



THE VANCOUVER LIFE

Real Estate Market Report

PUBLISHED JANUARY 2021



THE VANCOUVER LIFE
REAL ESTATE GROUP



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Your Comprehensive Guide To Vancouver Real Estate Data

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01. Month In Review



2020 Ends With Record Sales Volumes And All Properties Seeing Price Increases

The incredibly strong sales numbers through the end of 2020 continued into December where a record-setting 3,093 homes were sold. This is 53.4% higher than December 2019 and a whopping 57.7% above the 10 year average.

The strong sales coupled with below average inventory pushed all property types well into a Sellers Market at 36.2%, the highest in 42 months dating back to June 2017. (20% and above is a sellers market.)

Prices increased \$3,400 on average last month ending up 5.4% for the year, or \$56,560 per home. Prices are the highest they've been since October 2018.

BC Assessments

The 2021 BC Assessment are out and they show an increase across the majority of properties, with detached homes gaining the most at around 10%. Interestingly, this is very in-line with the actual detached property values that also saw around a 10% increase. Now these assessments can vary wildly, one of our clients in Maple Ridge saw his assessment increase by 72%, or \$850,000 with no change to the property. Keep in mind that assessed price rarely equals market value, and can sometimes be off by as much as 50% - 100%.



Month In Review

2020 Ends With Record Sales Volumes And All Properties Seeing Price Increases

We did a podcast previously that does a deep-dive into Assessed values, how they are determined and how they can be so wrong. Please look that up if you're curious, it's called "Obsessed with Assessed Values"

If you are interested in knowing the true market value, the amount it would sell for, get a hold of us and we will provide that number for you.

Mortgages (Access to credit)

This is the first month since April where we don't have a new record low interest rate to report. It appears, at least for the time being, that the lowest rate available is 0.99% (5 year fixed insured.)

This is the lowest in history and one that is stimulating markets and helping drive this sellers market. Especially with the BOC stating that rates will remain this low for the next 2 to 3 years.

When it comes to predictions, a number of banks have come forward with their vision of 2021:

RBC (+0.6%) and Scotiabank (+0.4%)

Both banks essentially expect flat price growth over the year, citing continued pandemic-related economic headwinds, continued weakness in regional condo markets and growing affordability concerns.

Luxury Market

The luxury market remained very strong in December with 24 homes selling over \$5,000,000 and 4 over \$8,000,000. This includes the second highest MLS sale ever recorded with a Kitsilano home selling on Point Grey Road for \$27,000,000.



Month In Review

2020 Ends With Record Sales Volumes And All Properties Seeing Price Increases

Pre Sale Market

The pre sale market saw an 18% absorption rate in November, this comes off a 25% rate in October. While on the higher end for the year, it does represent a slow down which may continue in December, though only 1 release is expected which may skew numbers higher.

Investors

The downtown Vancouver condo market is one being watched by investors as, from March 2020, average prices are down 14%. BUT, things are showing early signs of recovery. At one point downtown had as many as 1,200 condos actively listed for sale. That has now dropped to 720, a 34% drop in inventory. This drop resulted in the Sales ratio jumping from 16% to 28%, now a sellers market. The question becomes, does this mark the bottom of the cycle and will prices begin to increase again for this asset class?

Deferral Cliff

The 'Deferral Cliff' has proven to be non-existent. Another huge mis-call by the CMHC, who also predicted prices to drop 9% to 18% this year. As of November 30th, there are less than 45,000 mortgages deferred nationally. Had all of those houses hypothetically been foreclosed/listed for sale that month, there would still have been fewer homes for sale across the country than in Nov 2019.

Court Ordered Sales

It is then no surprise that the amount of Court Ordered sales did not increase in December. There are currently 56 Detached homes & 60 Condos listed as court ordered sales in GVRD. (0.01%)



Month In Review

2020 Ends With Record Sales Volumes And All Properties Seeing Price Increases

Employment

Canada saw a reduction in overall jobs by 63,000 in December, the first decline since April. BC was the only province that added jobs, 3,800 of them, and remains at 99% of its pre-covid employment levels. Even with covid cases increasing in December, BC's employment levels grew as well, with Construction and Manufacturing leading the industries.

In Summary

Looking to the year ahead, we are bullish on housing and expect price increases to continue. Canadians are flush with cash, borrowed money has never been cheaper and Canada is looking to fast track its population growth. This will all put fuel on the fire and should prices escalate too fast, expect policy makers to suppress this through taxation and restrictive borrowing practices.



Greater Vancouver Real Estate Stats

Homes Finish With A 5.4% Average Price Increase In 2020

Strong December activity brought Metro Vancouver's 2020 home sales total in line with the region's long-term annual average.

The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region totalled 30,944 in 2020, a 22.1% increase from the 25,351 sales recorded in 2019, and a 25.7% increase from the 24,619 homes sold in 2018.

Last year's sales total was 2.8% below the 10-year sales average.

Home listings on the Multiple Listing Service® (MLS®) in Metro Vancouver reached 54,305 in 2020. This is a 4.6% increase compared to the 51,918 homes listed in 2019 and a 1.3% increase compared to the 53,614 homes listed in 2018.

Last year's listings total was 2.7% below the region's 10-year average.

The MLS® HPI composite benchmark price for all residential properties in Metro Vancouver ends the year at \$1,047,400. This is a 5.4% increase compared to December 2019.

The benchmark price for apartments increased 2.6% in the region last year. Townhomes increased 4.9% and detached homes increased 10.2%.

Greater Vancouver Real Estate Stats

Average Property Prices

The MLS® HPI composite benchmark price for all residential properties in Metro Vancouver ends the year at \$1,047,400.

This is a 5.4 % increase compared to December 2019.

Prices have risen in 13 of the last 16 months.



