Altus Group

The Altus Group Condominium Apartment Monitor

Vancouver Edition

Data as of First Quarter 2023

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New Condominium Apartment Dashboard

Q1 2023			YTD Q4 2022	
Sales	Inventory	Avg. Launch $/SF	Sales	Avg. Launch $/SF
1,292	6,215	$677	13,518	$764
-77% ▼	24% ▲	-17% ▲	-29% ▼	-53% ▲
Lowest Q1 since 2009	*Highest Q1 since 2020*	*2nd highest Q1 on record*	*4th highest YTD Q4 on record*	*Highest YTD Q4 on record*

% change is from same period a year earlier

Highlights

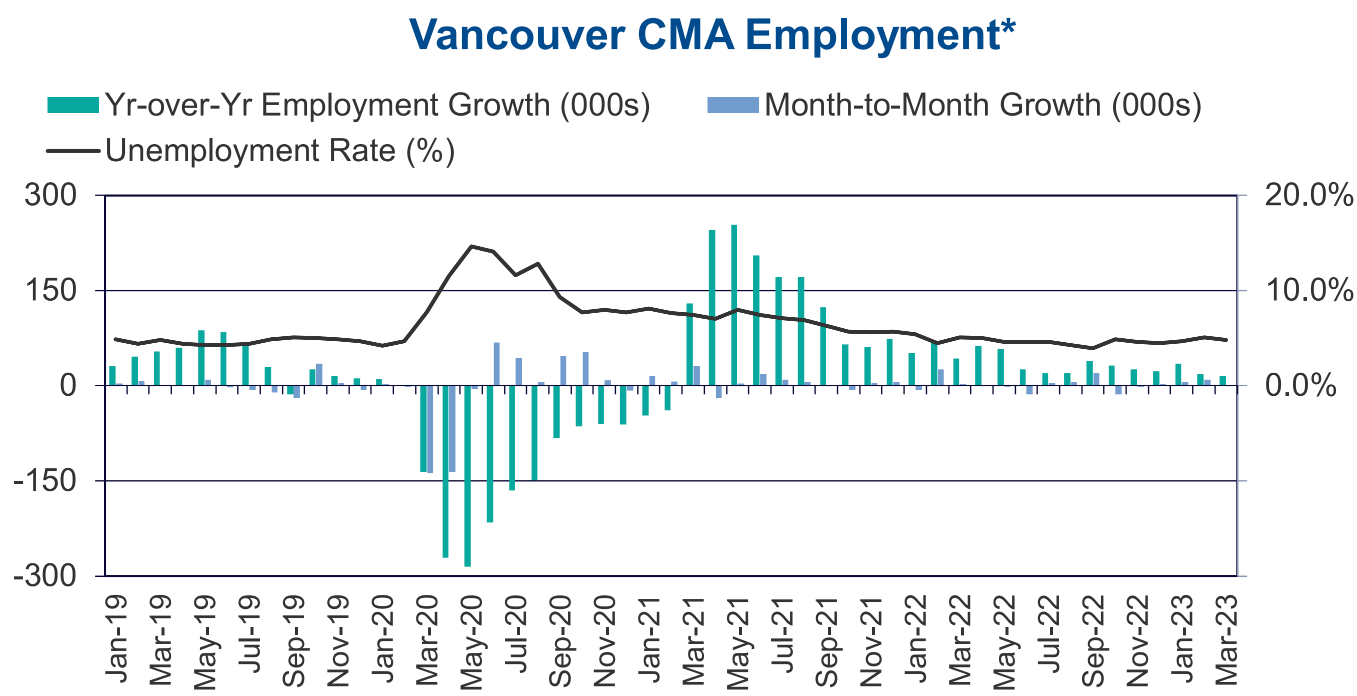
- After a very slow 2nd half of 2022, **new condominium apartment sales faded further in Q1 2023,** to about three-quarters the level of Q1 2022. On top of sales being slow in each of the last three quarters, sales in the last 45 days of the current quarter were slower than the first portion.
- **New condominium apartment inventory was down from last quarter**, with sales outpacing new launches. Months of inventory also rose to over 8 months.
- **New condominium apartment launch prices rose in Q1 2023 relative to the previous quarter and was similar to year ago levels.**
- Looking ahead, **the rapid rise in interest rates has pushed many buyers to the sidelines.** With fewer buyers and in the face of higher costs of construction, **many builders are holding off on bringing new supply to the market, leaving the market without a foothold for an uplift of sales activity.**

Vancouver Condominium Apartment Key Performance Indicators

	Q1 2022	Q4 2022	Q1 2023	*Yr-Over-Yr % Change*	YTD Q4 2022	YTD Q4 2023	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	180	217	216	*20%*	204	203	*-1%*
New projects opened	32	14	5	*-84%*	124	113	*-9%*
Units in new projects opened	5,157	1,457	1,018	*-80%*	17,323	14,702	*-15%*
Total sales (units)	5,732	1,639	1,292	*-77%*	19,155	13,518	*-29%*
Sales as % of total new & resale	*44%*	*33%*	0		*40%*	*40%*	
Inventory (units)	5,032	6,817	6,215	*24%*	5,583	6,362	*14%*
Sales-to-inventory ratio	38%	8%	0	*-82%*	29%	19%	*-33%*
Months of inventory	2.9	6.1	8	*180%*	5.1	4.4	*-14%*
Launch Price PSF	$1,091	$980	$1,075	*-1%*	$1,009	$1,052	*4%*
Launch Unit size (sq. ft)	734	690	$631	*-14%*	759	722	*-5%*
Units completed	3,101	2,185	$1,286	*-59%*	12,333	10,908	*-12%*
Resale Condominium Apartments (Real Estate Board of Greater Vancouver and Fraser Valley Real Estate Board data)							
Total sales (units)	7,219	3,314	3,784	*-48%*	29,146	20,457	*-30%*
New listings (units)	3,570	1,871	2,476	*-31%*	13,104	11,570	*-12%*
Inventory ("active listings", units)	3,651	4,987	4,608	*26%*	5,119	4,847	*-5%*
Sales-to-inventory ratio	66%	22%	27%	*-58%*	48%	37%	*-23%*
Months of inventory	1.5	2.9	3.2	*114%*	2.4	2.4	*2%*
HPI constant quality price	$709,200	$671,700	678,200	*-4%*	$622,325	$701,050	*13%*
HPI constant quality price index (Jan 2005=100)	351.4	332.9	336	*-4%*	308.4	347.4	*13%*

** see end of report for Definitions*

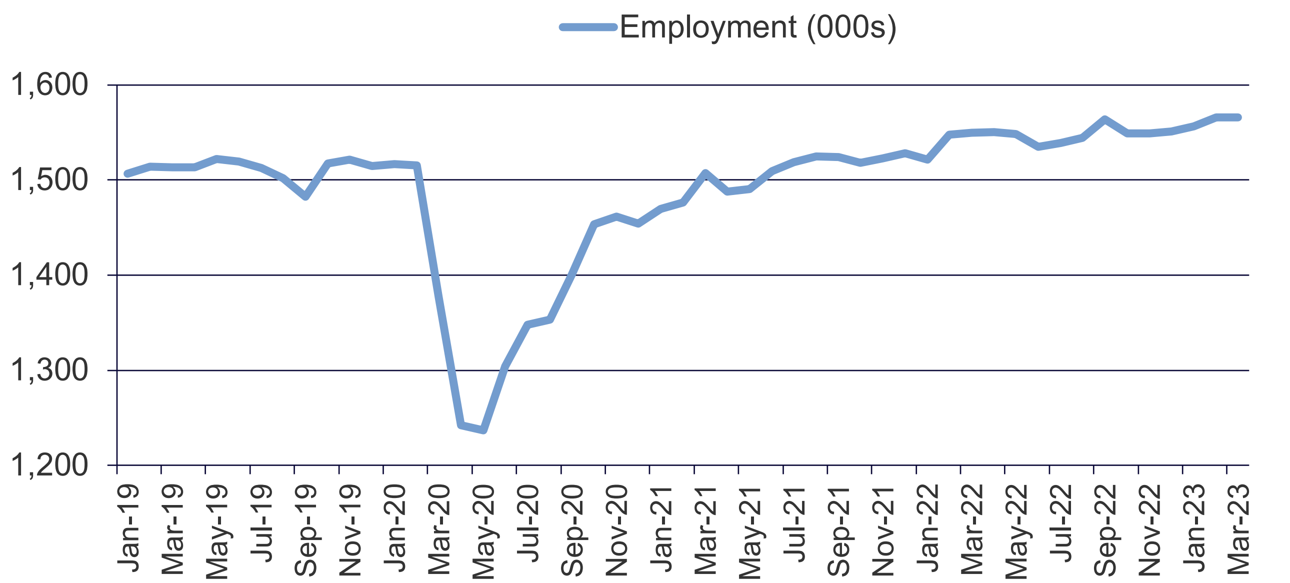
- **Month-to-month employment was basically unchanged in the Vancouver market area after three consecutive months of increases**. Year-over-year job growth has remained positive for the past two years and the unemployment rate has fallen below 5% once again.
- **The Bank of Canada left the target for the overnight rate unchanged at 4.5 percent at its latest rate announcement on April 12**, stating that **"***In Canada, demand is still exceeding supply and the labour market remains tight... As more households renew their mortgages at higher rates and restrictive monetary policy works its way through the economy more broadly, consumption is expected to moderate this year. Softening foreign demand is expected to restrain exports and business investment . . . Quantitative tightening continues to complement this restrictive stance. Governing Council continues to assess whether monetary policy is sufficiently restrictive to relieve price pressures and remains prepared to raise the policy rate further if needed to return inflation to the 2% target.*" **The next rate announcement date is June 7.**
- **Variable rate mortgage interest rates remain above the average 5-year fixed special rate with the spread widening to nearly 140 basis points.** The 5-year fixed special rate has fallen by 20 basis points since the end of January following an over 325 basis point increase from the recent low in early Fall 2021 *(chart next page, bottom).*



Source: Altus Group based on Statistics Canada data

** Data are monthly, seasonally adjusted*

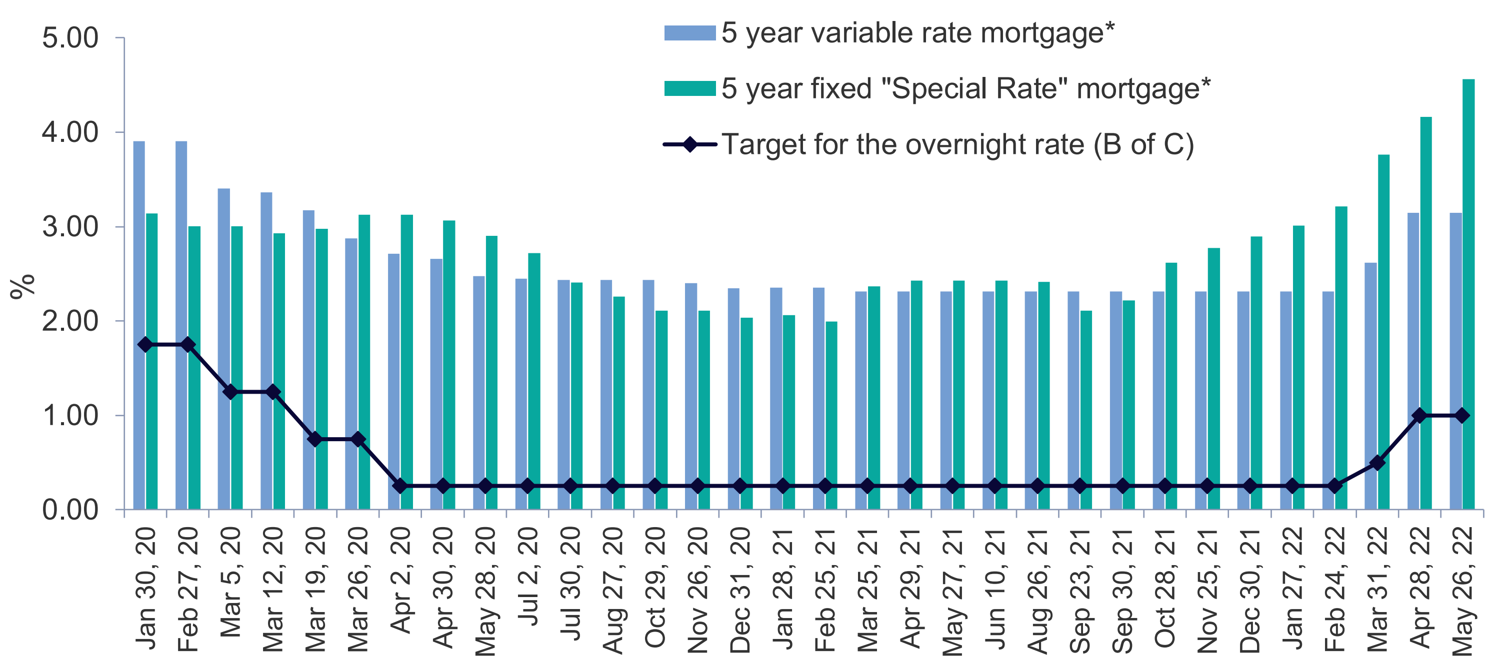
Vancouver CMA Employment*



Source: Altus Group based on Statistics Canada data

** Data are monthly, seasonally adjusted*

Selected Interest Rates



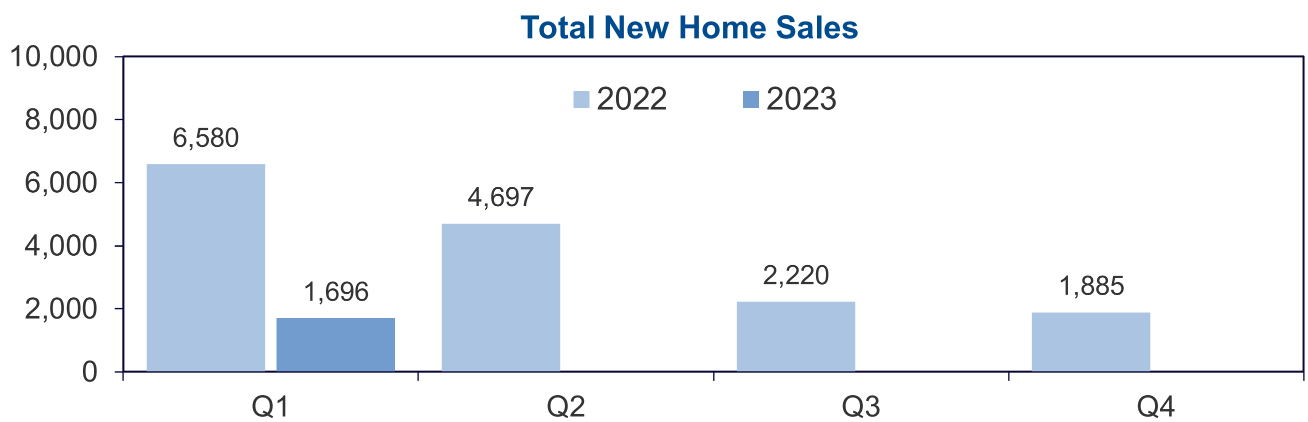
** Average for the major banks*

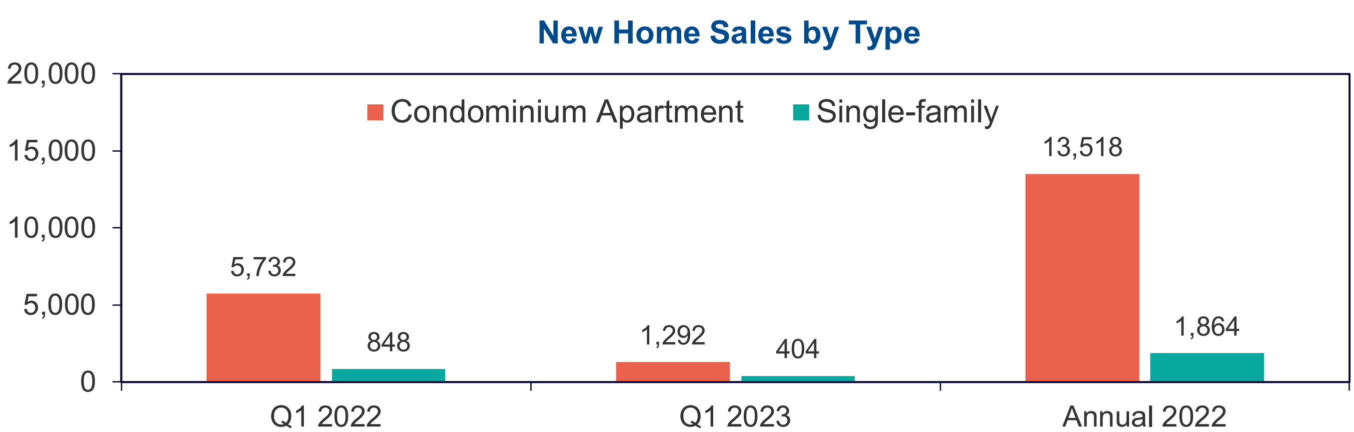
Source: Altus Group based on data from Bank of Canada and major bank web sites

