

PRE-SALE PULSE MARKET INSIGHTS

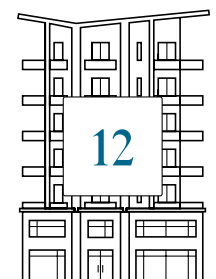
MLA ADVISORY | OCTOBER 2021

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SEPTEMBER 2021 PRE-SALE REAL ESTATE INSIGHTS

GREATER VANCOUVER & FRASER VALLEY PRE-SALE HOME SUMMARY | AUGUST TO OCTOBER 2021

**AUGUST 2021
RELEASED ***

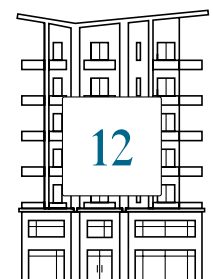


PROJECT LAUNCHES

1,822

APPROX. NO. PRE-SALE UNITS

**SEPTEMBER 2021
RELEASED ***



PROJECT LAUNCHES

1,614

APPROX. NO. PRE-SALE UNITS

**OCTOBER 2021
FORECAST ***



PROJECT LAUNCHES

2,842

APPROX. NO. PRE-SALE UNITS

“

September was another strong month with over 1600 units released which is well above the 1100 unit monthly average and still hit a 43% same-month absorption rate. Lack of supply in the resale market along with annual price escalation is driving investor and end-user demand to the presale market. Presale concrete inventory will continue to be a large part of our new inventory through the rest of the year with same month absorptions predicted to stay above 30%.

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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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STRONG Q3 PRESALE ACTIVITY CARRIES MOMENTUM INTO THE FALL

Like in August, the Lower Mainland saw 12 projects launch in September. These projects released approximately 1,614 condominium and townhome units to market. The same-month sales rate in September was 43% (697), increasing from 33% in August. In total, Metro Vancouver saw approximately 4,950 condominium and townhome presale units launch in Q3 2021, making it the most active quarter so far this year. This is of interest when you consider that first-month sales remained strong in Q3, averaging 42% between July - September. Demand for presale product remains active across Metro Vancouver, especially within submarkets, including those in the Fraser Valley, that are experiencing a low-inventory environment. Key launches in September include Melrose by ML Emporio, which officially launched in late-September and subsequently sold-out within a matter of days. Melrose benefited from its smaller formatted units and use of early VIP sales. The Standard by Anthem Properties, which began writing deals in early-September, is the sixth concrete condominium tower to launch within Metrotown in 2021. The project has sold approximately 170 of its 424 units (40%) and is blended at an average PPSF of approximately \$1,220.

A NEW WAVE OF AAA OFFICE IN THE DOWNTOWN CORE

Downtown Vancouver is preparing for incredible growth within its AAA office sector. In total, there are approximately eight office towers currently under construction in downtown Vancouver that are expected to bring approximately 712,000 sqft of office space by the end of 2021 and 1.5 million sqft in 2022. The ongoing construction of these office spaces coincide with announcements by tech giants such as Amazon and Microsoft who, earlier this year, committed to bringing a combined total of 3,500 new corporate and tech jobs into Vancouver. For Amazon, this growth will be hosted in their new regional headquarters, The Post, where they are leasing over 680,000 sqft of office space in its north and south tower. Overall, this growth will increase the presence of high-income earners working within the city and will continue to establish Vancouver as one of North America's premier tech hubs. As Covid-19 restrictions lower, and preferences shift towards living in more central areas, there is likely to be a significant demand for presale condominium product within downtown Vancouver for years to come.

MASTER-PLANNED COMMUNITIES SEE ACCELERATED PHASING

Metro Vancouver is home to several master-planned communities that together will add tens of thousands of new homes over the next 10-15 years. These projects have an advantage over single-phased developments as they provide greater interconnectivity with residential and commercial spaces and are often attached to major transit networks. The historic demand we've seen over the past several months has helped absorb existing inventory and expedite future phases of many of these projects. Such examples include North Harbour's Drift, which, after launching in August, has nearly sold out of its 182 units. Concert Properties has since closed Drift's presentation centre and, with the intent of continuing their sales momentum, is now actively preparing to launch the project's second phase, Aire, in October. Similarly, Live At Richmond Centre launched its third and fourth tower in late-2020 which has seen strong absorptions within Richmond's market. Shape Properties has since begun VIP previews of towers 5 & 6 in late-July and launched both towers publicly on October 16th. With this in mind, over 80% of the inventory to be released in October will be concrete product.

Pre-Sale Sold Rate In September 2021



43%
SOLD

**1,614 UNITS
RELEASED**

Pre-Sale Units Forecasted for October 2021



CONCRETE

2,318



WOODFRAME

286



TOWNHOME

238

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.