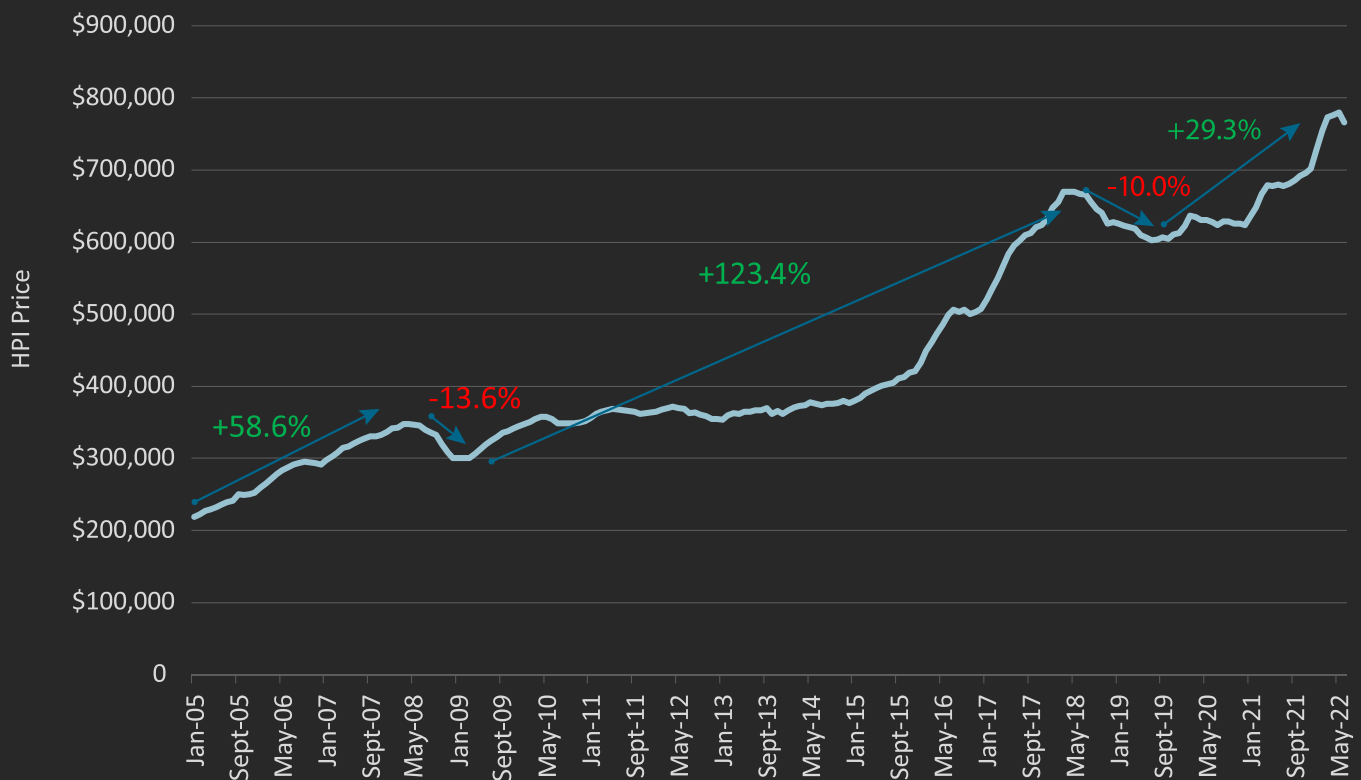


# Buying in a Changing Market: WHAT YOU SHOULD KNOW

Facing economic uncertainty isn't unique to our real estate market, and there is no such thing as a sure bet. However, the Vancouver Real Estate market is one of the most uniquely positioned markets in the world and possesses extremely strong fundamentals that should give Buyers entering the market – even an uncertain one – great confidence.

## GREATER VANCOUVER CONDOMINIUM PRICES: 2005-CURRENT



- Prices have only ever declined for two consecutive years **once** in over 20 years.
- All other downturns have lasted **less than a year**.
- Prices dipped only 10.0% but were followed by **double digit appreciation** the next year.
- During the worst housing crisis in modern history in '08, prices declined for only one year, dipping only 13.6% before recovering by a **+123.4%** appreciation in the following years.

# REASONS TO CONSIDER REAL ESTATE

Savvy investors historically looked towards Real Estate as a safe and steady way to build and maintain wealth. In times of economic uncertainty, demand for Real Estate typically increases as people look for tangible investments. Here are a few considerations:

**INFLATION:** Real Estate assets are traditionally seen as a strong hedge against inflation, which recently reached 20-year highs in Canada.

**PRICE APPRECIATION:** Investment in Canadian Real Estate, when factoring in leverage, has consistently outperformed the returns of other common investments, such as the Stock Market.

**STABILITY:** Real Estate is traditionally regarded as among the least volatile and most stable of assets over time, especially during uncertain economic environments.

**PRE-SALE ADVANTAGE:** The Pre-sale timeline of 1-3 years before completion allows you to buy now at today's price with the chance to lock-in lower mortgage rates in a few years time when rates are forecasted to drop. Construction costs meanwhile increased 15% last year equating to \$112,400 on a \$750,000 home.