New Home Market - Sales

- New home sales in 2022 were very much a tale of two halves. The first half of the year (H1) saw sales continue strong on the heels of 2021 to record the 3rd highest H1 on record. But the 2nd half of 2022 saw sales plummet to their 2nd lowest H2 ever with sales falling by 64% relative to H1 2022.
- **Total new home sales slowed further in Q1 2023 to sit at a 13-year low.** Total new home sales for the quarter were down 74% compared to the same period last year.
- **Single-family sales slumped by about 50% compared to a year earlier but came off their all-time low of last quarter.** *Note that Altus Group's coverage of new single-family sales only includes projects of 20 or more units.*
- **New condominium apartment sales fell significantly in Q1 2023** and sit at their lowest level since the early months of the pandemic (Q2 2020).
- All of the subareas saw lower total new home sales through the first quarter of 2023 compared to a year earlier *(charts next page)*. Delta was the sole market to record an increase in total new home sales while Burnaby North and Guildford recorded the largest declines (*chart after next page).*

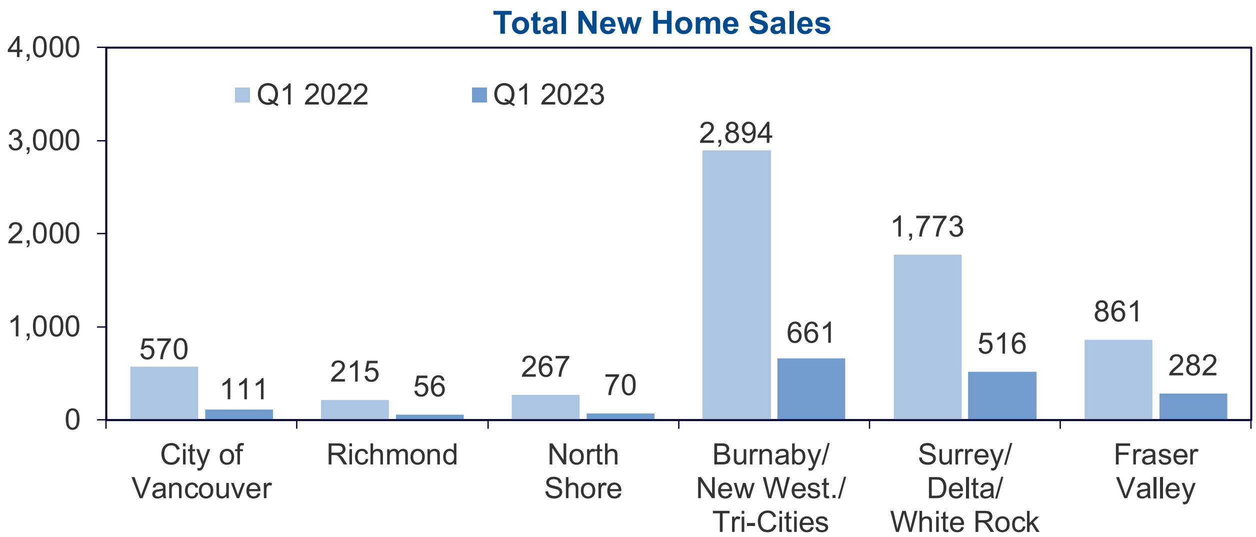
Vancouver New Home Sales

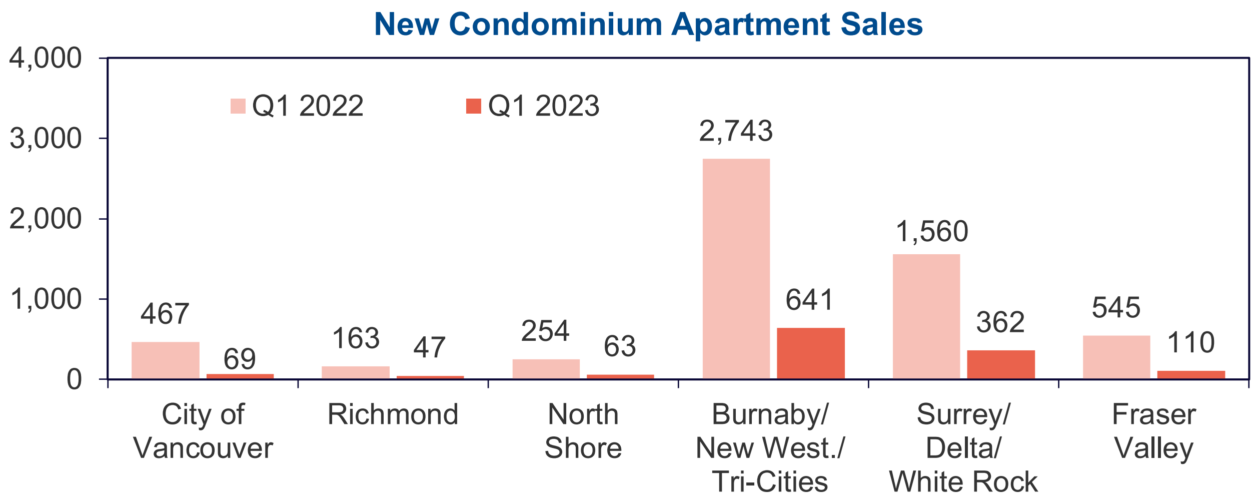


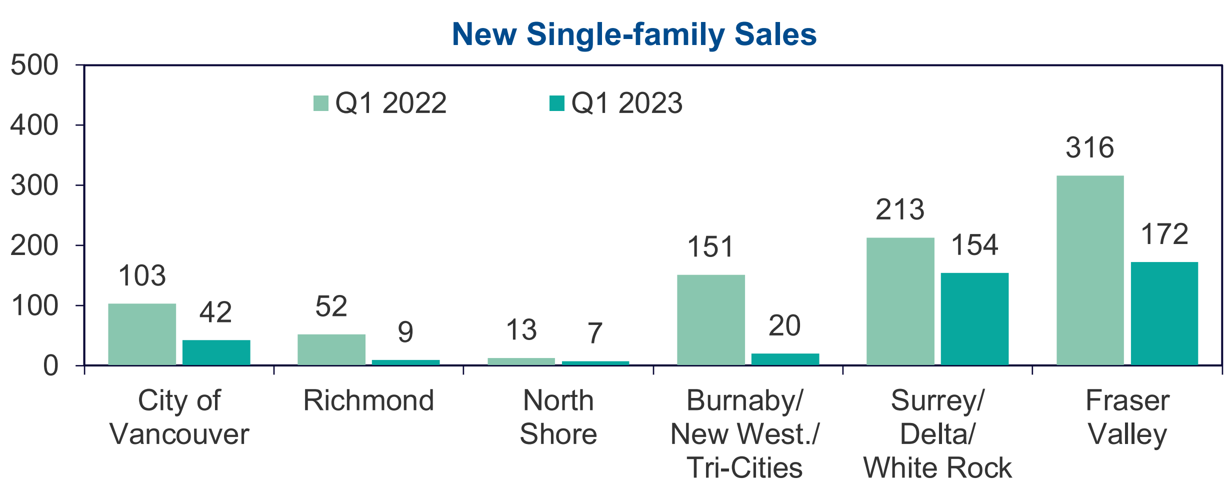


Source: Altus Group

Vancouver New Home Sales by Subarea

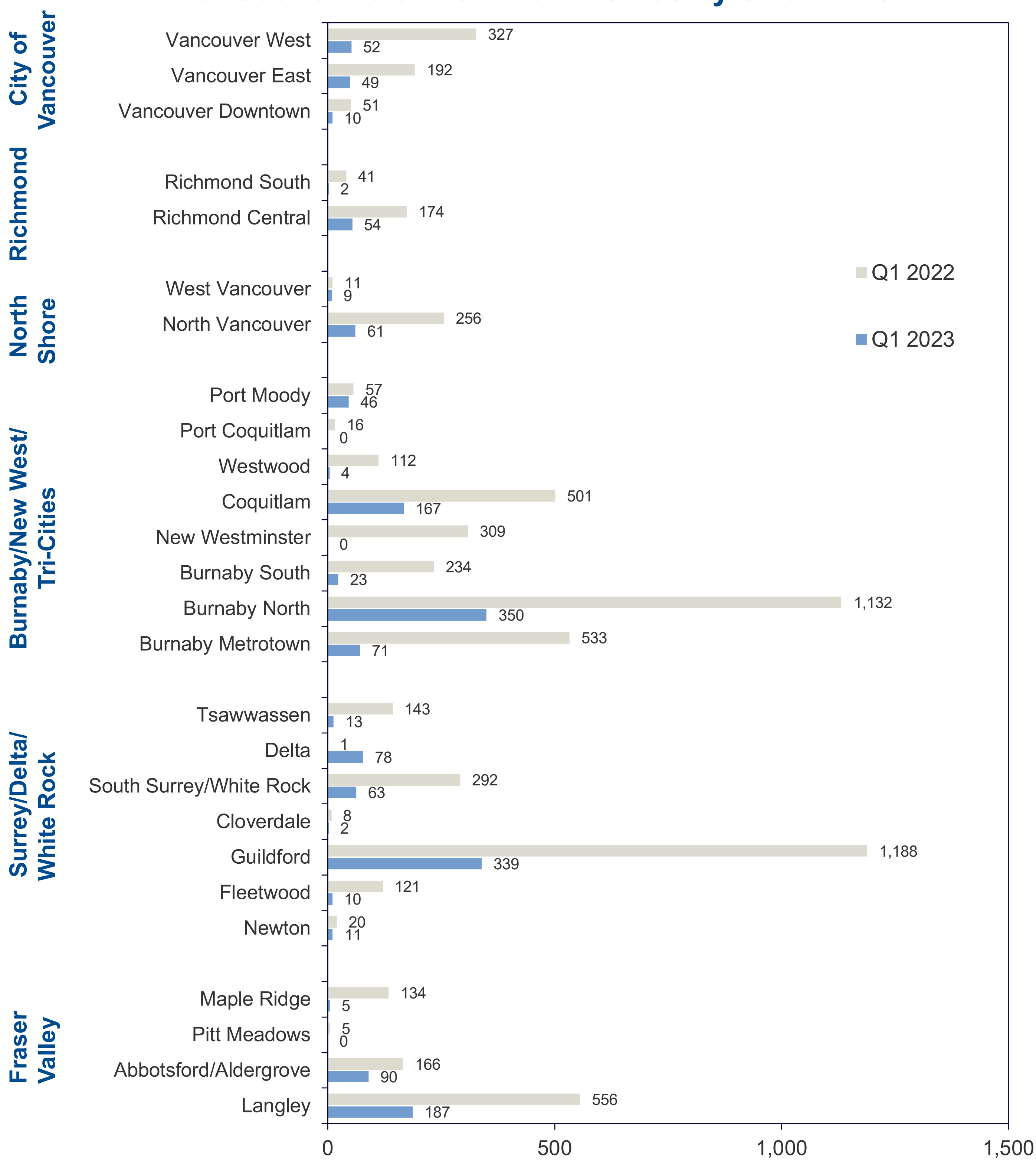






Source: Altus Group

Vancouver Total New Home Sales by Submarket

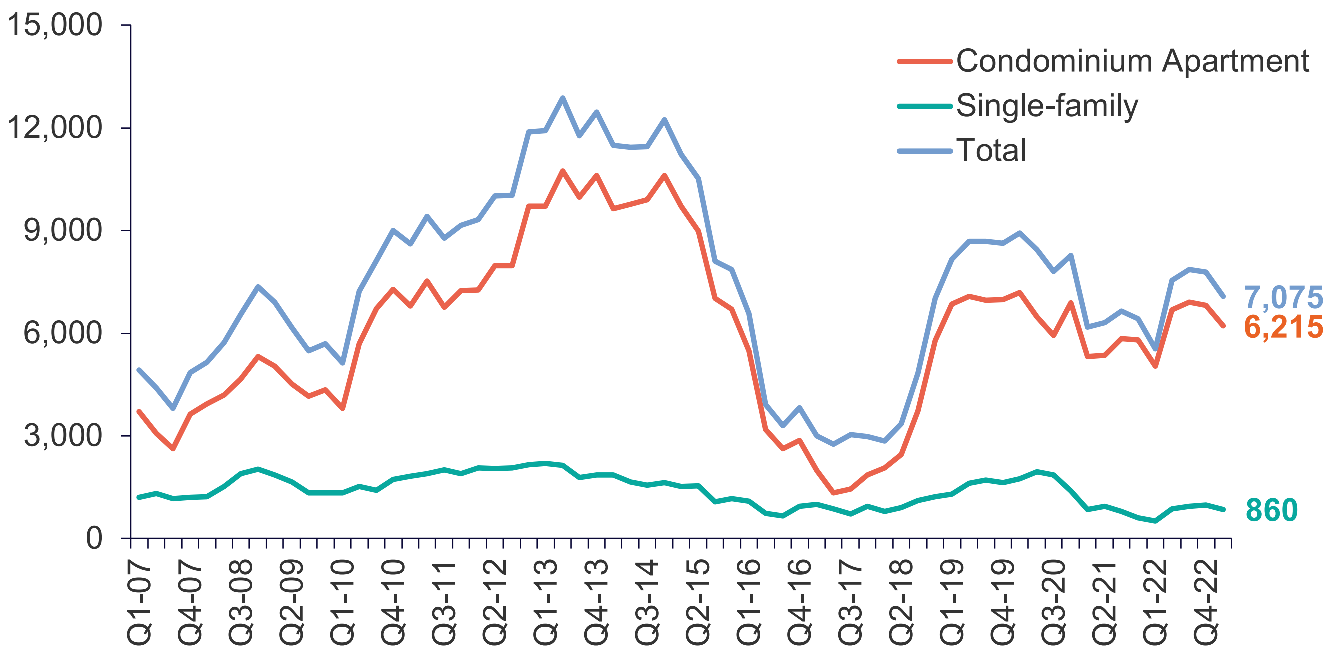


Source: Altus Group

New Home Market - Inventory

- **Total inventory slipped below the 10-year average in Q1 2023 after three consecutive quarters at or above the level.** Total inventory is up by nearly 30 percent when compared to the same period last year.
- **New condominium apartment inventory eased by about 10% compared to the previous quarter, but is up by one-quarter from Q1 2022.** Inventory levels have surpassed 8 months and are now above the 10-year average of about 7½ months.
- **New single-family home inventory also slipped compared to the previous quarter but are up by two-thirds from Q1 2022.**
- Looking ahead, **there is still a significant amount of potential additional new condominium apartment supply in the pipeline.** Faced with climbing inventory levels relative to sales, the rapid rise in interest rates and elevated construction costs coupled with concerns around economic conditions, builders continue to delay project openings until conditions become more favourable.