ALL PROPERTY TYPES

AVERAGE SALE PRICE

\$1,047,400

DECEMBER 2019: **\$993,300**

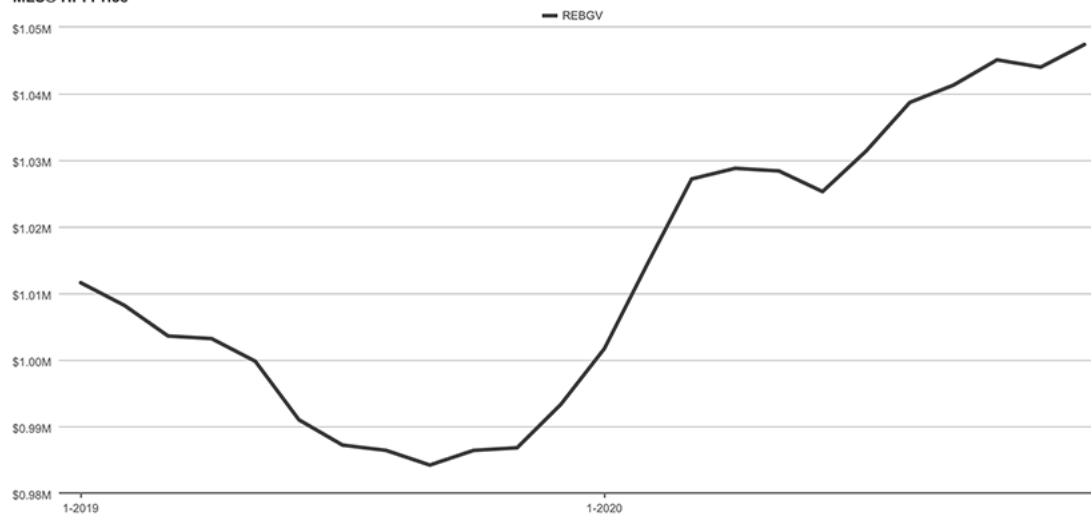
Y/Y CHANGE

5.4%

+ \$54,100



MLS® HPI Price



Greater Vancouver Real Estate Stats

Total Volume of Property Sales

Sales volumes hit an all-time high for the month of December, and this is the 3rd time in 4 months that an all time sales volume record has been set.

Last month's sales were 57.7% above the 10-year December sales average.

HOMES SOLD

3,093

DECEMBER 2019: **2,014**

Y/Y CHANGE

53.4%

+ 1,079



ALL PROPERTY TYPES

Sales

4,000

3,500

3,000

2,500

2,000

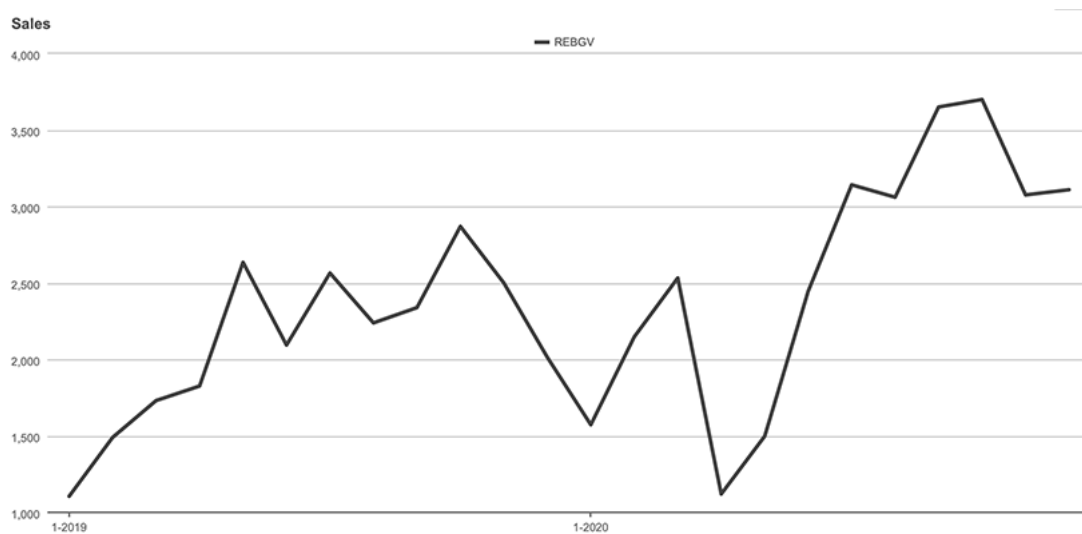
1,500

1,000

1-2019

REBGV

1-2020



Greater Vancouver Real Estate Stats

Newly Listed Homes

There were 2,409 detached, attached and apartment properties newly listed for sale on the MLS in Metro Vancouver in December 2020. This represents a 51.7% cent increase compared to the 1,588 homes listed in December 2019 and a 40.8% decrease compared to November 2020 when 4,068 homes were listed.



