

PRE-SALE PULSE MARKET INSIGHTS

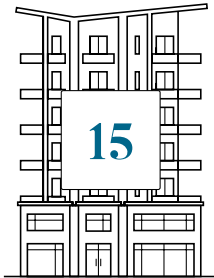
MLA ADVISORY | AUGUST 2022

MLA

JULY 2022 PRE-SALE REAL ESTATE INSIGHTS

GREATER VANCOUVER & FRASER VALLEY PRE-SALE HOME SUMMARY | JUNE-AUGUST 2022

JUNE 2022
RELEASED *

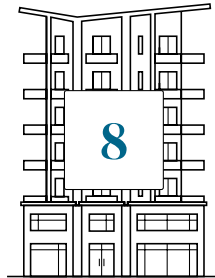


PROJECT LAUNCHES

2,004

APPROX. NO. PRE-SALE UNITS

JULY 2022
RELEASED *

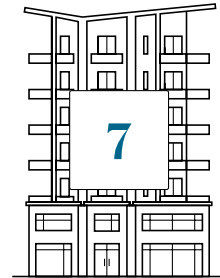


PROJECT LAUNCHES

1,354

APPROX. NO. PRE-SALE UNITS

AUGUST 2022
FORECAST *



PROJECT LAUNCHES

875

APPROX. NO. PRE-SALE UNITS

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Not surprisingly we are seeing a similar decline in same-month sales absorptions in presale as experienced in resale. This is due in part to an ongoing slide in consumer confidence given economic conditions along with many buyers being on vacation. Many developers are holding new project releases for the Fall 2022 or Spring 2023 markets further restricting supply so savvy investors are purchasing presale homes now.

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Suzana Goncalves

EVP, SALES AND MARKETING; PARTNER, MLA CANADA

* The data is provided through various sources such as Zonda Urban and Altus Data Studio, FVREB, 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.

RISING TEMPERATURES, DECREASING SALES

Eight programs launched in July, bringing 1,354 units to market. Same-month absorptions were 22% (304), falling from the 32% average seen over the previous three months. July experienced a seasonal slowdown typical in the summer months. At a time of heightened economic uncertainty and shifting momentum, buyers have moved their attention away from real estate and towards travel, leisure, and making the most of our remaining good weather. It has been interesting to follow buyer behaviour over the last 18 months. When supply is constrained, and prices rise, activity remains heightened even during seasonally slow periods as people rush to enter the market. Now, as supply-demand metrics have softened and there is an increasing opportunity for buyers to find deals in the market, we are seeing increased hesitancy and slow demand.

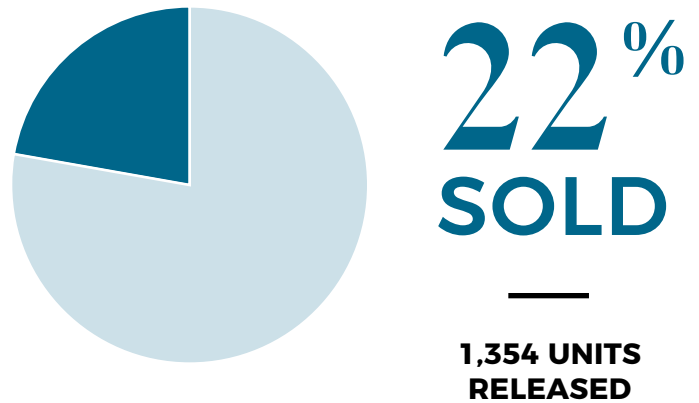
TIMING THE MARKET: WHEN IS THE RIGHT TIME TO BUY?

Whether it's real estate, the stock market, or any investment vehicle, history shows that time in the market, rather than the timing of the market, is the single greatest natural advantage an investor has. Today many potential homebuyers are on the fence and are hoping for a clear sign of what direction the real estate market will take. It isn't the first time we've faced market uncertainty; the financial crisis in 08' and increased government intervention in 2018 similarly had buyers reluctant to enter the market. However, when analyzing the last 14 years, we learn that prices have, at their worst, returned to their previous high within a three-year period. While it seems significant, it is below the average time for presale products to complete. It gives assurance that prices buyers are locking in today will be consistent with market pricing when the product completes three to four years later.

PRESALE LAUNCH ACTIVITY TO SLOW BEFORE INCREASING IN THE FALL

Seven presale programs are forecasted to launch in August, bringing approximately 875 units to market. As a result, MLA Advisory expects same-month absorptions in August and September to be consistent with what we saw in July - around 20-25%, before increasing to approximately 30-35% in October.

Pre-Sale Sold Rate In July 2022



Pre-Sale Units Forecasted for August 2022



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.

CONTACT FOR MORE INFORMATION

MLA ADVISORY

ADVISORY@MLACANADA.COM

MEDIA INQUIRIES

MEDIA@MLACANADA.COM

 @MLACanada

Real Estate Intelligent