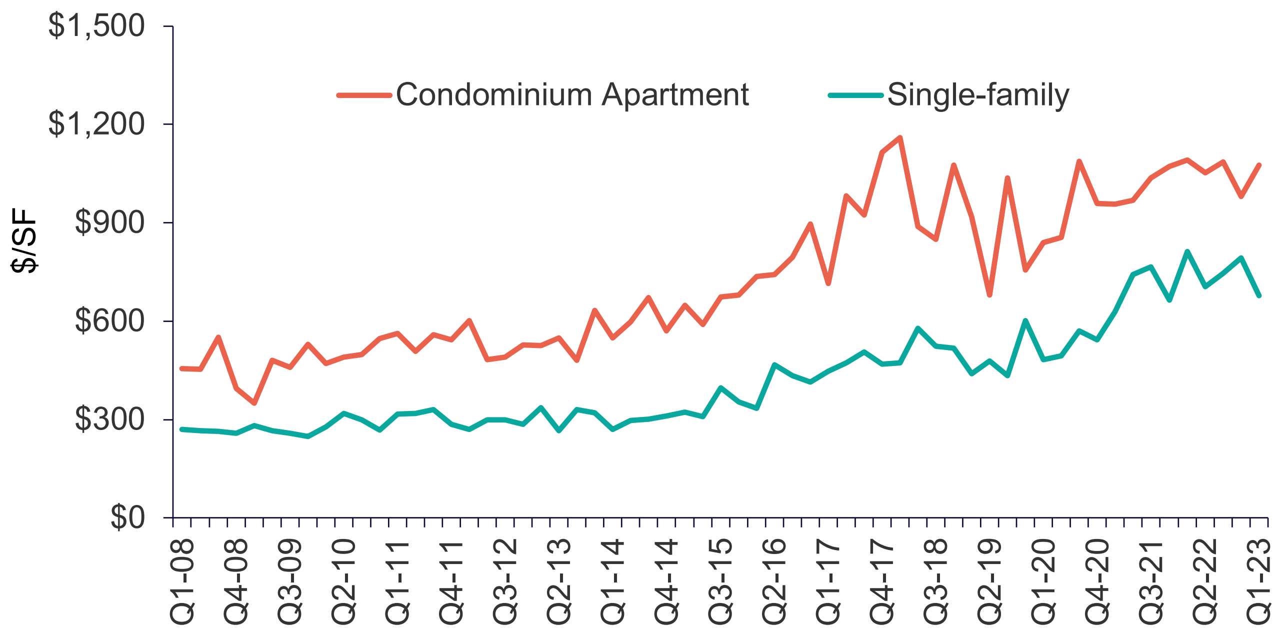
Vancouver New Home Inventory



Source: Altus Group

- **Average launch prices for new condominium apartments in Q1 2023 remained elevated, off by just 1% from Q1 2022** *(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 recorded larger declines,** down by over 15% from the first quarter of 2022.
- With the elevated condominium apartment inventory, **price increases for new condos in general are expected be muted until the demand for new condominium apartments picks up.**

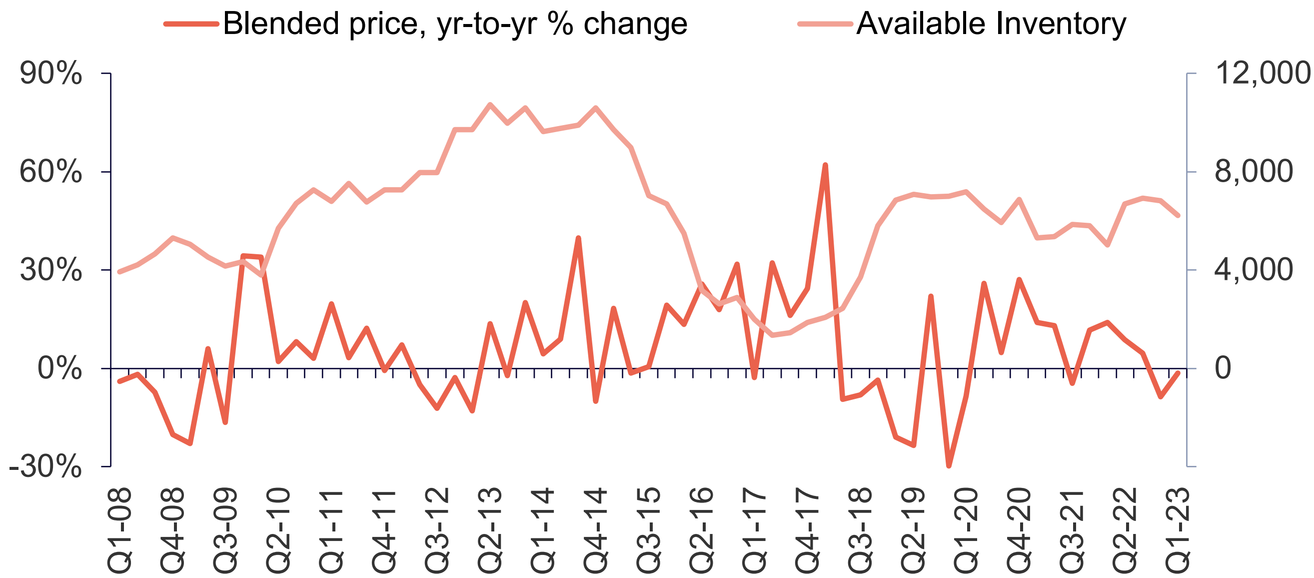
Vancouver New Home Blended Prices*



** See definitions page*

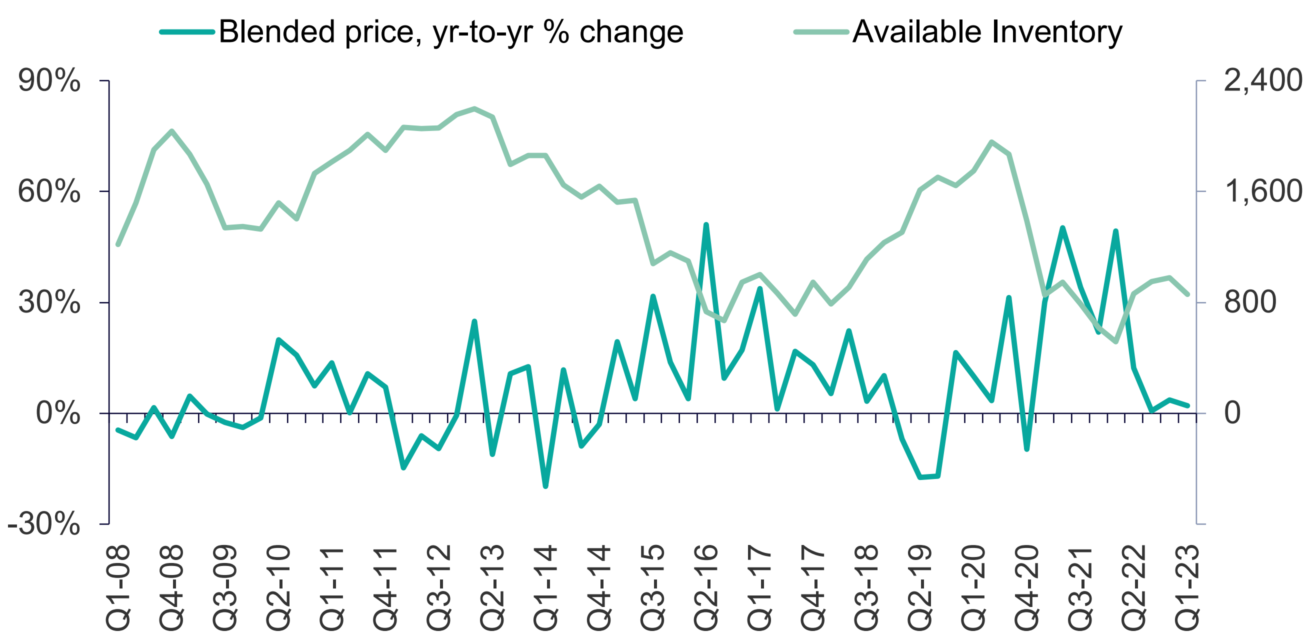
Source: Altus Group

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



Source: Altus Group

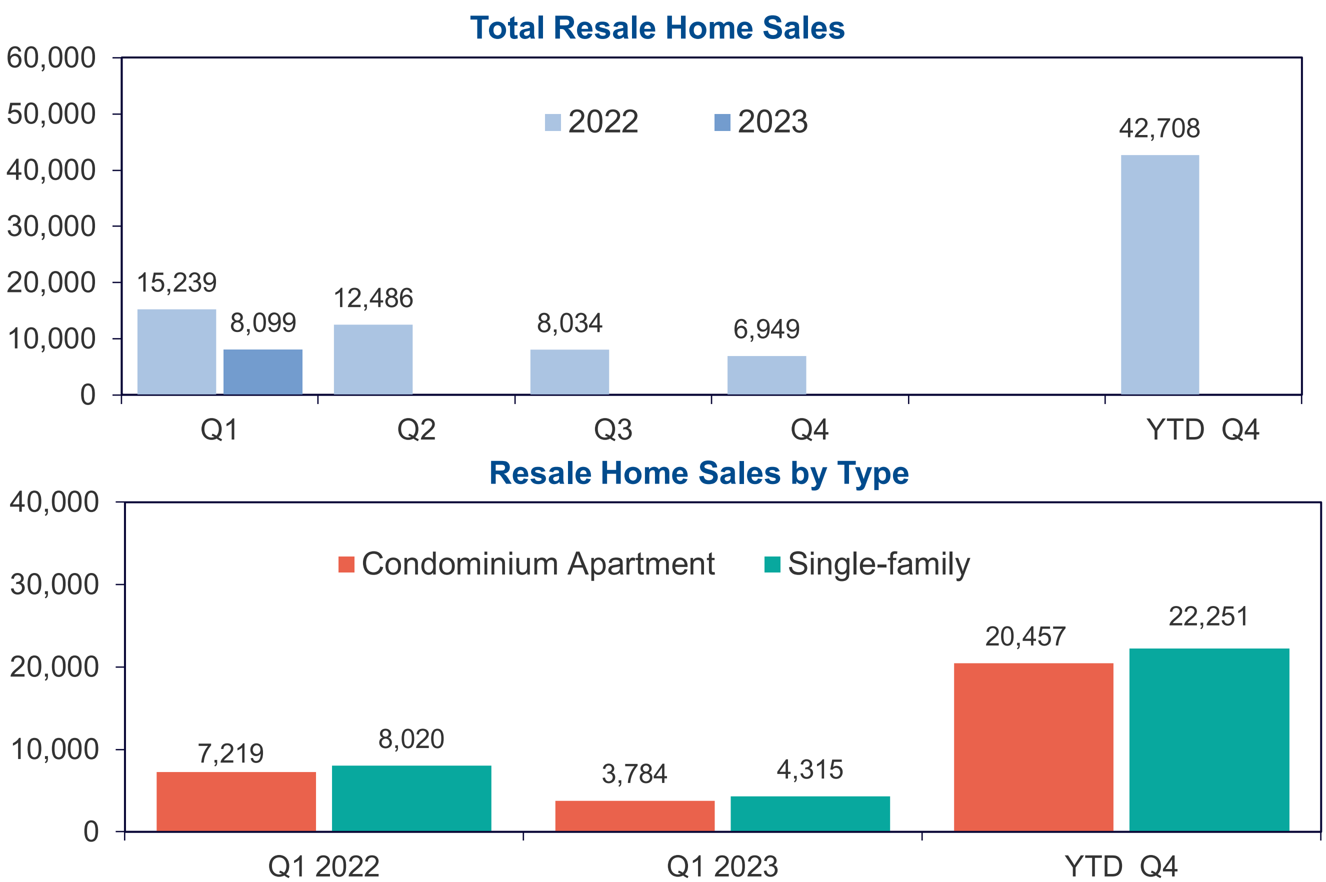
Vancouver New Single-family Blended Price Changes by Opening Date and Available Inventory



Source: Altus Group

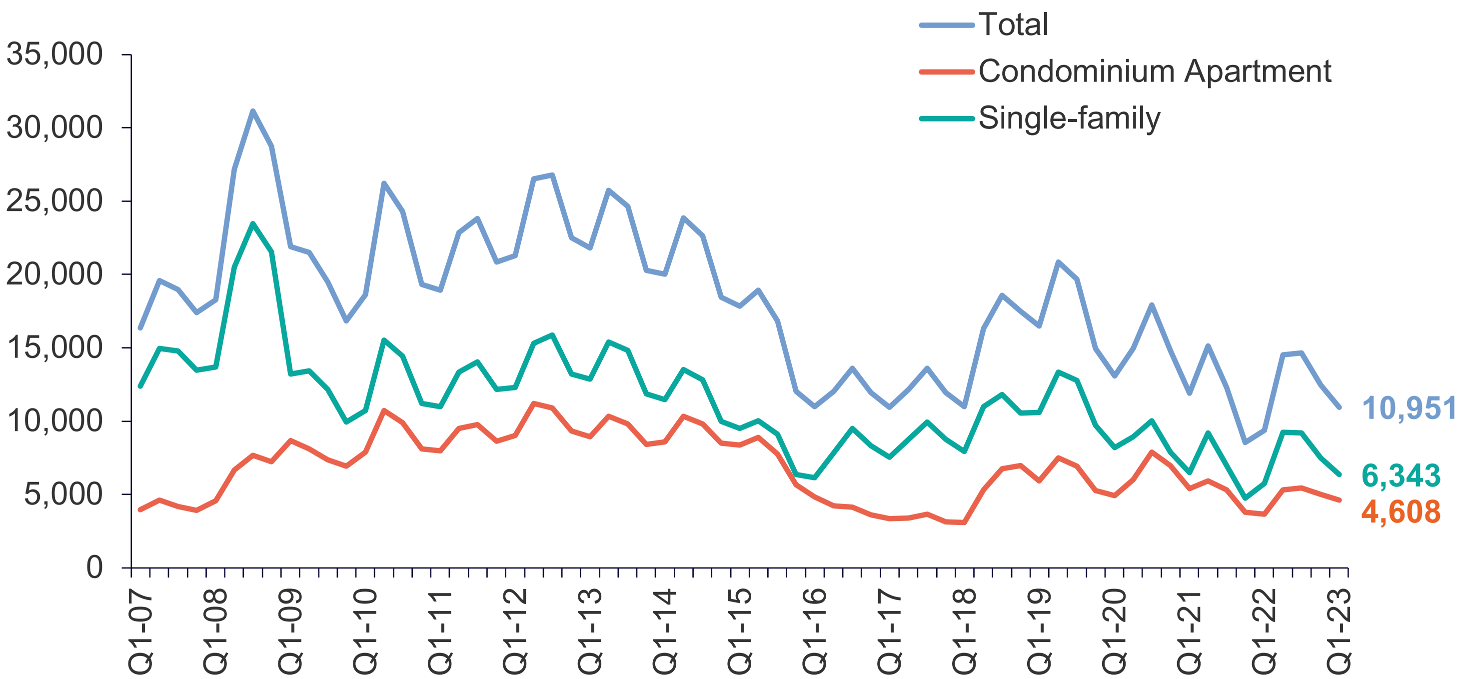
- The resale market in 2022 followed a similar pattern to the new home market with sales in the 2nd half of the year falling sharply compared to the 1st half.
- **Total resale home sales were down year-over-year in Q1 2023, but saw an increase over the previous quarter.** Both the single-family and condominium apartment sector shared 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 Q1 2023 was down for a 2nd consecutive quarter but were up 17% from the previous year (*chart next page, top*).
- **The combination of lower inventory and soft sales muted any increase in resale prices in Q1 2023**, based on MLS® Home Price Index data produced by Altus Group on behalf of the local real estate boards (*chart next page, bottom).*