ALL PROPERTY TYPES

NEWLY LISTED

2,409

DECEMBER 2019: **1,586**

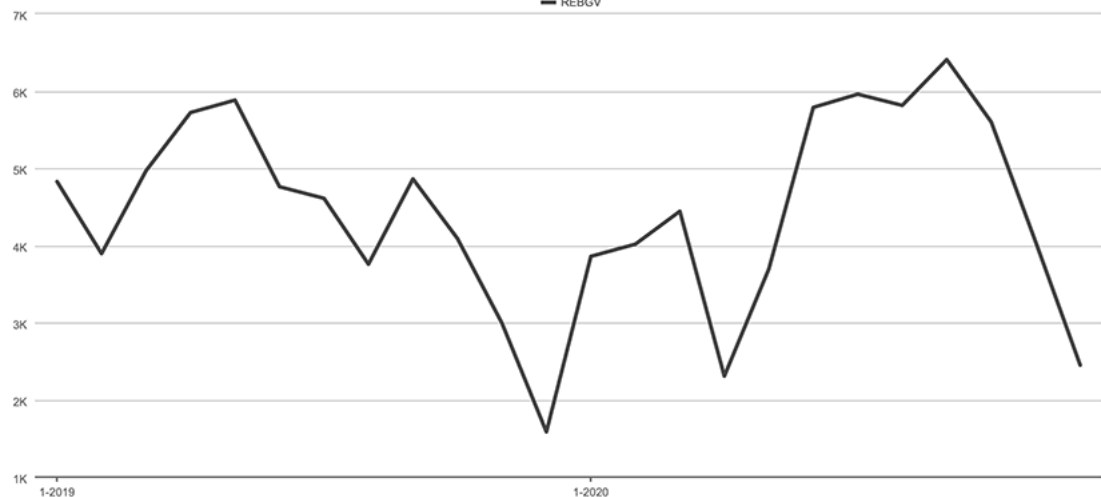
Y/Y CHANGE

51.7%

+ 823



New Listings



Greater Vancouver Real Estate Stats

Total Inventory

Inventory dropped to a 3 year low in December and resulted in only 2.5 months of remaining inventory.

TOTAL INVENTORY

7,978

DECEMBER 2019: 8,561

Y/Y CHANGE

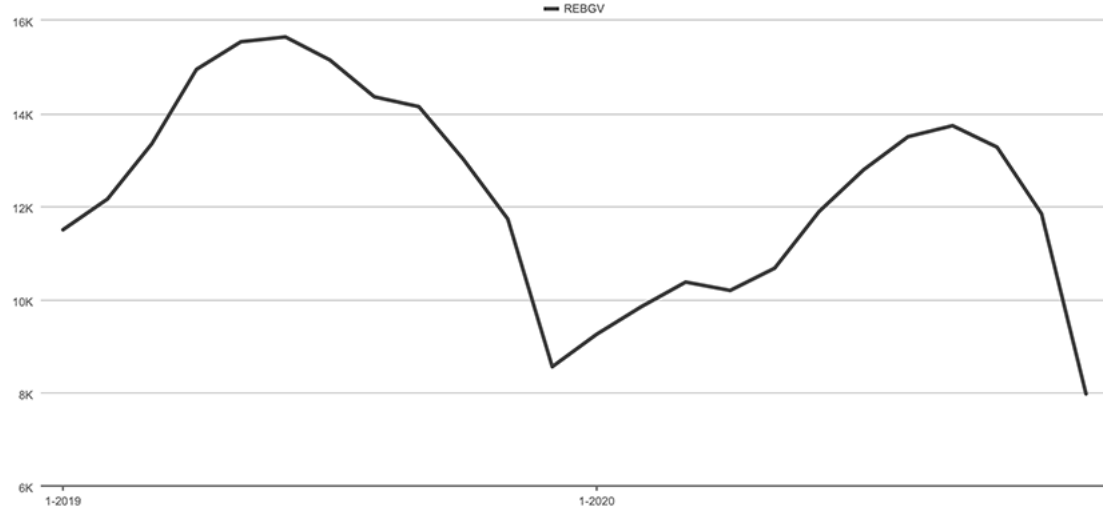
7.3%

- 583



ALL PROPERTY TYPES

Total Inventory



Greater Vancouver Real Estate Stats

Sales to Active Listings Ratio

The Sales to Active Listings Ratio jumped to 39% in December thanks to very low inventory levels. This is the highest it has been since June 2017 and places all property types well into a sellers market.

12 of the last 15 months have been a sellers market. This includes April & May of 2020 which had record low sales volumes resulting from the lockdown.



