



The following is an example of a typical submarket report that can be accessed as a subscriber to the TRAC database.

These statistical reports are updated after every tour MPC completes. They provide clients with a more macro perspective of what's happening in each of the 27 new home submarkets that MPC tracks.

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Downtown Vancouver Submarket Report

A: Submarket Update

Updated: March 9, 2011

Current Overview

The Downtown Vancouver submarket saw an estimated 32 new, firm condominium sales from December 20, 2010 to February 20, 2011. This relatively slow pace of sales correlates to the current lack of new supply in the Downtown core.

While there are 24 projects in the Downtown market with available inventory (12 of which are now complete and occupied) many of these projects are down to their final few units. Most of this "left over" inventory is being marketed on MLS. The most recent project to launch and subsequently sell out in the Downtown core was 60 West Cordova Street from Westbank Projects. This 96 unit project came to market in October 2010 and was reported sold out by the developer at the end of December 2010. Positioned as an affordable development and offering alternative financing strategies, reduced maintenance fees, a smaller unit mix and a very basic interior finish, the success of this project was directly related to the \$455 blended price per square foot asked by the developer.

In total, the active projects in the Downtown submarket make up an estimated 4,027 units, of which an estimated 3,424 are sold, 33 are yet to be released and 570 are available to purchase. The Downtown market has an availability rate of approximately 14%, with no new product introduced to the market since October 2010. In the first three quarters of 2010 only three new concrete projects launched in the Downtown submarket, accounting for 225 units. This marketplace is considered under supplied in terms of new, appropriately priced and designed concrete inventory.

MPC expects an impending rush to market from a number of developers intent on capitalizing on the pent up demand in the Downtown core. Cressey, Concert Properties, Pattison Group/Reliance Holdings, Concord Pacific, Westbank/Telus and Amacon all seem to be moving as quickly as possible to get new concrete product to the marketplace.

Townhome Product

Current Supply

There is no new townhome product available in the Downtown Vancouver submarket.

Completed Supply

There is no new, completed townhome product available in the Downtown Vancouver submarket.

Absorption

No new townhome product has been absorbed in the Downtown submarket.

Pricing Thresholds

There is no new townhome product available in the Downtown Vancouver submarket.

Trends

There is no new townhome product available in the Downtown Vancouver submarket.

Woodframe Product

Current Supply

One low-rise development is actively selling in the Downtown Vancouver submarket. This 67 unit rental conversion project is located in the West End residential node. There are still a reported eight units remaining for sale in the building, which has been actively selling since November of 2007.

Completed Supply

The one low-rise conversion project selling in the Downtown market is complete and the remaining eight units of inventory are available for immediate occupancy.

Absorption

No firm sales were reported for the period from December 20, 2010 to February 20, 2011 in the one active low-rise development in Downtown Vancouver.

Pricing Thresholds

The blended average price per square foot for the building to date is estimated to be \$590. The developer recently increased prices on remaining units from 3% to 10%. This is after decreasing prices 3% to 4% in the summer of 2010. End values for the final nine units range from \$370,000 to \$595,000 for 600 to 900 square foot plans.

Trends

Typically there is very little woodframe, low-rise supply in the Downtown Vancouver submarket, as land values do not warrant this development form. This product really only becomes available when older rental inventory is converted into strata condominiums. The one active development continues to try and confuse the market using price increases and then incentives in order to stimulate interest with a net zero affect on the pricing.

Concrete Product

Current Supply

MPC estimates that there are 3,921 units of total concrete inventory in Downtown Vancouver's 26 actively selling high-rise and mid-rise projects. Of these, an estimated 542 remain available for sale (availability rate of about 16%). The majority of these developments are not actively pre-selling product and saw the bulk of absorption occur in 2007 and 2008. A number of these buildings are now complete or well under construction and final remaining inventory is being sold on MLS, typically at discounted prices. The higher profile projects that have active sales centers and marketing initiatives, make up the majority of recently recorded absorptions in the Downtown core. These projects are; 60 West Cordova Street, The Rolston from Rize Alliance, The Mark from Onni and Paris Annex from Salient Group.

Completed Supply

There are 11 completed concrete projects with an estimated 104 units of new inventory remaining for sale. Most of these projects are down to their final few units and are discounting in order to encourage sales and mitigate ongoing holding costs.

Absorption

From December 20, 2010 to February 20, 2011 there were a reported 49 concrete units absorbed on the Downtown peninsula but MPC also recorded 17 units of negative absorption (originally inflated sales numbers or units that came back to developers as presale purchasers could not complete transactions). Overall, average absorption for the actively selling projects in the downtown core during MPC's last tour was less than one unit a month per development. This is expected to change dramatically as new supply comes on line later in 2011.

Pricing Thresholds

When looking at all currently selling concrete product in the submarket, the average price per square foot is in the \$880 to \$885 range. That being said, much of this product is "leftover" from the pre-correction days of 2007 and 2008. Typical new product to launch in the Downtown core through 2009 and 2010 is trading in the \$675 to \$700 per square foot range. Standard one bedroom unit types need to be priced under the \$370,000 mark and small two bedroom plans need to be priced under the \$550,000 mark in order to experience significant absorption in the Downtown marketplace. Some exceptions to this pricing trend are:

- 60 West Cordova Street sold out at an estimated \$455 per square foot in about 45 days - Demonstrates the markets appetite for well priced product in the Downtown core.
- Paris Annex is selling at an estimated \$542 per square foot - Has sold relatively well for a small, boutique project with a compromised location. Demonstrates the discount new product in Gastown/Downtown Eastside must be priced at in order to see uptake.