Vancouver Resale Home Sales



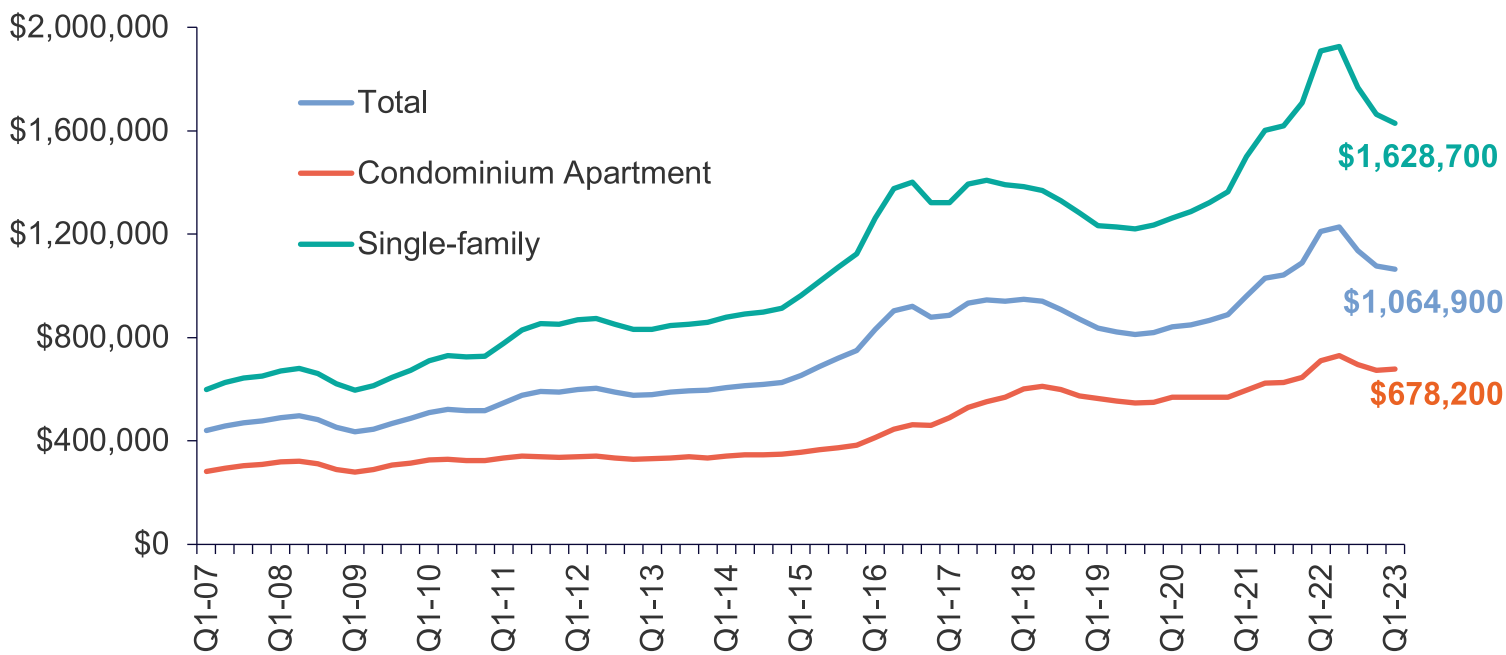
Source: Altus Group based on data from The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board

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

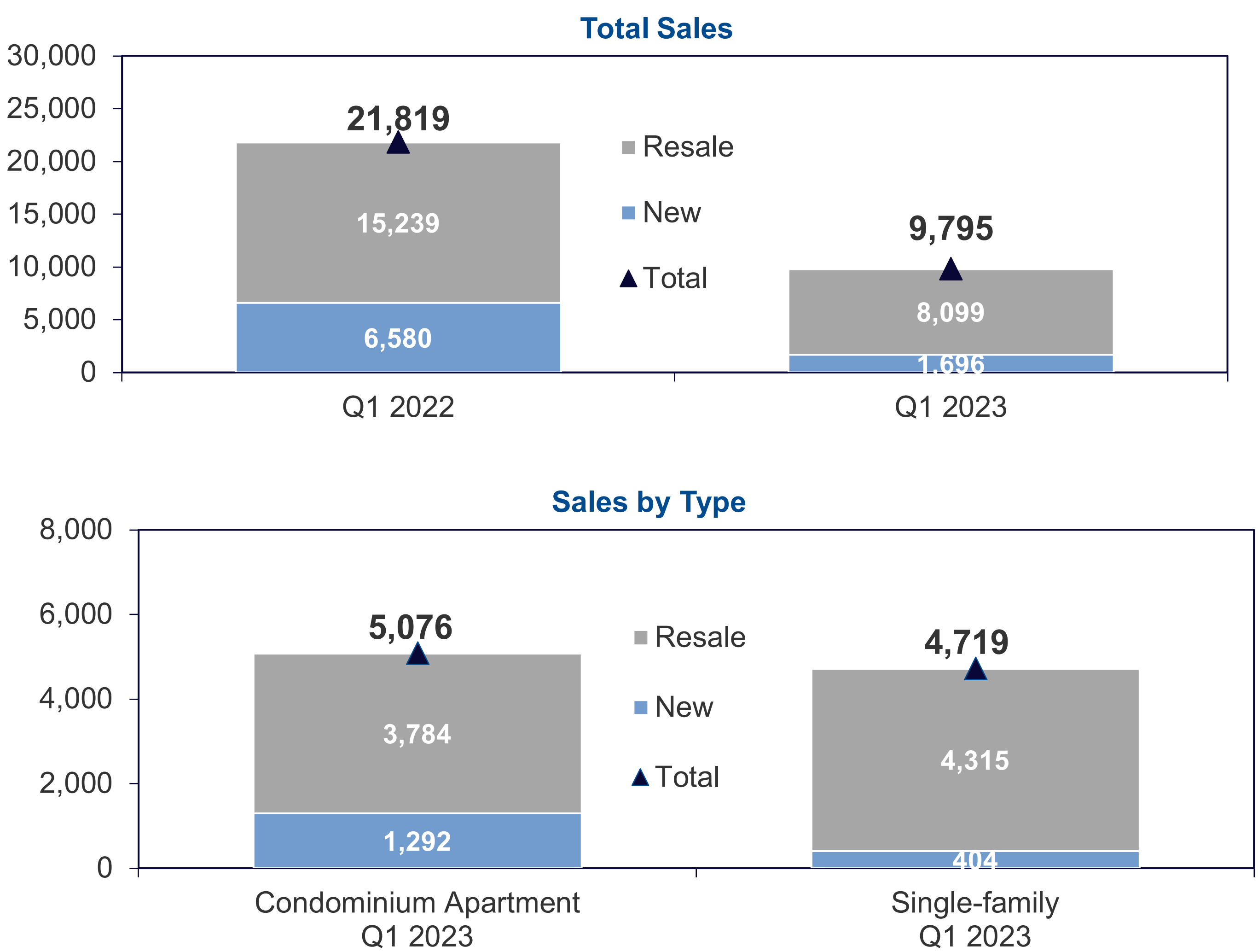


Source: Altus Group based on MLS® Home Price Index for the Lower Mainland

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 almost 9.800 units in Q1 2023, **down almost 55% from Q1 2022**. Lower single-family resales (-47%) as well as lower condominium apartment resales (-61%) contributed to the overall decline.
- **About 1 in 6 total home sales in Q1 2023 were new homes in projects of 20 or more units** – compared to about 1 in 3 a year earlier. The ratios are quite different for single-family homes, with new homes accounting for about 1 in 12 home sales (down from about 1 in 10 the previous year), and condominium apartments, where 1 in 4 sales were new condos (almost half the level of last year).

Vancouver Combined New & Resale Home Sales



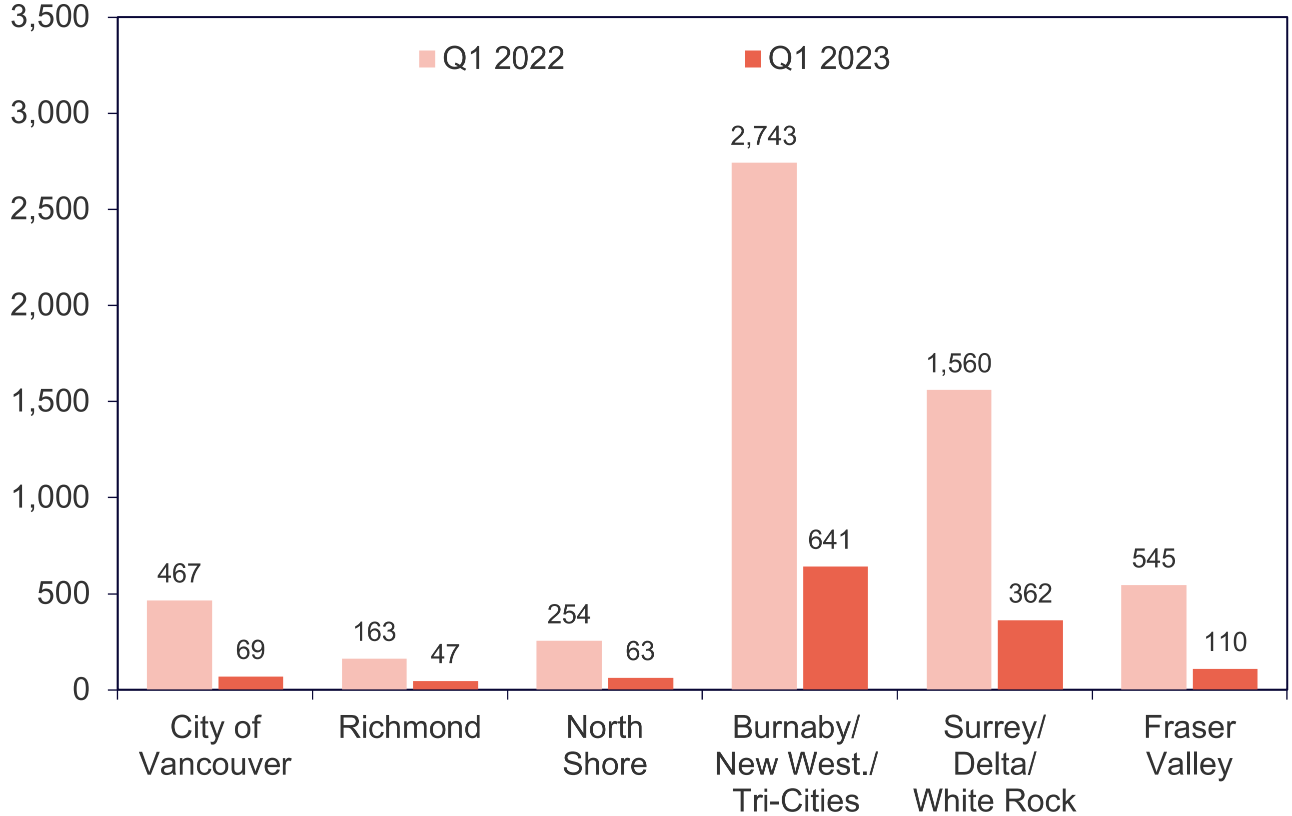
Source: Altus Group, The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board data

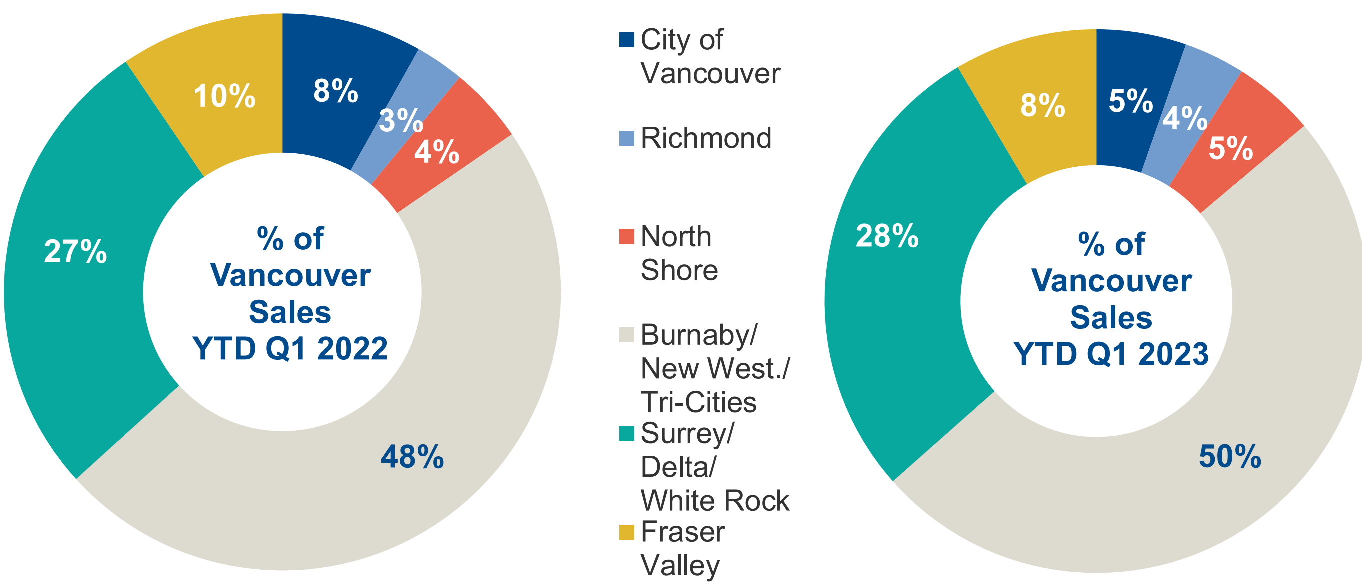
New Condominium Apartments - Sales

- **The slowdown in condominium apartment sales from the second half of 2022 continued into Q1 2023.** Sales were the lowest 1st quarter since 2009, down over three-quarters from the previous year and sales were slower in the last 45 days of the quarter compared to first portion of the quarter.
- **The Q1 2023 decline was sharpest in the low-rise (-91%) sector followed by the mid-rise (-79%) and high-rise (-75%) sectors compared to the previous year.**
- All subareas posted lower new condo apartment sales in Q1 2023, most notably the Burnaby/New Westminster/Tri-Cities and Surrey/Delta/White Rock subareas (*chart next page, top*) which included the municipalities with the largest fall-off in sales in Q1 2023, Burnaby North and Guildford (*chart following next page*).
- There was very little variance in the distribution of sales among the subareas in Q1 2023 compared to the same period last year (*chart next page, bottom)*.

