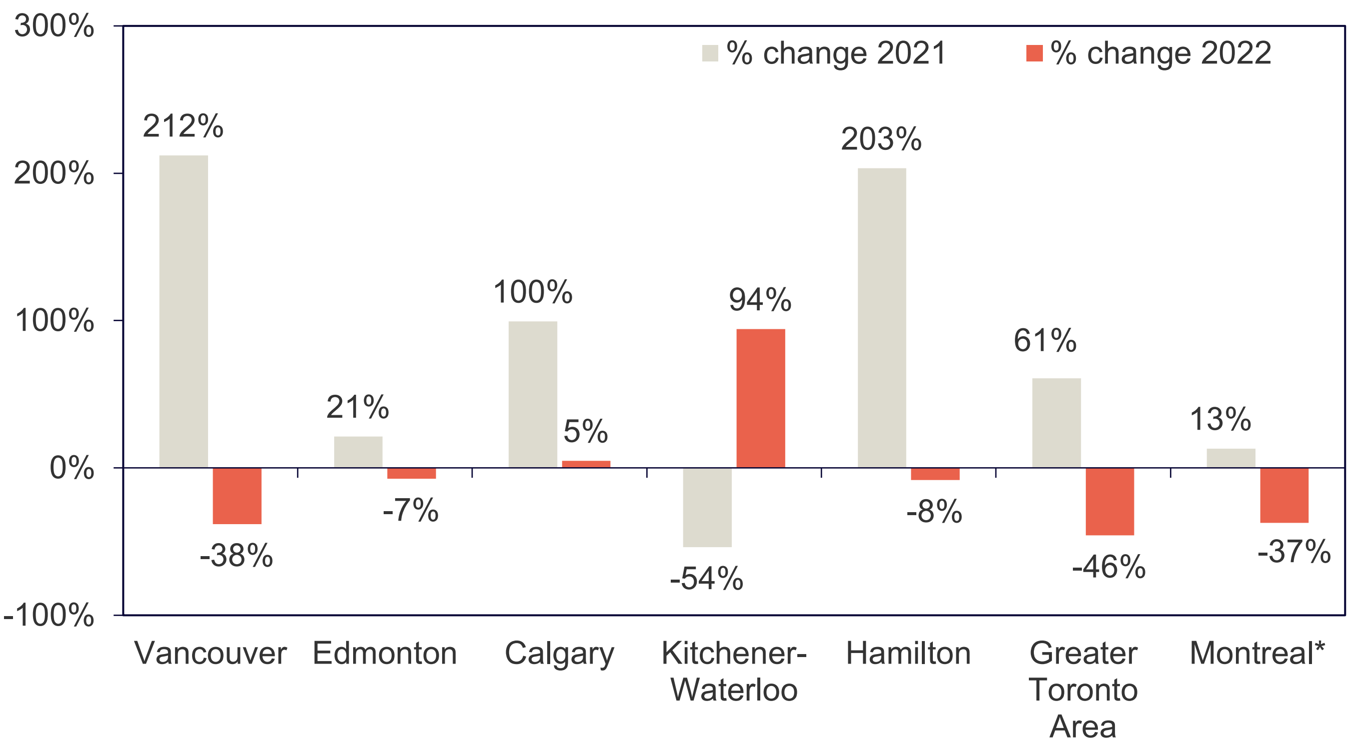


Source: Altus Group

New Condo Apartment Sales Across Canada

- **The Kitchener-Waterloo market nearly doubled their sales total for 2022 versus the previous year.**
- **The Calgary new condominium market was the only major market with higher sales in 2022.**
- The remaining major markets all posted declines in new condominium apartment sales ranging from just under 10 percent to almost 50 precent.
- As 2023 begins, concerns surrounding the macro-economic environment are causing many buyers across most of the various housing markets to move to the sidelines as they await more clarity as to where the economy is headed in the near-term.

New Condominium Apartment Sales, Units
Selected Markets, Year-over-Year % Change



- Q3 2022

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