ALL PROPERTY TYPES

SALES RATIO

39%

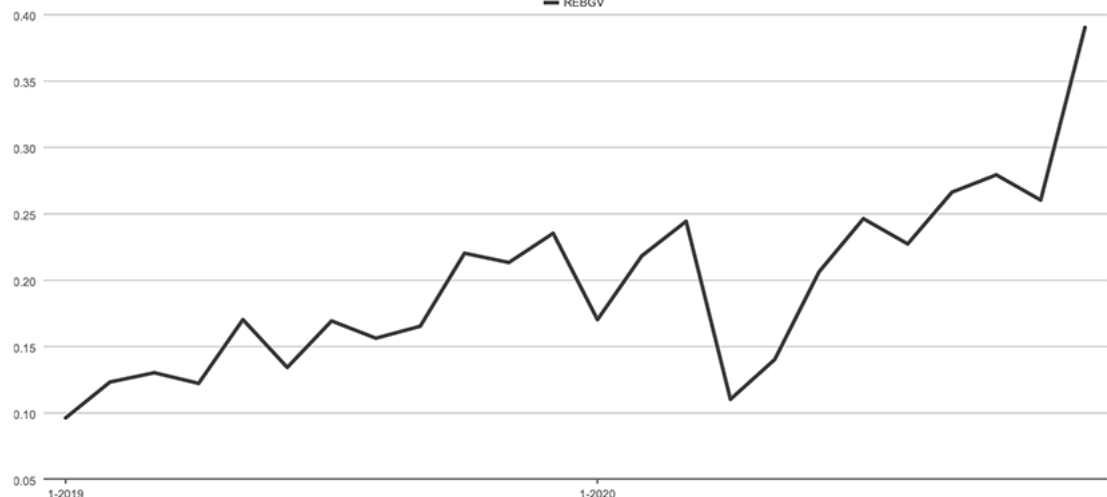
DECEMBER 2019: 23.5%

Y/Y CHANGE

15.5%

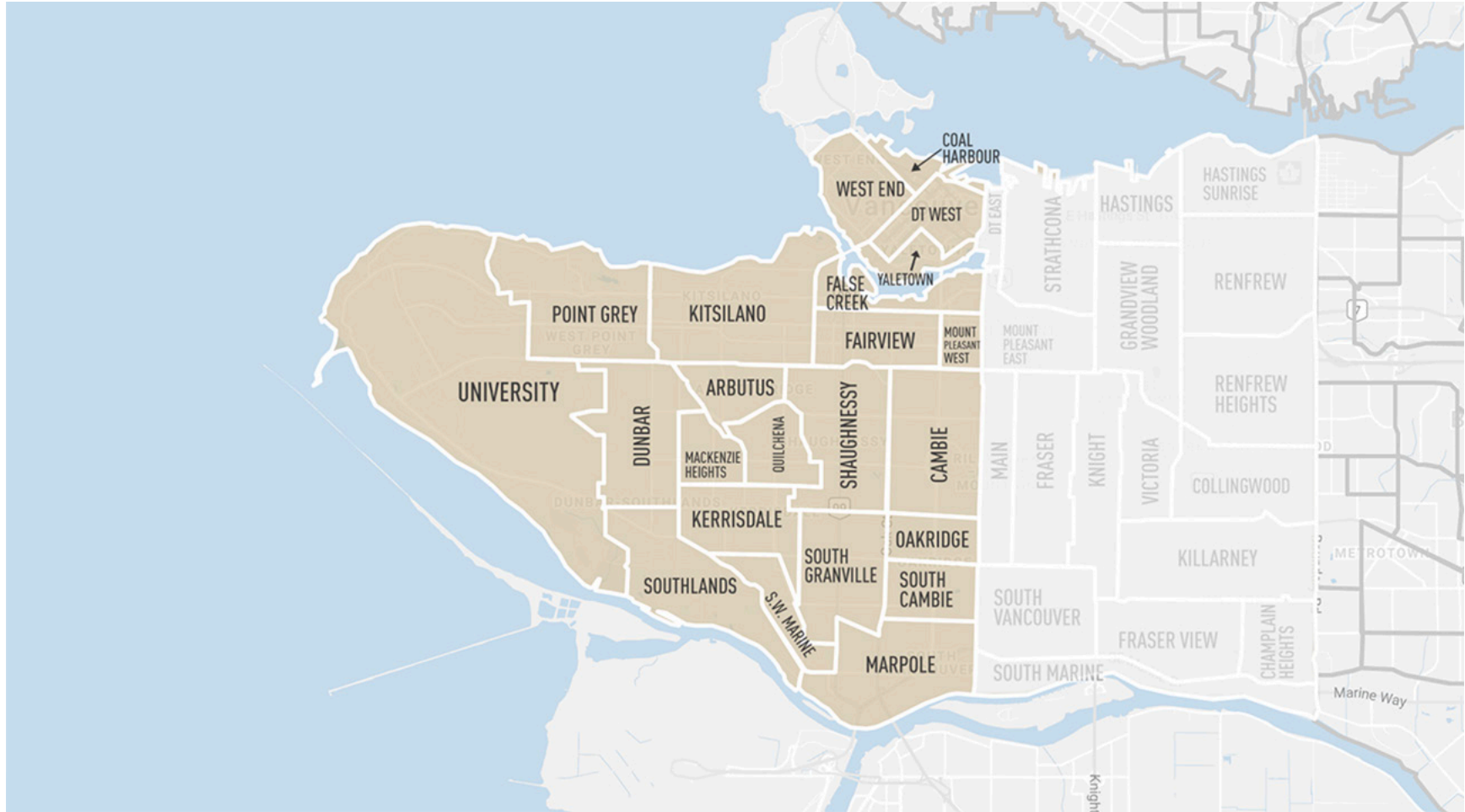


Sales to Actives Ratio



Vancouver West Real Estate Stats

A Focused Look At How The Vancouver West Market Performed In December 2020





Vancouver West Detached Stats

Vancouver West Real Estate Stats : Detached

Average Property Prices for the Detached Home Market

Detached homes in this area have experienced price increases in 13 of the last 17 months, resulting in an increase of \$240,000 since August 2019. With the area hitting a sellers market last month and continued low inventory leads us to believe that price increases will continue through 2021.



AVERAGE SALE PRICE

\$3,161,700

DECEMBER 2019: **\$2,941,200**

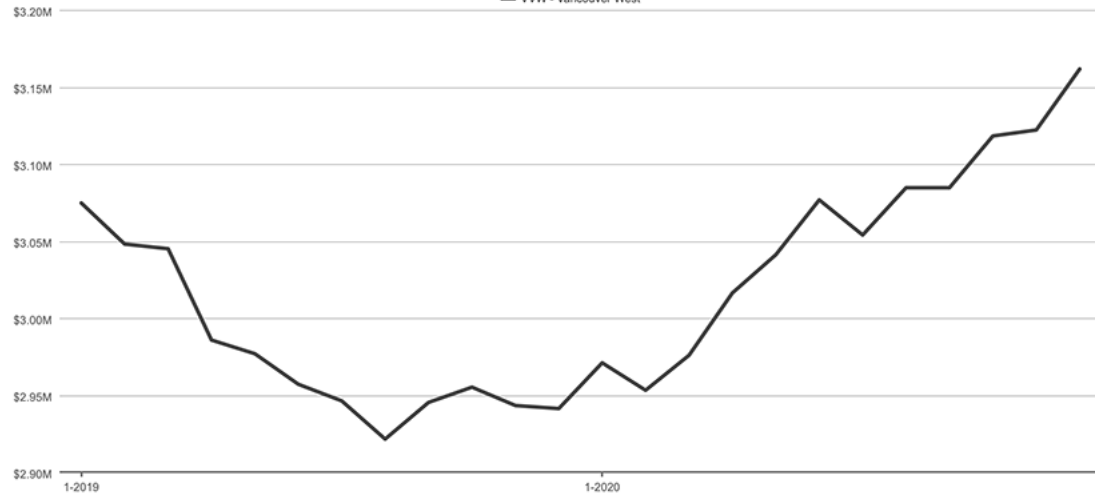
Y/Y CHANGE

7.5%

+ \$220,500



MLS® HPI Price



Vancouver West Real Estate Stats : Detached

Total Sold, Listed, Inventory & Sales Ratio For Detached Homes In The Region

December sales were the highest since 2016 with inventory at a 10 year low. This pushed the sales ratio into a Sellers market for the first time since May 2017.