Source: Altus Group

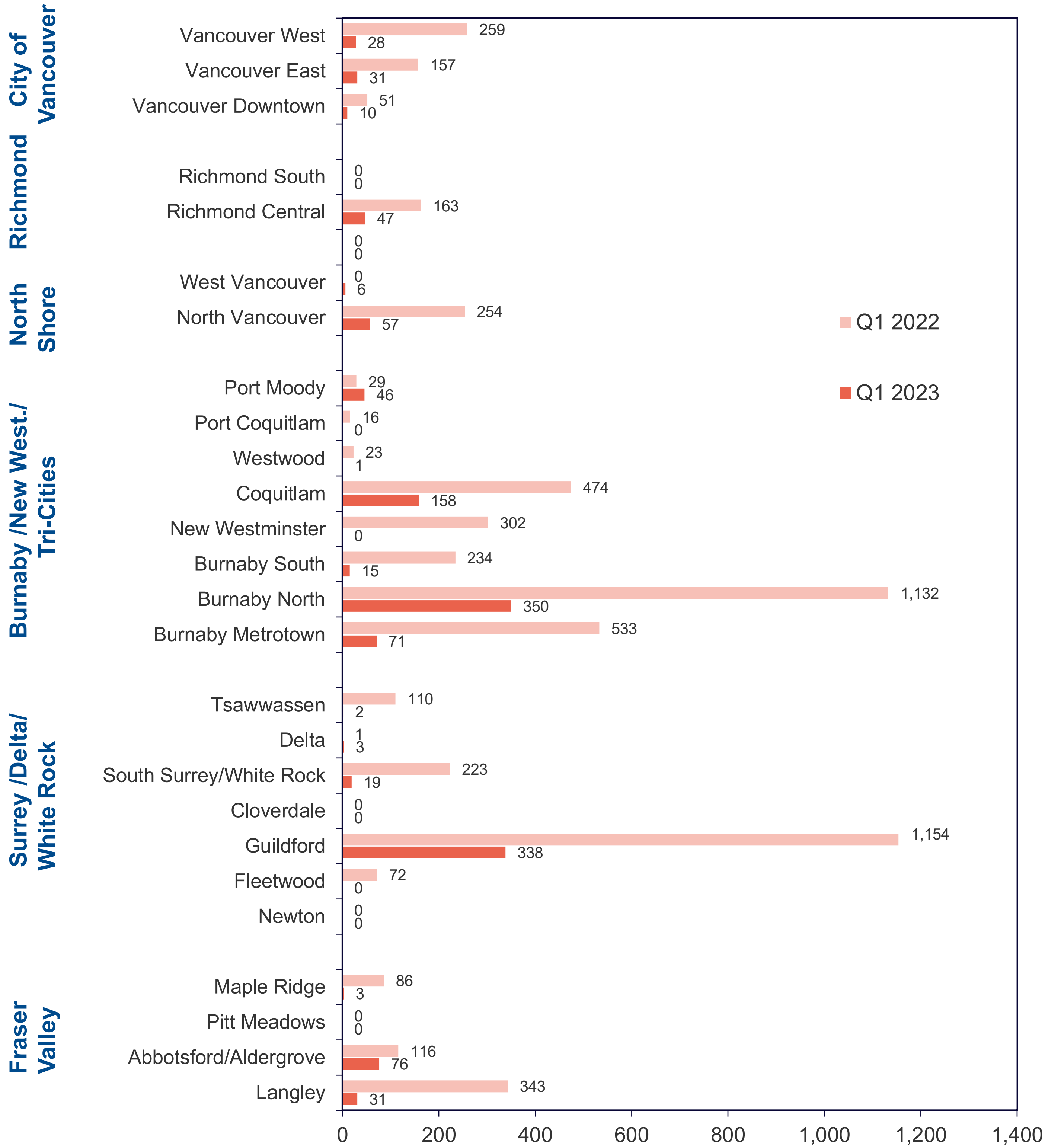
Vancouver New Condominium Apartment Sales by Subarea





Source: Altus Group

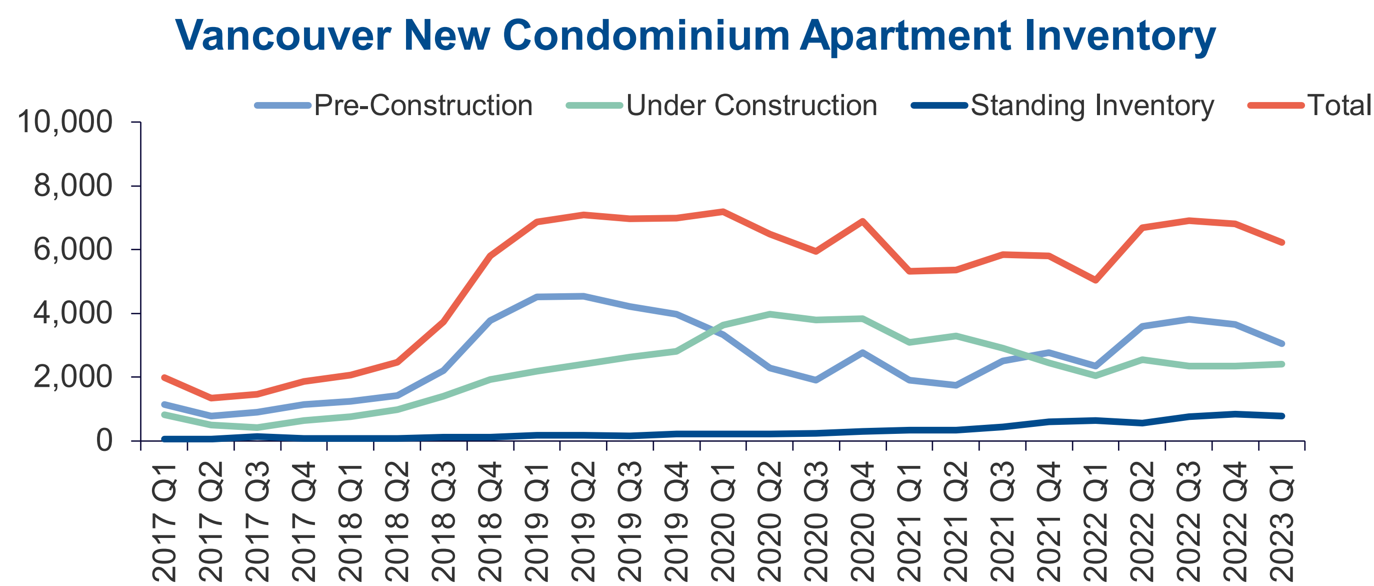
Vancouver New Condominium Apartment Sales by Submarket

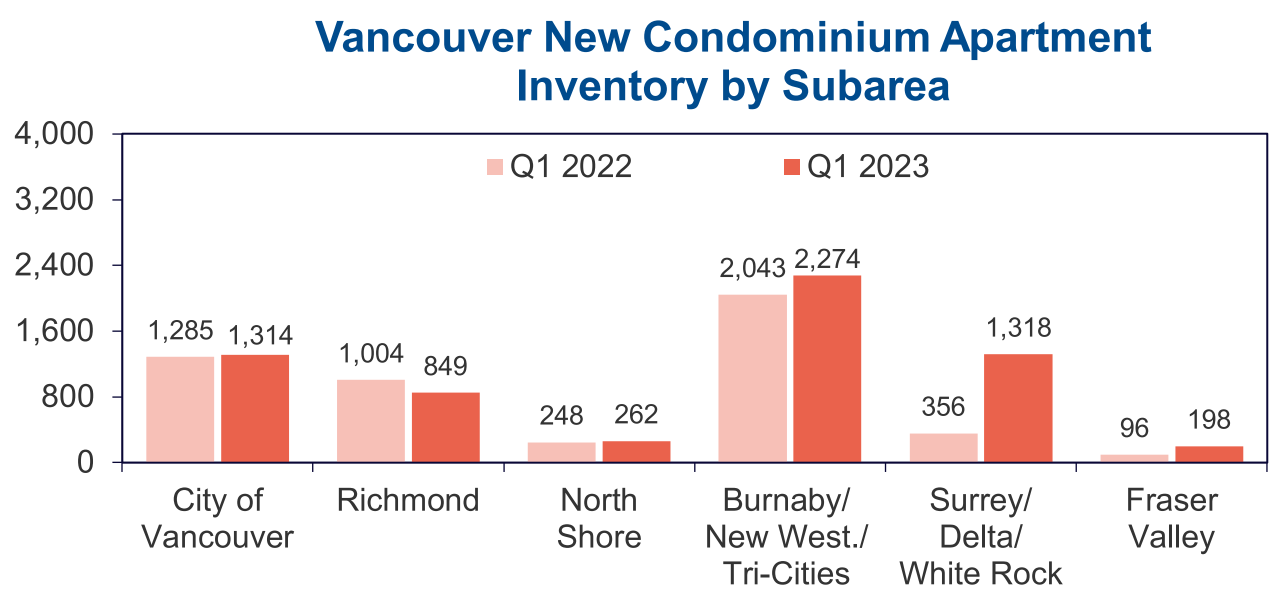


Source: Altus Group

New Condominium Apartments - Inventory

- **About 6,200 new condo apartments units were available to purchase at the end of Q1 2023 representing just over 8 months of supply**, based on the average monthly rate of sales in the previous 12 months – this is very close to the longer-term average of about 8.5 months.
- Pre-construction inventory remains above the number of units available that are under construction. **Units available for occupancy (standing inventory) are limited but remain near an all-time high.**
- 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 21.7 in the City of Vancouver to a low of 2.2 months in the Fraser Valley subarea.

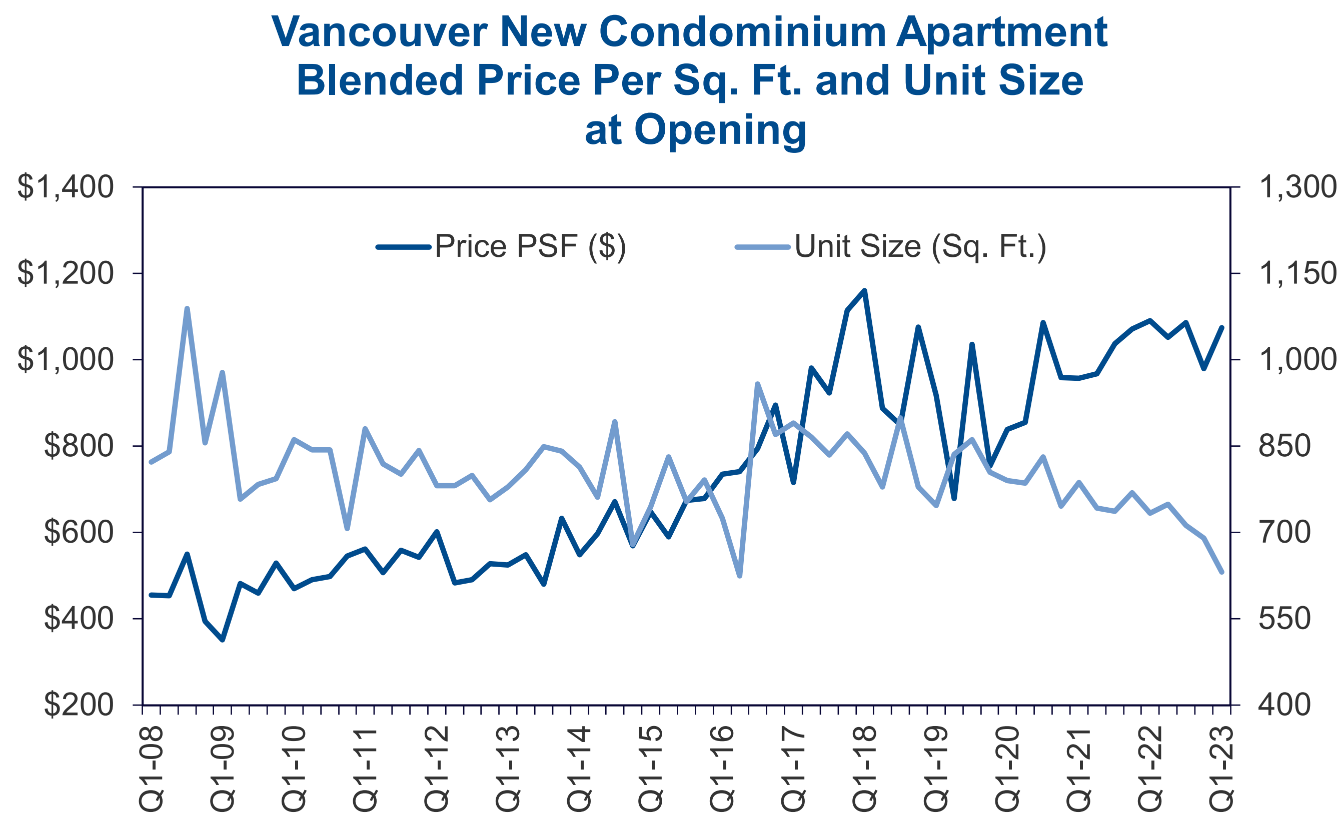




Source: Altus Group

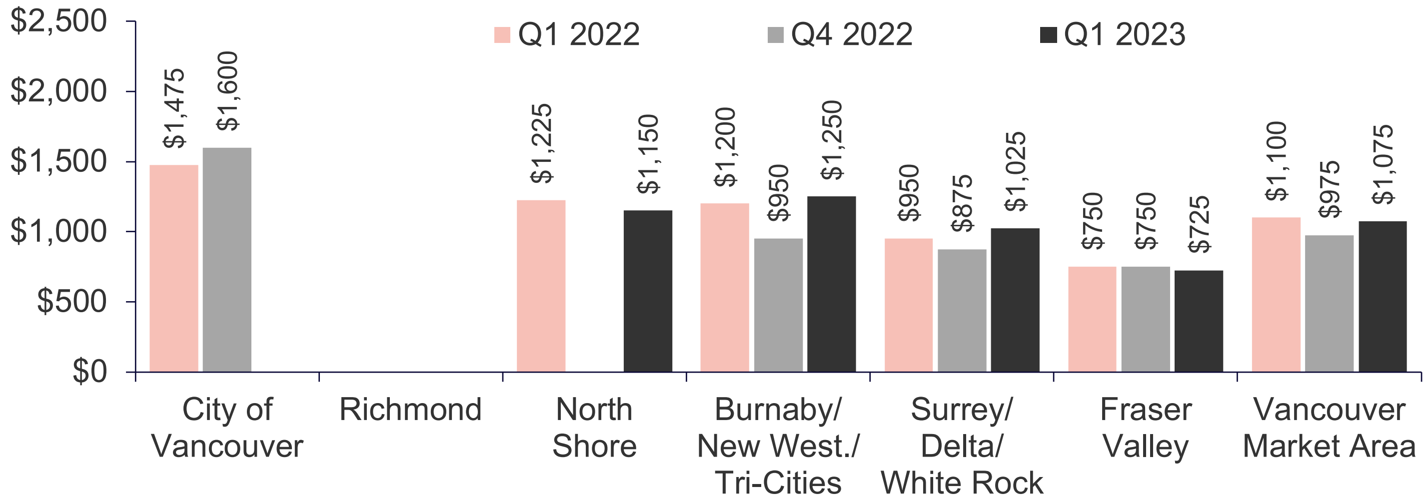
New Condominium Apartments - Prices

- **New condo apartment launch prices moved higher in Q1 2023 relative to both the previous quarter and was little changed compared to year ago levels.** The average size of new condominium apartments launched *(see definitions page)* dropped in Q1 2023 to one of its lowest levels on record.
- 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 increase in overall average price PSF in the current quarter is mostly attributable to higher prices in the Burnaby/New Westminster/Tri-Cities and Surrey/Delta/White Rock subareas (*charts next page).*