## VARIABLE 5-YEAR MORTGAGE RATE FORECAST TO 2023

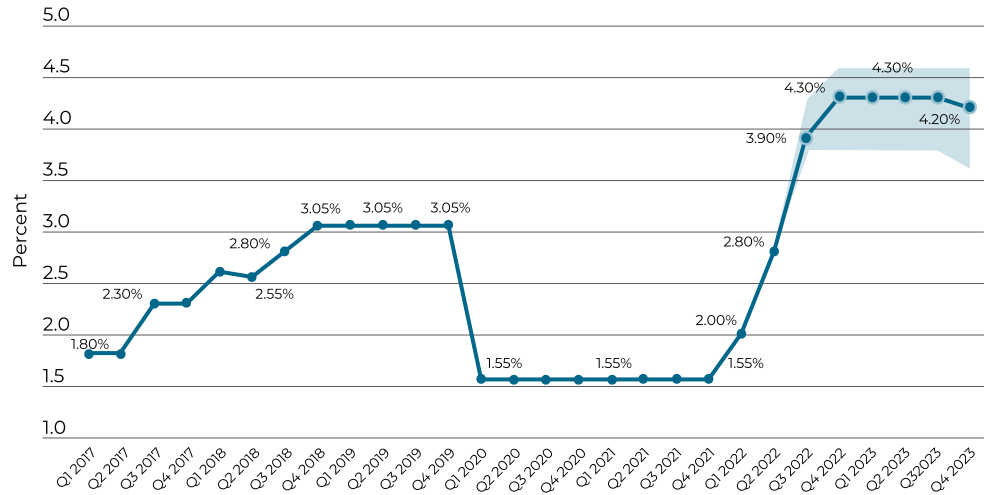


Chart of maximum, minimum, and average forecast from major Canadian banks.

# REASONS TO BE CONFIDENT IN VANCOUVER

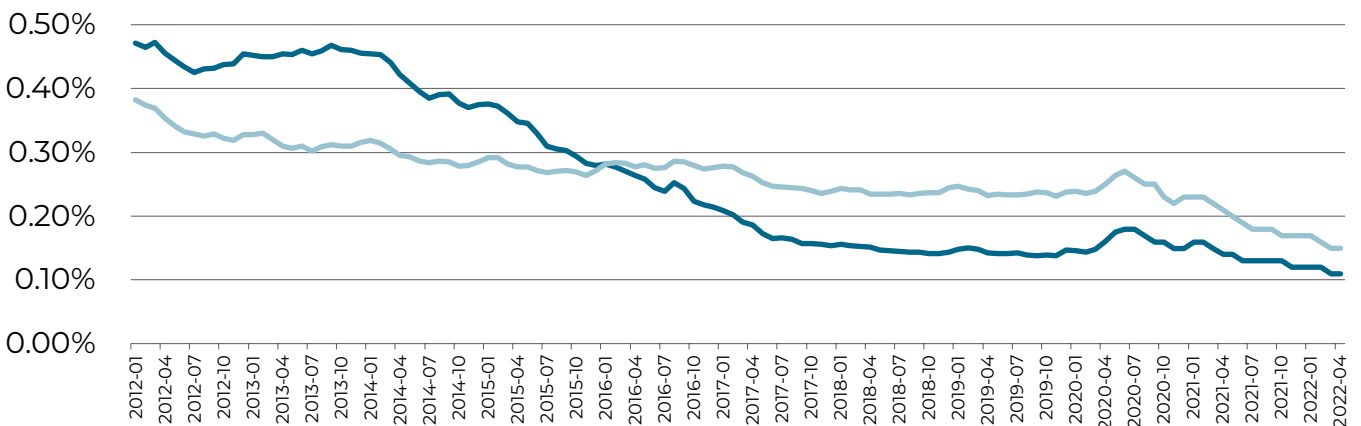
Aside from Real Estate product as a whole, there are many reasons for confidence in our local market specifically. A healthy market with strong fundamentals will dip less severely and recover more quickly from a downturn. And as one of the most desirable places to live, Vancouver has some of the strongest fundamentals of any market. Here are just a few:

**PERCENTAGE OF MORTGAGES IN DEFAULT:** BC has historically low mortgages in arrears, at just 0.2%, outpacing much of the rest of Canada.

**IMMIGRATION VS SUPPLY:** BC has a long history of an under-supply of housing, which will drive appreciation in the long run. In 2021, B.C. welcomed more than 100,000 residents, the most in 60 years.

**UNEMPLOYMENT RATE:** The B.C. unemployment rate is at record lows, following a robust COVID recovery – a great sign for the overall health of the economy.

## PERCENTAGE OF MORTGAGES IN DEFAULT, 2012 - PRESENT



"The best chance to deploy capital is when things are going down" – Warren Buffet.

For more information on navigating the market, please contact our team: [advisory@mlacanada.com](mailto:advisory@mlacanada.com)

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