HOMES SOLD

85

DECEMBER 2019: 60

Y/Y CHANGE

41.7%

+ 25



NEWLY LISTED

83

DECEMBER 2019: 66

Y/Y CHANGE

25.8%

+17



TOTAL INVENTORY

394

DECEMBER 2019: 528

Y/Y CHANGE

34.0%

- 134



SALES RATIO

21.6%

DECEMBER 2019: 11.4%

Y/Y CHANGE

10.2%



Vancouver West Townhome Stats



Vancouver West Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

Townhomes only edged up slightly in price compared to 1 year ago. Prices are down \$20,000 from September. This said, the Sales Ratio has just entered a sellers market and prices are expected to increase over the foreseeable future.



AVERAGE SALE PRICE

\$1,141,600

DECEMBER 2019: **\$1,136,500**

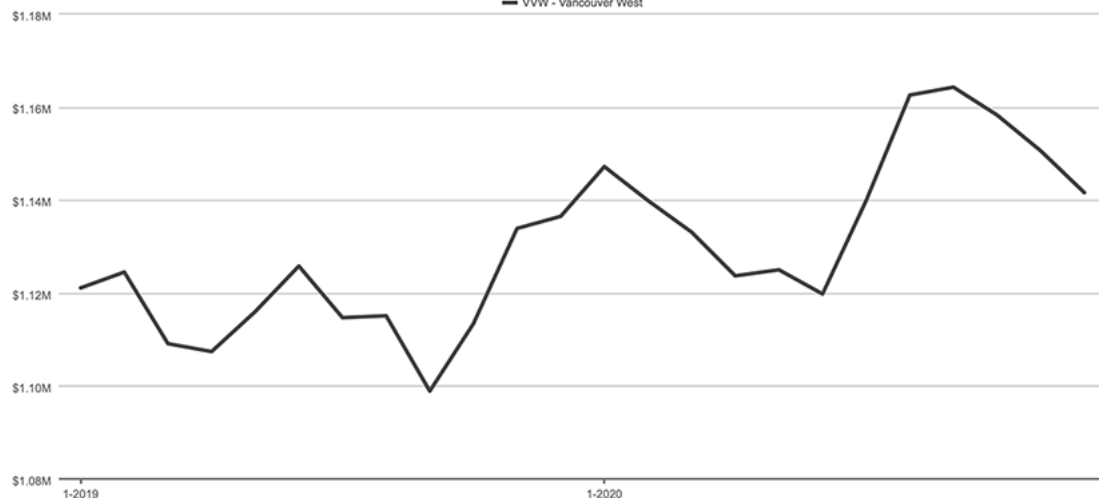
Y/Y CHANGE

0.4%

+ \$5,100



MLS® HPI Price



Vancouver West Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

December hit a 2 year low in inventory as sales increased, pushing the sales ratio into a Sellers market. Inventory has been dropping since September and may trigger a price increase in the near future.



HOMES SOLD

34

DECEMBER 2019: 30

Y/Y CHANGE

13.3%

+ 4



NEWLY LISTED

44

DECEMBER 2019: 27

Y/Y CHANGE

63.0%

+ 17



TOTAL INVENTORY

161

DECEMBER 2019: 186

Y/Y CHANGE

15.5%

- 25



SALES RATIO

21.1%

DECEMBER 2019: 16.1%

Y/Y CHANGE

5.0%





Vancouver West Condo Stats

Vancouver West Real Estate Stats : Condo

Average Property Prices for the Condominium Market

While only down slightly from 1 year ago, condos are down \$51,500 from their recent height in March. This decline has excentuated in some pockets, like downtown, which has seen upwards of 14% declines.

AVERAGE SALE PRICE

\$759,700

DECEMBER 2019: **\$760,900**

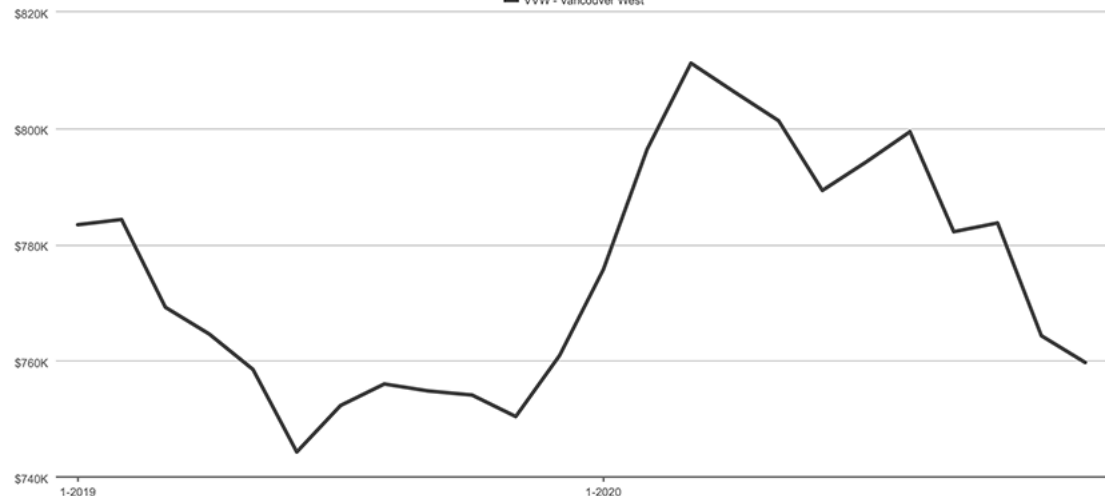
Y/Y CHANGE

0.02%

- \$800



MLS® HPI Price



Vancouver West Real Estate Stats : Condo

Average Property Prices for the Condominium Market

While prices dropped in December, the other indicators are pointing to a potentially upward trend in the near future. A huge spike in the Sales Ratio and Downtown condo prices increasing may be an indicator that investors are feeling a 'bottom' to this asset class cycle in this area and are ready to jump back in.