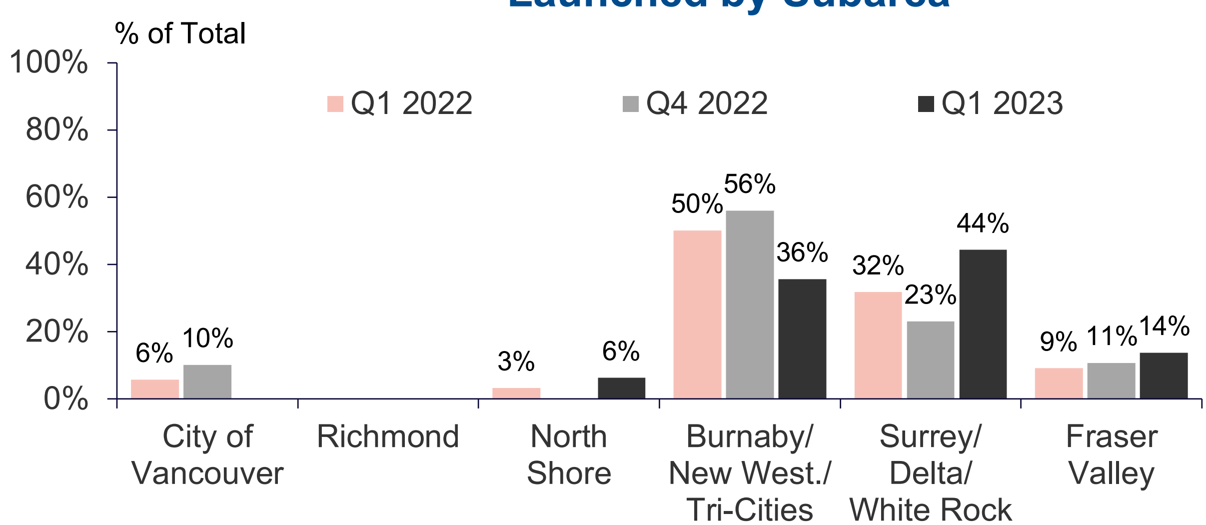
Source: Altus Group

New Condominium Apartment Launch $PSF* by Subarea



* Round to the nearest $25
Source: Altus Group

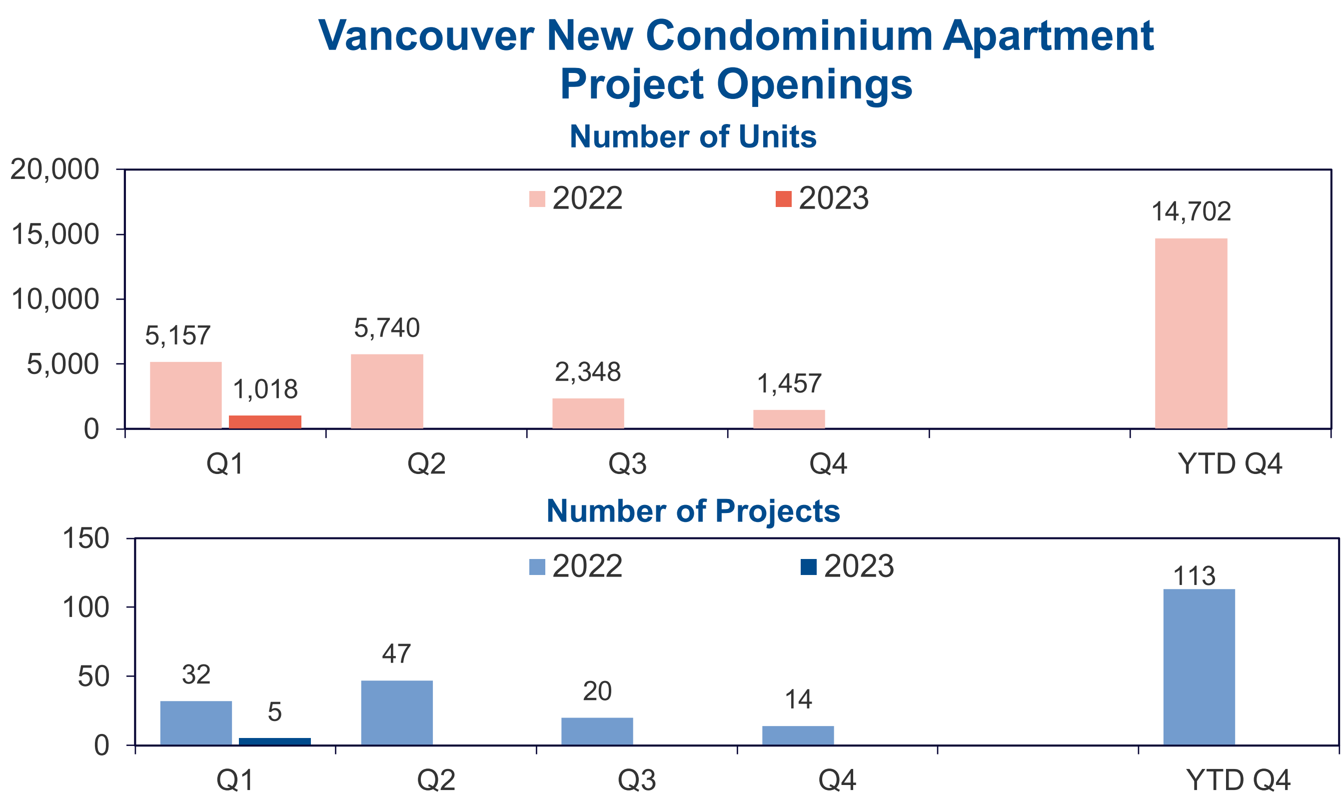
Units in New Condominium Apartment Projects Launched by Subarea



Source: Altus Group

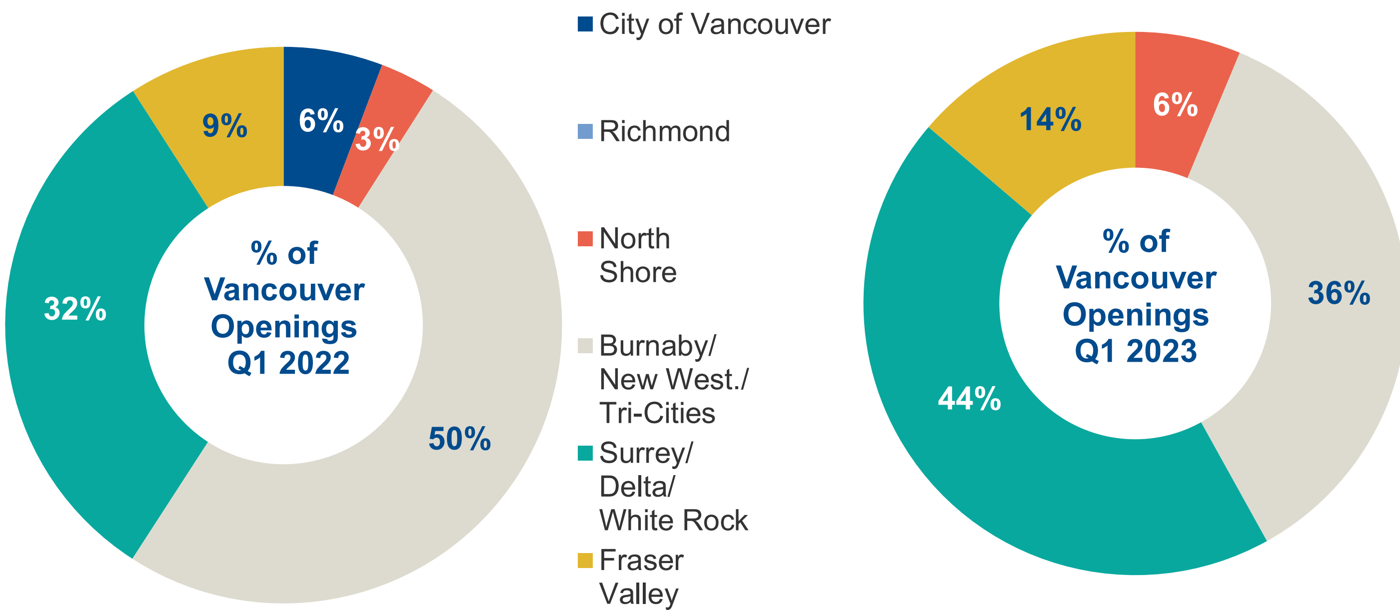
New Condominium Apartments - Openings

- **Builders have further reduced new launches in response to the fall-off in sales over the past three quarters.** A 17-year low number of new projects launched in Q1 2023 containing just over 1,000 new condominium apartment units, 80 percent lower than Q1 2022 and the lowest level since the early days of the pandemic.
- The Surrey/Delta/White Rock subarea increased their share of new launches in Q1 2023, largely at the expense of the Burnaby/New Westminster/Tri-Cities subarea (*chart next page, top*).
- Developers have increased the share of one-bedroom units included in new project openings in Q1 2023, accounting for the decline in average launch sizes noted earlier.
- Following the next page are maps showing the location of new projects launched in February and March 2023 (there were no new launches in January) 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.*

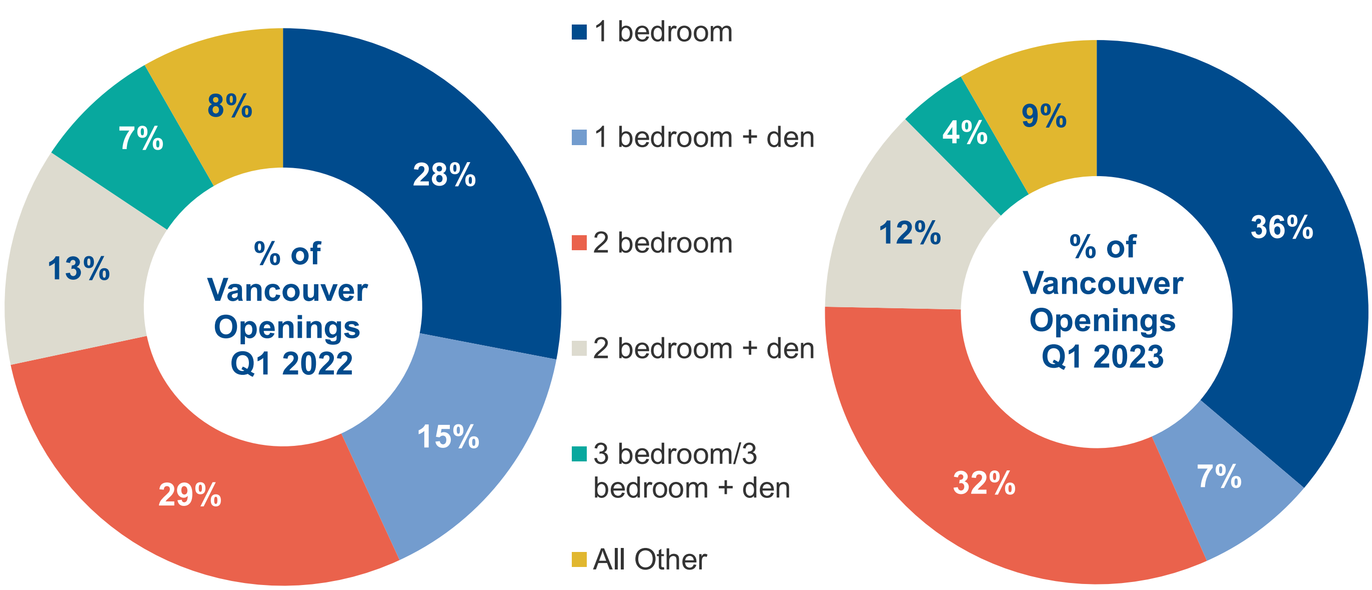


Source: Altus Group

Vancouver Condominium Apartment Units in New Openings by Subarea



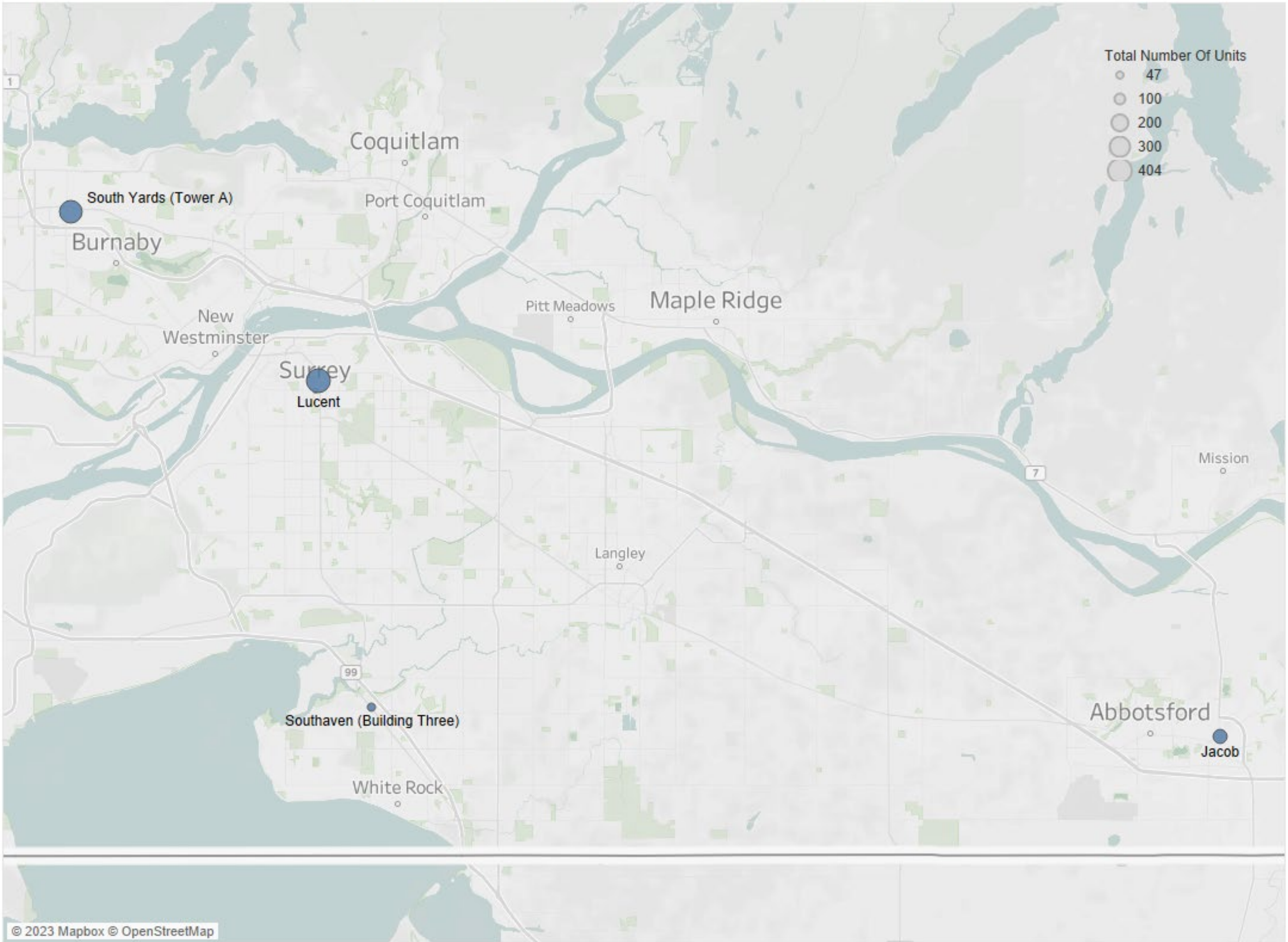
Vancouver Condominium Apartment Units in New Openings by Bedroom Type



