

Greater Vancouver and Fraser Valley Pre-sale Achieved a 74% Sold Rate in the First Six Months of 2018: Mid-Year Market Review by MLA Advisory

PRE-SALE MARKET SHIFTS FROM HYPERACTIVE GROWTH TO NORMAL CONDITIONS

Vancouver, BC, July 18, 2018 – The real estate marketing firm, MLA Canada, released their 2018 Mid-Year Market Review, a summary of the pre-sale activity in Greater Vancouver and the Fraser Valley for the first half of 2018 and forecast for the year. Multi-family developments saw strong activity take place with a 74% sold rate for the 7,753 homes that were released from January to June 2018.

“The current pre-sale landscape is shifting from its once unsustainable, hyperactive growth to a balanced, more normal market,” says Suzana Goncalves, Chief Advisory Officer and Partner of MLA Canada. “This is good news for everyone to ensure more modest and realistic price growth, more choice for consumers and the need for higher quality product from the industry. The economic fundamentals including low interest rates, steady employment landscape, and continued demand to move to our sought-after city will allow for a steady shift into a balanced market.”

Historically, normalized pre-sale activity is viewed as projects experiencing 50% to 65% sales absorptions within the first 6 to 9 months and sell-out periods of 12 to 24 months depending on the size and complexity of the project.

Over the past two years, government policies, stricter lending regulations and rapid price appreciation has increased competition between developments as consumers look to a number of factors that influence their purchasing decision. These factors include access to transit, in-building or community amenities, competitive pricing, well designed product and an established developer reputation.

Q1 & Q2 2018

74%

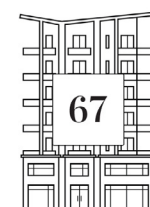


PRE-SALE SOLD RATE

7,753

TOTAL UNITS RELEASED

Q3 AND Q4 2018 PRE-SALE FORECAST
GREATER VANCOUVER AND THE FRASER VALLEY



PROJECT LAUNCHES

7,718

NO. PRE-SALE UNITS

Greater Vancouver and Fraser Valley pre-sale market highlights by quarter:

Q1 & Q2 2018 PRE-SALE HIGHLIGHTS

- 94% absorption rate in January 2018 for new units entering the marketplace
- 81% of the new inventory released in Q1 of 2018 were concrete projects
- June 2018 same month absorptions landed slightly below 50%
- Over 91 per cent sold rate and nearly 1,600 homes were purchased in Burnaby North

Q3 & Q4 2018 PRE-SALE FORECAST

- MLA Advisory is forecasting 67 project launches and over 7,700 new homes for the second half of 2018
- Most active market in Greater Vancouver is expected to be North Vancouver with nearly 1,500 units
- Langley is leading the Fraser Valley market with over 900 anticipated homes

Q1 & Q2 2018 RESALE CONDOMINIUM MARKET

MLA Advisory selected 10 sub-markets and mapped out the median resale prices from January to June 2018 for newly built one and two-bedroom condominiums. On the lower end of the spectrum, a one-bed condominium in Langley has a median price of \$387,500, while in Vancouver West, the average price tag is \$687,500 for a one-bed and almost doubles in price at \$1.1 million for a two-bed.

Resale condominiums experienced an increased number of listings likely in response to the provincial government's announcement to introduce measures to curb speculation. Most markets continue to experience modest price growth, and subsequently, MLA Advisory is anticipating stable growth of 5% to 7% for resale condominiums over the remainder of 2018.

The fundamentals of the Greater Vancouver and Fraser Valley pre-sale market with regards to limited supply and stable demand remains in place while the market continues to adjust.

ABOUT MLA CANADA

MLA Canada (an acronym for McNeill Lalonde & Associates) is the unification of two real estate powerhouses – MAC Marketing Solutions and BLVD Marketing Group. The company offers unrivaled knowledge and expertise to developers on pre-sale multi-family projects. As Western Canada's comprehensive real estate marketing company, its core service models include Advisory, Project Marketing, Communications, Sales, Lease Up and Customer Care. To become real estate intelligent, visit MLACanada.com.

EDITOR'S NOTE

- To view the full Mid-Year Market Review 2018, visit [here](#)
- For access to the report infographics, click [here](#)

FOR MORE INFORMATION

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