HOMES SOLD

364

DECEMBER 2019: 259

Y/Y CHANGE

40.5%

+ 105



NEWLY LISTED

297

DECEMBER 2019: 203

Y/Y CHANGE

46.3%

+ 94



TOTAL INVENTORY

1,248

DECEMBER 2019: 929

Y/Y CHANGE

34.3%

+ 319



SALES RATIO

29.2%

DECEMBER 2019: 27.9%

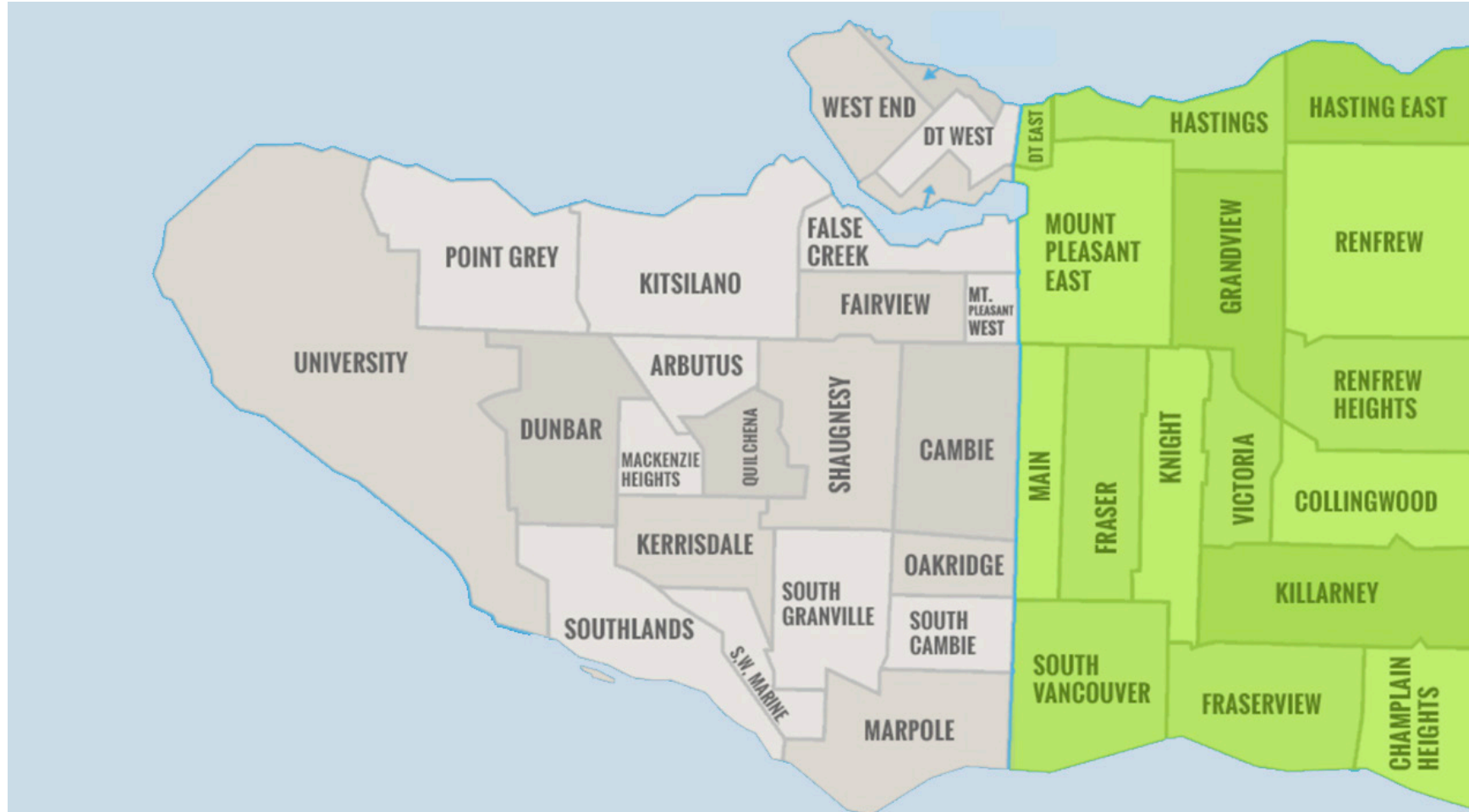
Y/Y CHANGE

1.3%



Vancouver East Real Estate Stats

A Focused Look At How The Vancouver East Market Performed In December 2020



Vancouver East Detached Stats



Vancouver East Real Estate Stats : Detached

Average Property Prices for the Detached Home Market

The darling of Vancouver Real Estate continued its upward price trend in December, now up 14% since June 2019. All indicators are pointing to this trend continuing for the upcoming months, maybe years.