Source: Altus Group

New Condominium Apartments - Openings

February 2023 New Project Launches by Number of Units



Source: Altus Group

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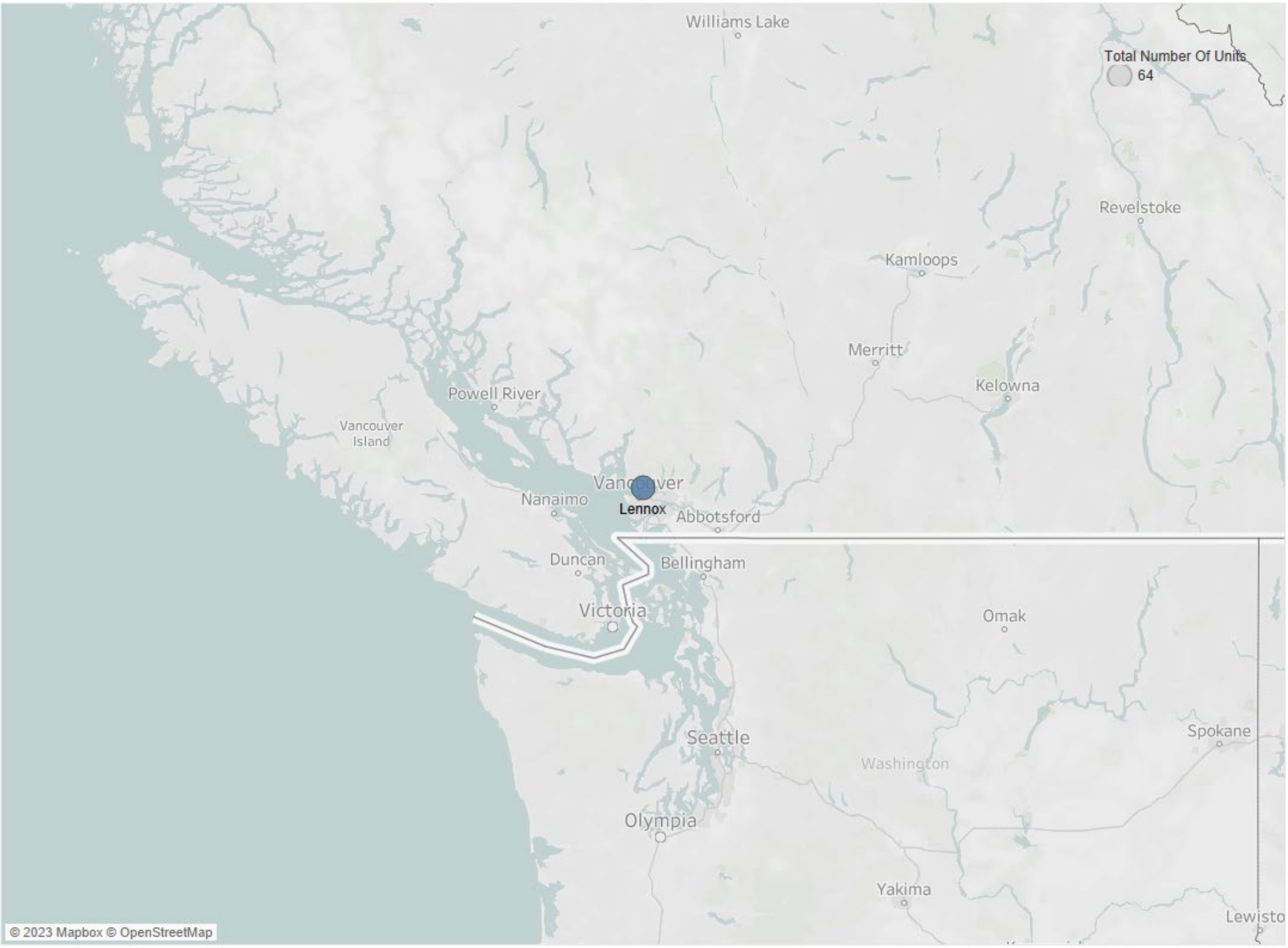
New Condominium Apartment Project Openings - February 2023

Project Name	**Jacob**	**Lucent**	**South Yards (Tower A)**	**Southaven (Building Three)**
Developer	Redekop Development Corportation	Lark Group,Landa Global	Anthem Properties	Park Ridge Homes
Date Opened	February 25, 2023	February 4, 2023	February 8, 2023	February 18, 2023
Subarea	Fraser Valley	Surrey / Delta / White Rock	Burnaby / New Westminster / Tri-Cities	Surrey / Delta / White Rock
Submarket	Aldergrove / Abbotsford	Guildford	Burnaby North	South Surrey / White Rock
Project Type	Mid Rise	High Rise	High Rise	Low Rise
Construction Type	Wood Frame	Concrete	Concrete	Wood Frame
Floors	6	26	36	4
Project Total Units	**140**	**404**	**363**	**47**
Total Units Released	**70**	**404**	**363**	**47**
Unit Type (see note in text)				
Studio	-	14	61	-
1 bedroom	24	189	111	11
1 bedroom + den	36	-	-	8
2 bedroom	10	153	92	28
2 bedroom + den	-	23	93	-
3 bedroom & up	-	25	6	-
Penthouse	-	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening quarter sales	**36**	**182**	**308**	**15**
% Sold (of released units)	*51%*	*45%*	*85%*	*32%*
Remaining inventory	34	222	55	32
Blended $PSF	$735	$1,050	$1,250	$850
Minimum Size (sq. ft.)	515	410	404	603
Maximum Size (sq. ft.)	904	1,272	1,025	963
Minimum Price	$379,900	$433,900	$509,900	$529,900
Maximum Price	$749,900	$1,179,900	$1,319,900	$779,900
Notes				

Source: Altus Group

New Condominium Apartments - Openings

March 2023 New Project Launches by Number of Units



Source: Altus Group

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New Condominium Apartment Project Openings - March 2023	
Project Name	**Lennox**
Developer	Polygon Homes
Date Opened	March 18, 2023
Subarea	North Shore
Submarket	North Vancouver
Project Type	Mid Rise
Construction Type	Wood Frame
Floors	6
Project Total Units	**64**
Total Units Released	**64**
Unit Type (see note in text)	
Studio	4
1 bedroom	8
1 bedroom + den	24
2 bedroom	20
2 bedroom + den	-
3 bedroom & up	8
Penthouse	-
Townhouse	-
Other	-
Opening quarter sales	**34**
% Sold (of released units)	*53%*
Remaining inventory	30
Blended $PSF	$1,150
Minimum Size (sq. ft.)	440
Maximum Size (sq. ft.)	1,185
Minimum Price	$689,900
Maximum Price	$1,469,900
Notes	

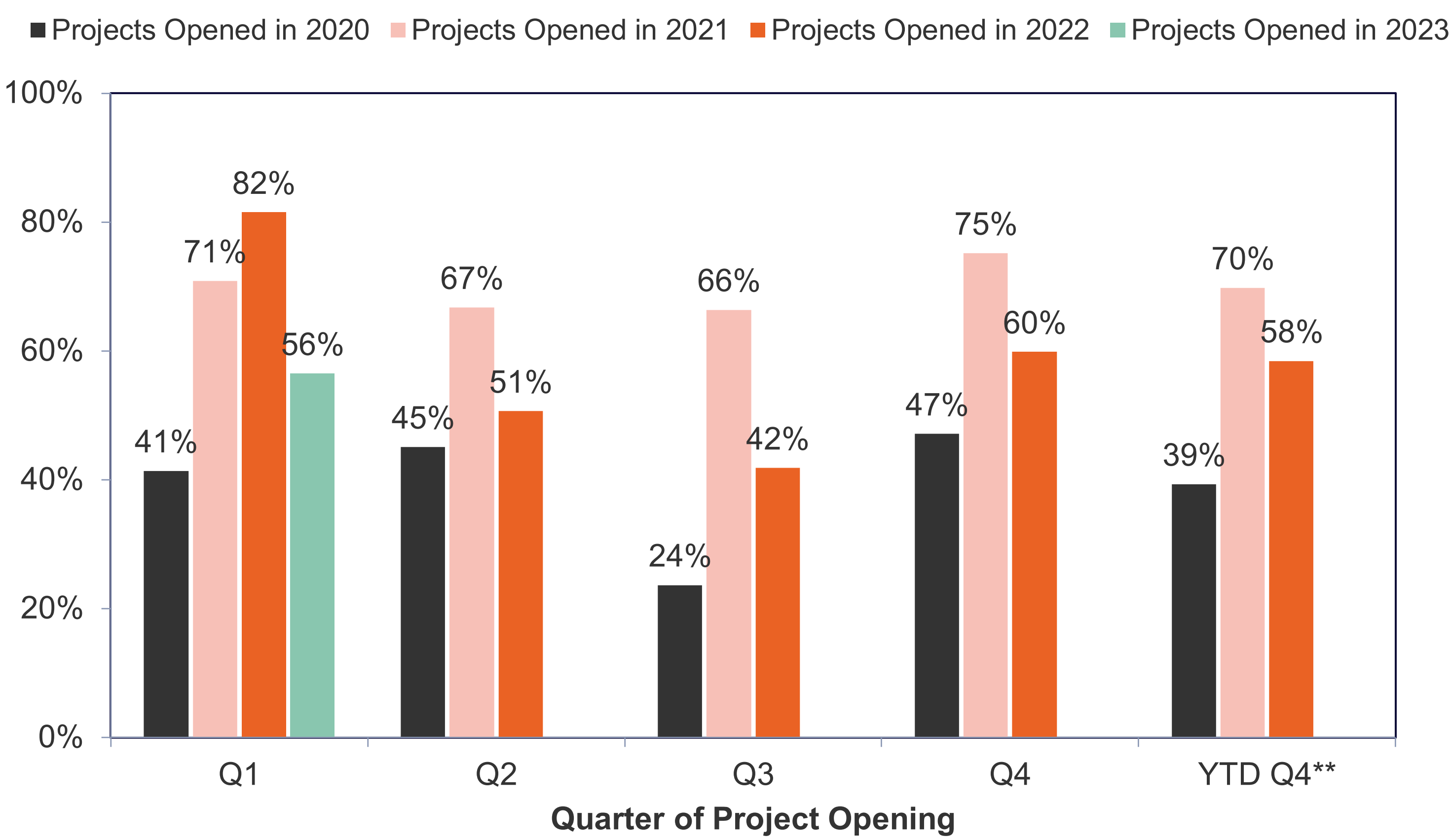
Source: Altus Group

New Condominium Apartments - Openings

- **Sales rates at new condominium apartment projects fell in Q1 2023 after two years of strong levels.** Just over half of the units in newly launched projects during Q1 2022 were sold by quarter end compared to rates of 70 to 80% in the previous two years.
- 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

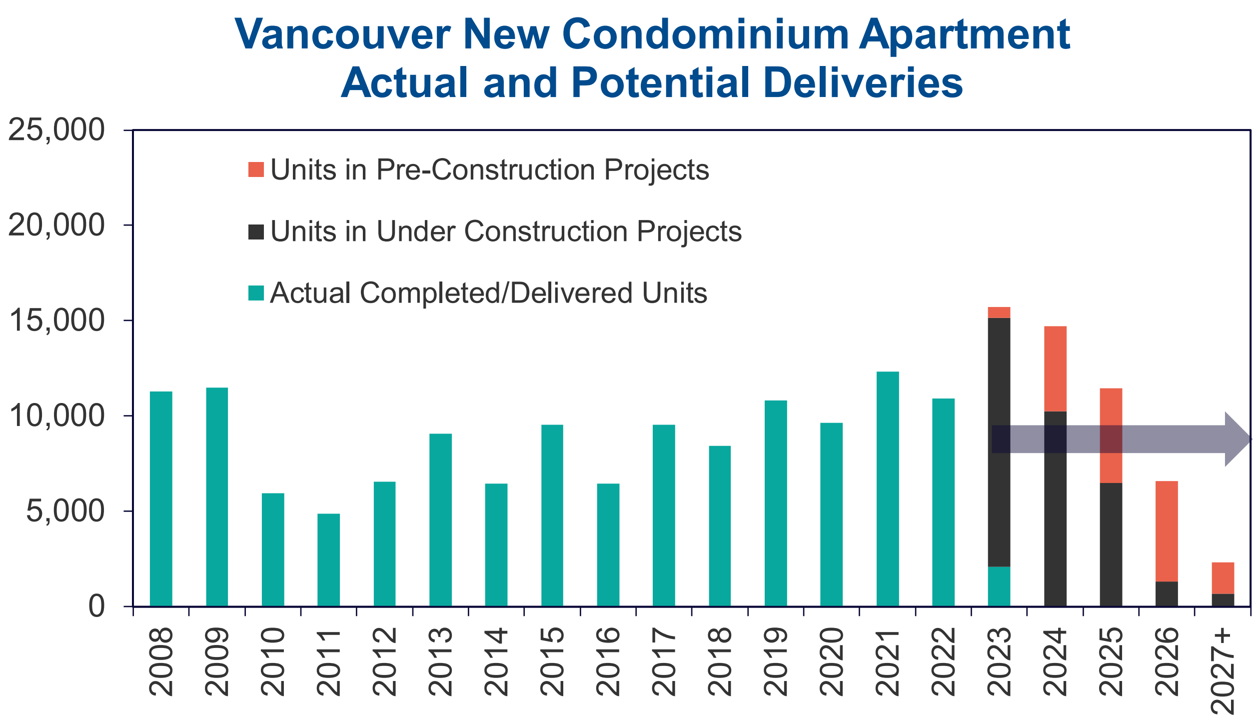
% of units opened in each quarter that were sold by end of that quarter*



