

# PRE-SALE PULSE MARKET INSIGHTS

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MLA ADVISORY | JUNE 2021

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# MAY 2021 PRE-SALE REAL ESTATE INSIGHTS

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**GREATER VANCOUVER & FRASER VALLEY PRE-SALE HOME SUMMARY** | APRIL TO JUNE 2021

**APRIL 2021  
RELEASED \***

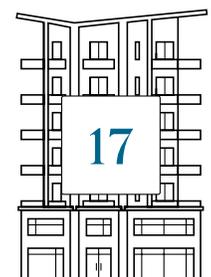


**PROJECT LAUNCHES**

**977**

**APPROX. NO. PRE-SALE UNITS**

**MAY 2021  
RELEASED \***



**PROJECT LAUNCHES**

**2,232**

**APPROX. NO. PRE-SALE UNITS**

**JUNE 2021  
FORECAST \***



**PROJECT LAUNCHES**

**3,152**

**APPROX. NO. PRE-SALE UNITS**

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May marked the largest monthly inventory release we have seen in the market in several years and a 56% first month absorption rate proves strong demand. This market activity is also being seen across all product types and in all markets still supported by the resale market and fueling developer confidence. Therefore, we are expecting a very busy June even with Covid restrictions easing and buyers reassessing future plans.

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**Suzana Goncalves**

EVP, SALES AND MARKETING; PARTNER, MLA CANADA

\*All projects and total units noted include all developments launched within the Greater Vancouver & Fraser Valley area region from Squamish to Abbotsford. The new multi-family property data are approximate numbers, the research captures most pre-sale projects coming to market and its estimated number of units thought to be released for sale. Some developments may have multiple buildings released in the same month and is considered one project.

Source: MLA Advisory, Urban Analytics and RealNet

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## PRESALE OFFERINGS ABSORBING WELL AT LAUNCH

Despite a slight reduction in resale market activity over the past two months, the presale market has shown no signs of slowing. In May, there were 17 new presale projects that began selling, releasing 2,232 condominium and townhome units to market. Of the newly released units, 56% sold in May, marking the third consecutive month of 50%+ presale absorptions. Broken down by product type, there were three townhome, eight wood frame condominium, and six concrete condominium projects that launched sales campaigns in May. There was concentrated market activity along the Cambie Corridor, where three projects began sales – Ava by ThinkHome, Revive by Belford Properties, and Autograph by Pennyfarthing Homes. Presale project success along Cambie, one of the most discussed areas in the bull-run of 2016 and 2017, indicates greater market strength and adequate developer confidence in absorbing premium product. Overall, the most presale market activity occurred in Langley and Surrey, where seven projects sold 820 of the 1,270 newly released units, marking a 65% same-month sales rate in these two cities.

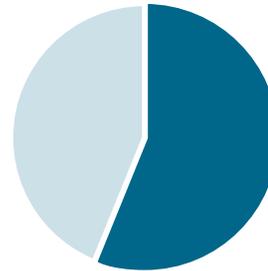
## AMENDED STRESS TEST WILL HAVE LITTLE IMPACT ON PRESALE

The Office of the Superintendent of Financial Institutions (OSFI) has followed through on a promise to revisit and alter the minimum qualifying rate for uninsured mortgages in Canada. An uninsured mortgage is one in which a homebuyer places a down payment of at least 20% of the purchase price. In essence, the change raises the minimum qualifying rate by 0.46% to 5.25%, which results in 4%-5% less borrowing power for prospective homeowners. Additionally, the federal government has said that this change will also apply to insured mortgages (mortgages with down payment less than 20%). In the short term, some buyers will have to temper their expectations or look for more affordable homes to enter the market, but in the long term, these slight changes to an existing policy will have very little effect on demand.

## NO PRESALE SLOWDOWN IN SIGHT

Consecutive months of strong presale project absorptions has renewed developer confidence in bringing new developments to market. Proven demand, combined with more optimal showing conditions in the spring and summer, is resulting in a wave of new projects in every submarket from Squamish to Chilliwack. As a result, MLA Advisory anticipates 18 project launches in June that will release approximately 3,077 new condominium and townhomes units to market. Interesting projects to watch include The Saint George by Reliance Properties, which offers efficient, functional homes near the future Mt Pleasant Canada Line Station, Archer Green by Polygon Homes, which is the beginning of a master plan concept in Mission's Silverdale neighborhood, and Pine & Glen by Onni, which will be the first new presale release in Coquitlam Centre since November 2018.

## Pre-Sale Sold Rate In May 2021



**56%**  
**SOLD**

**2,232 UNITS  
RELEASED**

## Borrowing Power



**4% - 5%**

## Pre-Sale Units Forecasted for June 2021



**CONCRETE**

**1,859**



**WOODFRAME**

**890**



**TOWNHOME**

**403**

MLA Canada's dedicated Advisory team maintains an exhaustive understanding of market intelligence. We offer the development industry market intelligence, product design and price analysis services leveraging our in-depth investigation to assist in strategy, acquisition and feasibility.

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The data is provided through various sources such as Urban Analytics, RealNet and REBGV and is analyzed and interpreted by MLA Advisory. The information, analysis and opinions are compiled through various sources thought to be extremely reliable, although accuracy cannot be guaranteed. MLA Canada or its employees will not be held liable for the information, analysis and opinions herein.