AVERAGE SALE PRICE

\$1,545,400

DECEMBER 2019: **\$1,402,400**

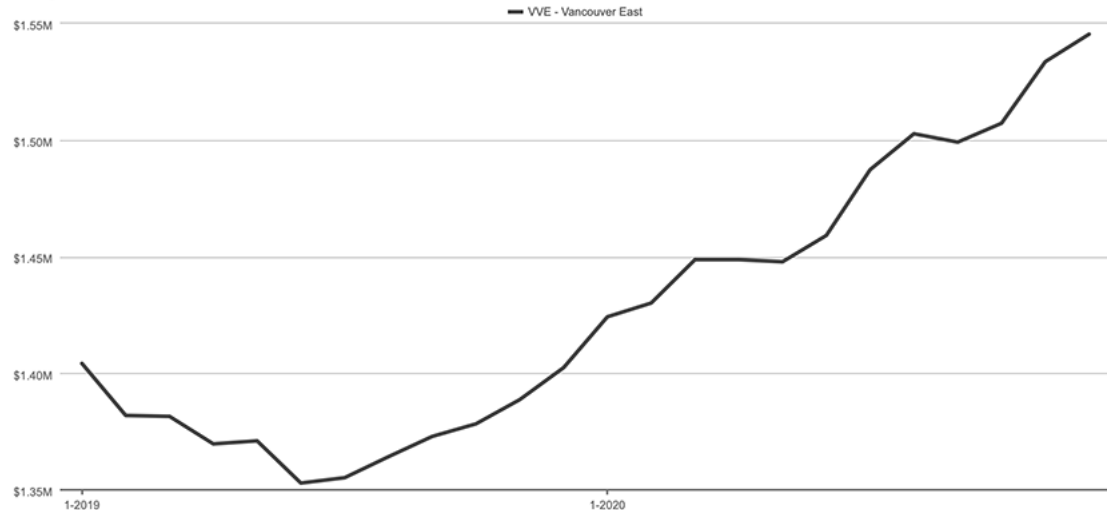
Y/Y CHANGE

10.2%

+ \$143,000



MLS® HPI Price



Vancouver East Real Estate Stats : Detached

Total Sold, Listed, Inventory & Sales Ratio For Detached Homes In The Region

Low inventory and a very high sales ratio shows that the demand for these properties will continue for months to come. Until a radical industry change comes, expect to see these homes receive double digit gains in 2021.



HOMES SOLD

133

DECEMBER 2019: 73

Y/Y CHANGE

82.2%

+ 60



NEWLY LISTED

108

DECEMBER 2019: 64

Y/Y CHANGE

68.8%

+ 44



TOTAL INVENTORY

325

DECEMBER 2019: 388

Y/Y CHANGE

19.4%

- 63



SALES RATIO

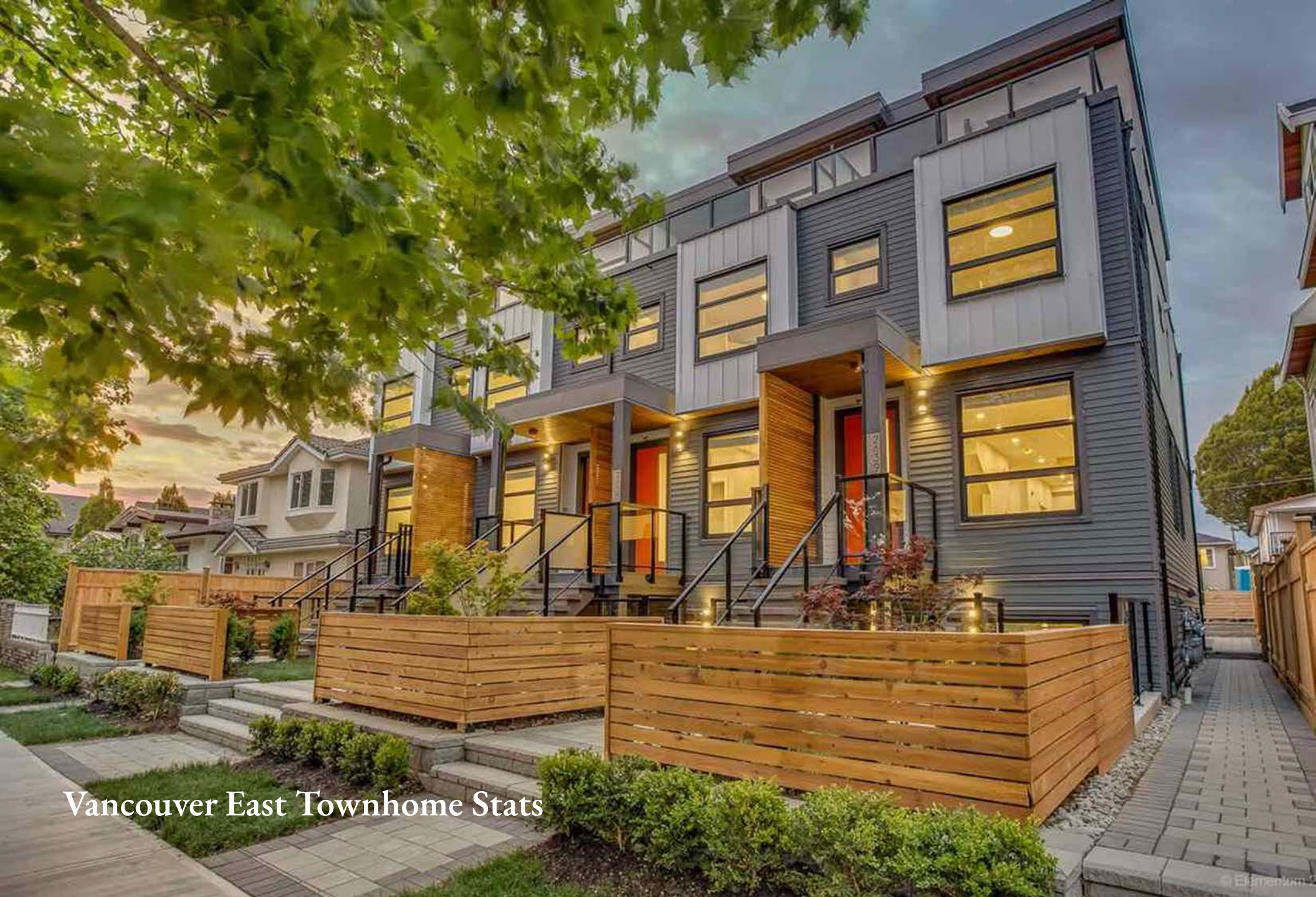
41%

DECEMBER 2019: 19%

Y/Y CHANGE

22%





Vancouver East Townhome Stats

Vancouver East Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

Townhomes increased slightly in 2020 and show signs of a strong 2021. Expect these homes to continue upward pricing, especially for the non-strata options.