** 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

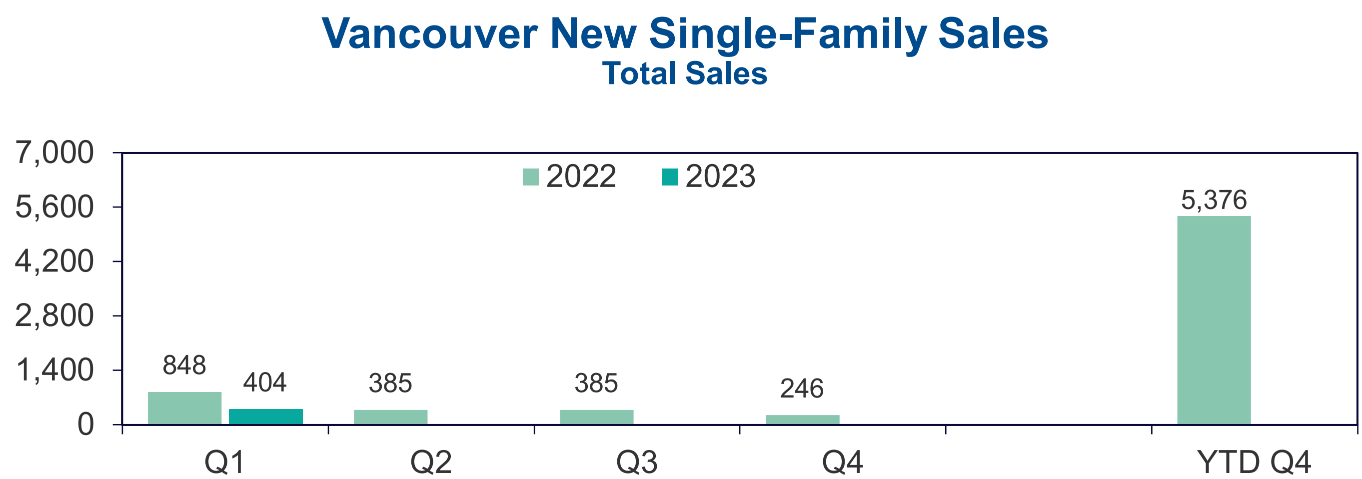
- At the end of the first quarter of 2023, **there were almost 48,700 new condominium apartment units in projects that were either under construction or in pre-construction stages in the Vancouver market area** (this compares to about 46,200 at the end of Q1 2022).
- **Almost 1,300 new condo apartment units were completed/delivered in Q1 2023** (based on Altus Group data), **about 60% less than Q1 2022 – and the lowest quarter in over two years.**
- 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, industry capacity thresholds, as well as some construction site delays due to disruptions in material supply chains, and the 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.

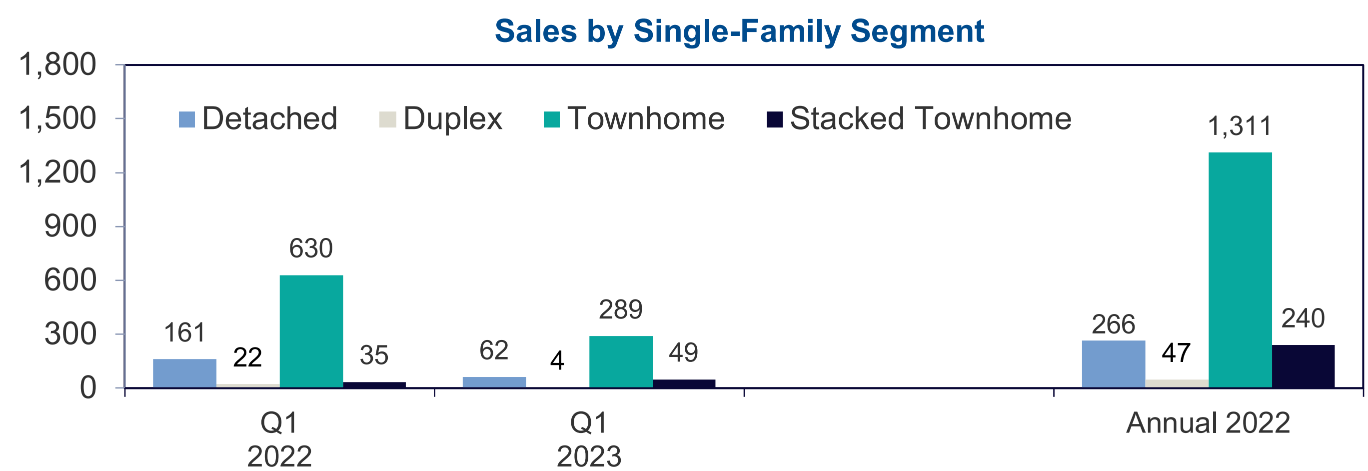


Source: Altus Group

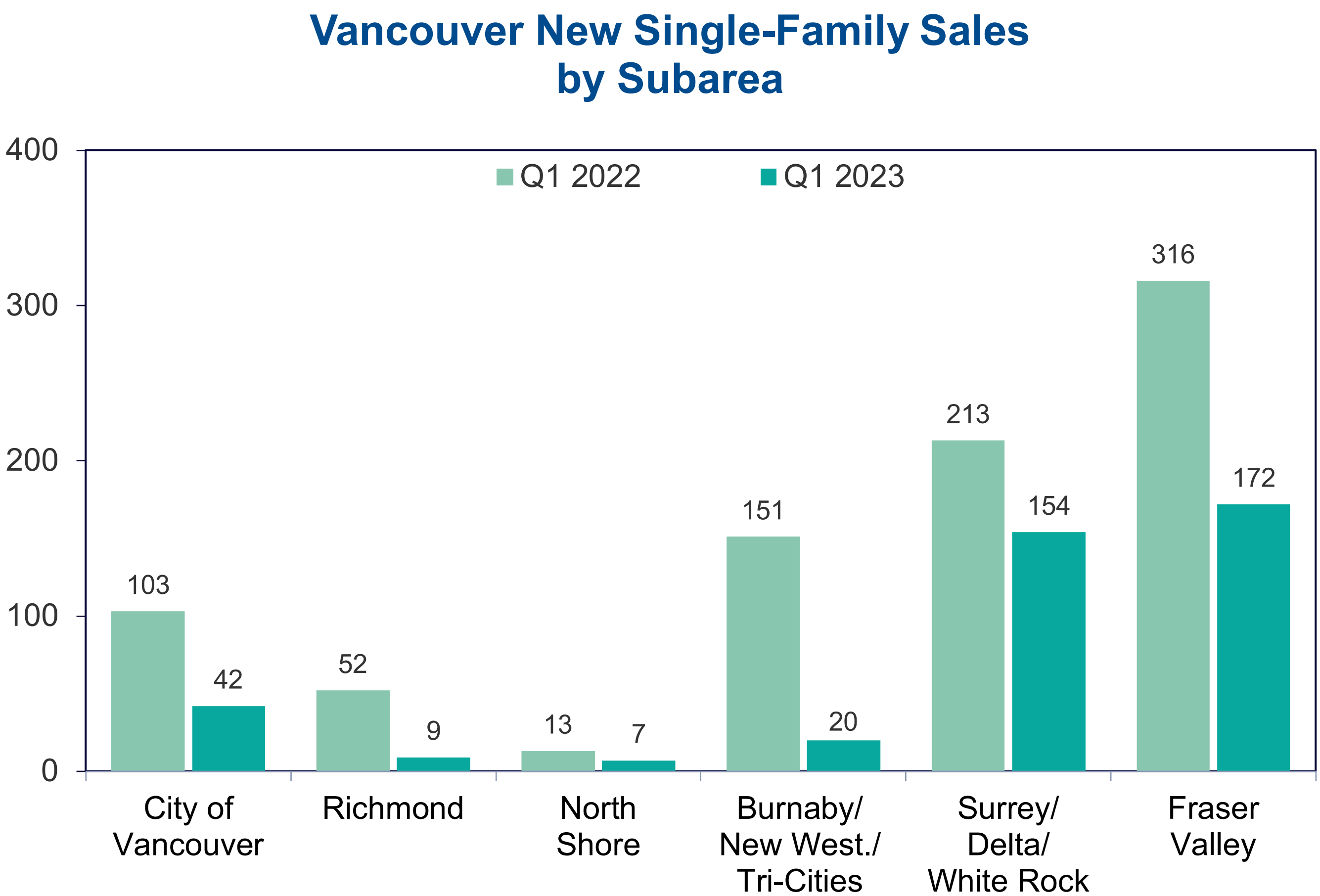
New Single-Family - Sales

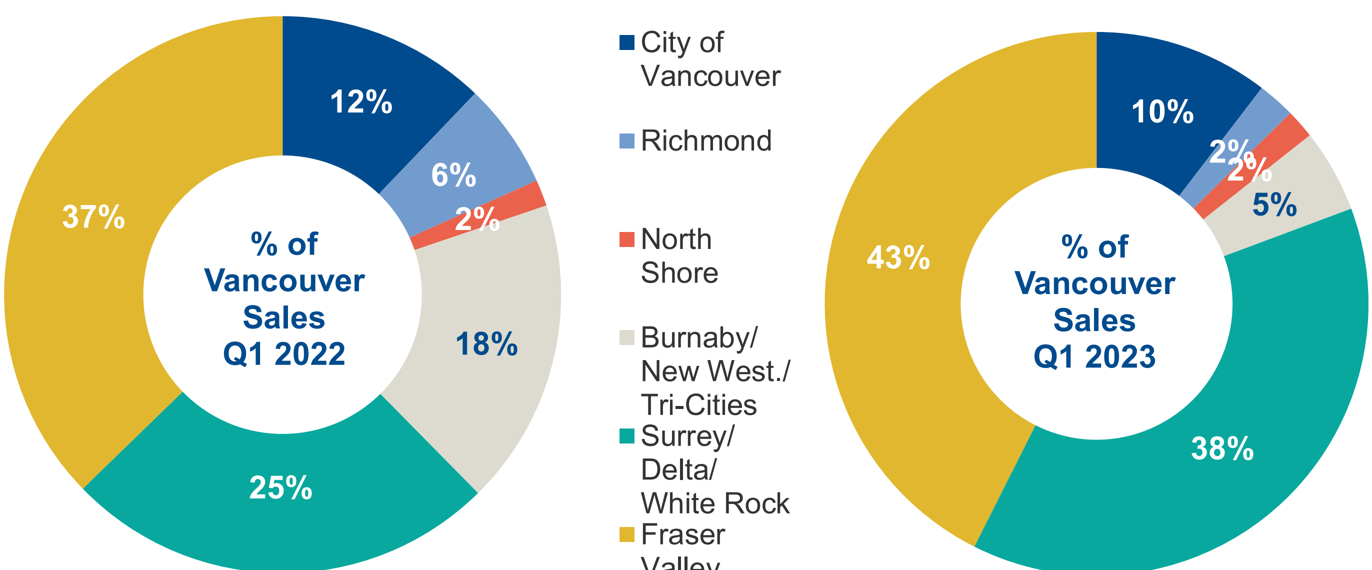
- New single-family sales had been on the rise in the Vancouver market area, as well as other major markets across the country, in the early stages of the COVID-19 pandemic as people looked for more spacious housing options. In 2022, single-family sales slowed dramatically from the previous year and by Q4 had sunk to an all-time low. For the first quarter of 2023, **new single-family sales were down about 50% but did increase relative to the previous quarter.**
- Each of the new single-family segments saw decreased sales activity in Q1 2023 as compared to Q1 2022 except for a small increase in stacked townhouse sales.
- **All subarea sales were down in Q1 2023 compared with the previous year,** (*chart next page, top*). In terms of the distribution of new single-family sales, the Surrey/Delta/White Rock and Fraser Valley subareas increased their market shares in Q1 2023 (*chart next page, bottom*).





Source: Altus Group



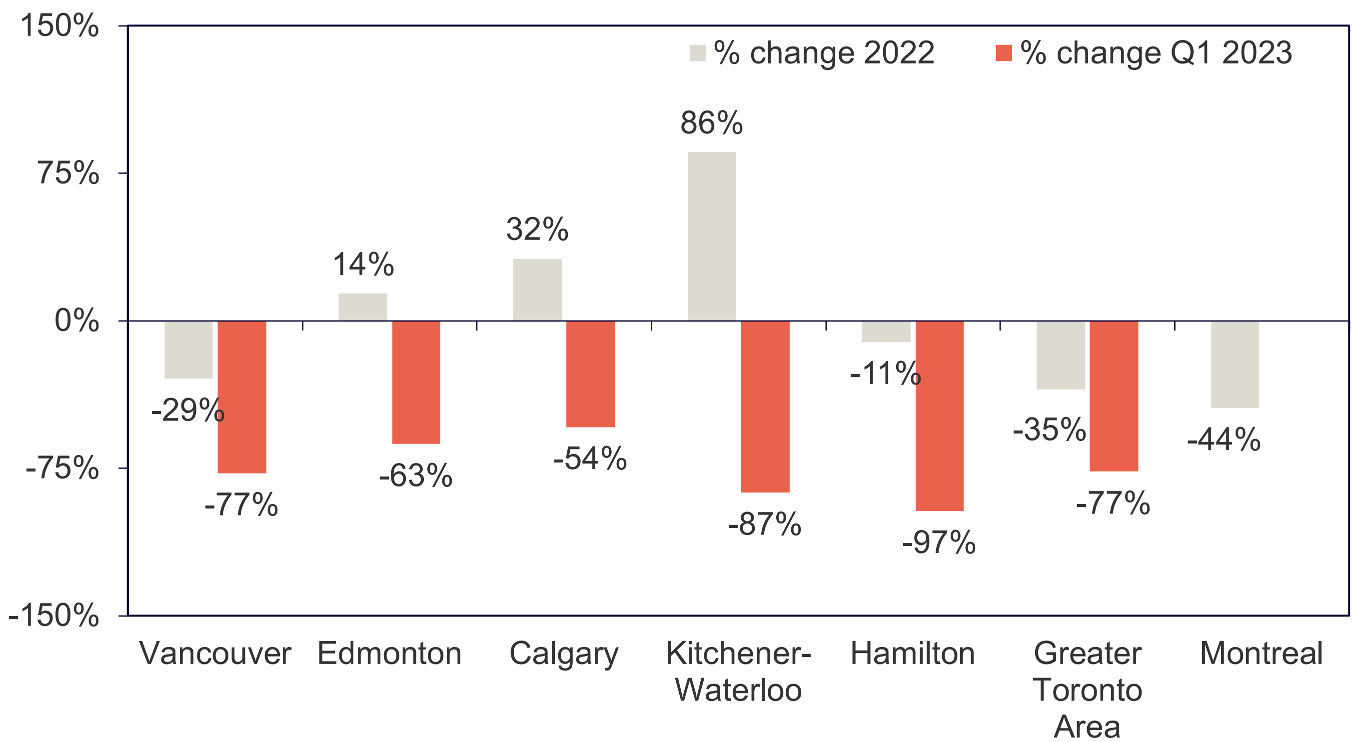


Source: Altus Group

New Condo Apartment Sales Across Canada

- **The malaise in new homes sales in the Vancouver market area is being in felt in each of the other major markets across Canada.**
- The Alberta markets of Calgary and Edmonton, though still down dramatically from the previous year, have been more moderately impacted relative to the other major markets**.**

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



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