Trends

There has been a focus on smaller, price point oriented inventory in the Downtown market. MPC expects to see this trend continue. Expect to see developers and sales and marketing groups target the prolific Chinese investor community with new product in 2011, as this segment of the market makes up close to 80% of new home buyers in Metro Vancouver (based on anecdotal evidence collected by MPC).

Many developments are no longer including parking for smaller sized unit plans in an attempt to reduce end values and increase affordability. There has also been a trend toward more basic interior specification packages in order to reduce market pricing, but the Downtown buyer still expects a few "bells and whistles" so look for solid surface countertops and stainless steel appliance packages in new product.

Future Supply

Coming Soon

MPC is tracking 870 units of branded inventory, in four different projects, expected to the Downtown market over the next three to six months. The most significant is Concord Pacific's 543 unit multi tower project Panorama located near BC Place Stadium.

Development Applications

According to the City of Vancouver, there are approximately 4,121 units under application. All of these units are concrete in form. A large number of these applications are concentrated in the North East False Creek area of Downtown, with proximity to the stadiums. These proposed units will capitalize on the City's vision of creating a mixed-use, residential, entertainment and commercial node in this emerging neighborhood. Another large cluster of projects are located in the Downtown South area near the Granville and Burrard Street bridges. These projects will be anchored by Pattison/Reliance's Burrard Gateway project. Concert Properties, Bonds Group, Prima Properties and Cressey all have significant high-rise sites in this area. Westbank/Telus have also recently announced the initial plans to redevelop the Telus building and surrounding block between Seymour and Richards into a large mixed use complex, with a 44 storey residential tower with approximately 500 units.

B: Submarket Statistics

	November 2010	January 2011
Total Units Under Development	4,189	4,027
Single Family Homes	-	-
Town Homes	-	-
Lofts	85	39
Concrete Multi-Family Condominiums	4,037	3,921
Woodframe Multi-Family Condominiums	67	67
Total Units Sold	3,534	3,424
Single Family Homes	-	-
Town Homes	-	-
Lofts	62	19
Concrete Multi-Family Condominiums	3,413	3,346
Woodframe Multi-Family Condominiums	59	59
Total Available	655	603
Single Family Homes	-	-
Town Homes	-	-
Lofts	23	20
Concrete Multi-Family Condominiums	624	575
Woodframe Multi-Family Condominiums	8	8
Average Price per Square Foot		
Single Family Homes	-	-
Town Homes	-	-
Lofts	\$570 - \$575	\$540 - \$545
Concrete Multi-Family Condominiums	\$880 - \$885	\$880 - \$885
Woodframe Multi-Family Condominiums	\$585 - \$590	\$585 - \$590
Average Unit Size (sqft)		
Single Family Homes	-	-
Town Homes	-	-
Lofts	650 - 1050	650 - 1050
Concrete Multi-Family Condominiums	650 - 950	600 - 950
Woodframe Multi-Family Condominiums	700 - 850	700 - 900
Average Monthly Absorption (per development)	2 - 3	0 - 1
New Developments Coming Soon (# units within 12 months)	656	870
New Development Applications (# units)	4,223	4,121

C: Projects Now Selling

The 5 most recently updated properties are:

Three Harbour Green

Maddox

The Barclay

The Mark

Richards

[View all properties now selling in Downtown Vancouver Submarket Report](#)

D: Future Project Launches

The 4 most recently updated properties are:

Thalia

Alexandra

Salt

Panorama

[View all coming soon properties in Downtown Vancouver Submarket Report](#)

E: New Development Applications and Site Proposals

The 5 most recently updated properties are:

175 Robson Street (Hilton Hotel)

1241 Harwood Street

1754 - 1772 Pendrell Street

1255 West Pender Street

10 Terry Fox Way

[View all new development applications and site proposals in Downtown Vancouver Submarket Report](#)

F: Buyer Demographics

The following are active Downtown Vancouver buyer segments identified by MPC at presentation centers, project launches, events and through interviews with sales staff and developers selling product in the submarket:

Offshore investors - A mix of ethnicities but a high percentage are of Chinese origin. These buyers are consuming completed, premier product types, typically at discounted values, as well as price point units in more standard buildings.

Local investors of mixed ethnicities (tied to local economic realities) - This group is purchasing for rental income and capital appreciation. They are looking for smaller sized condominium product (often attracted to the least expensive unit types) in well located buildings with minimal maintenance fees.

Local downsizing end users - larger single level condominium product with larger balconies, views in walkable neighborhoods.

Move up buyer groups coming from within Vancouver looking for more square footage - These buyers already own Downtown and are looking to increase the size of their unit. They look for high-rise product typically smaller two bedrooms and larger one bedroom and den unit types, as well as cityhome product. They predominantly work in the Downtown core.

Heavily supported first time buyers, looking to enter the marketplace - Demand from these buyers is typically focused on small condominium product (least expensive studio and junior one bedroom unit types).

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