AVERAGE SALE PRICE

\$897,400

DECEMBER 2019: **\$886,100**

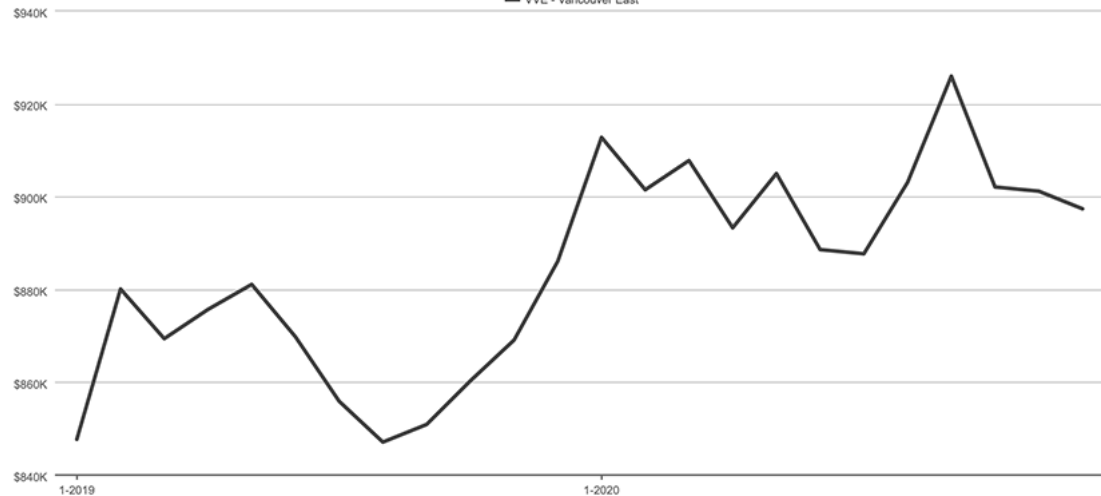
Y/Y CHANGE

1.3%

+ \$11,300



MLS® HPI Price



Vancouver East Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

With only 1.8 months of inventory available, townhomes in this area hit a 55% sales ratio, the highest since September 2017.



HOMES SOLD

31

DECEMBER 2019: 17

Y/Y CHANGE

82.4%

+ 14



NEWLY LISTED

22

DECEMBER 2019: 10

Y/Y CHANGE

120%

+ 12



TOTAL INVENTORY

56

DECEMBER 2019: 42

Y/Y CHANGE

33.3%

+ 14



SALES RATIO

55%

DECEMBER 2019: 41%

Y/Y CHANGE

14%





Vancouver East Condo Stats

Vancouver East Real Estate Stats : Condo

Average Property Prices for the Condominium Market

Vancouver East condos outperformed Vancouver West and increased 4% in 2020. With strong fundamentals going into 2021, we expect prices for these properties to gradually increase next year.

AVERAGE SALE PRICE

\$595,300

DECEMBER 2019: **\$572,000**

Y/Y CHANGE

4.0%

+ \$23,300



MLS® HPI Price

\$610K

— VVE - Vancouver East

\$600K

\$590K

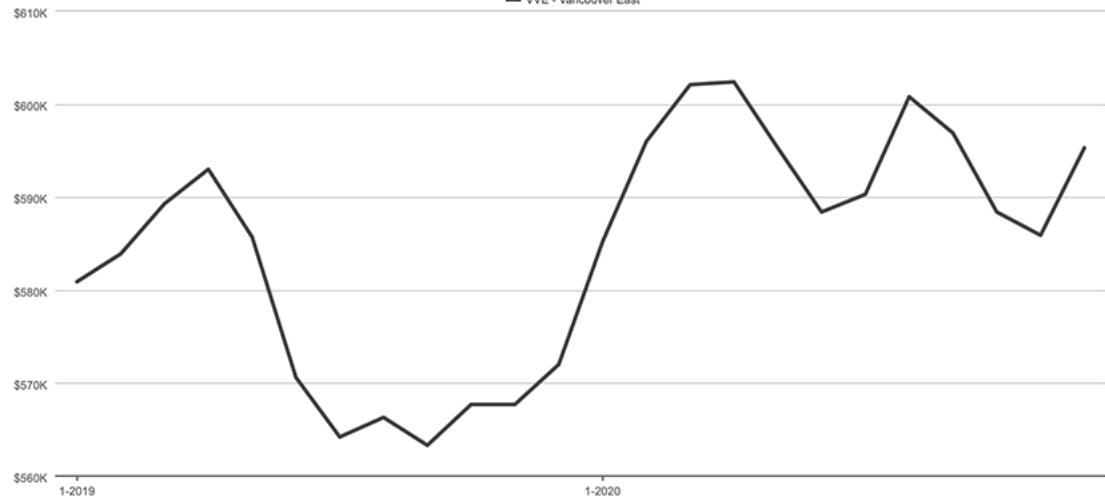
\$580K

\$570K

\$560K

1-2019

1-2020



Vancouver East Real Estate Stats : Condo

Average Property Prices for the Condominium Market

While listings are increasing, the sale ratio is firmly in a sellers market, which generally points to price increases in the near future.

HOMES SOLD

148

DECEMBER 2019: 98

Y/Y CHANGE

51.0%

+ 50



NEWLY LISTED

107

DECEMBER 2019: 77

Y/Y CHANGE

39.0%

+ 30



TOTAL INVENTORY

372

DECEMBER 2019: 281

Y/Y CHANGE

32.4%

+ 91



SALES RATIO

39.8%

DECEMBER 2019: 34.9%

Y/Y CHANGE

4.9%



Commercial Real Estate



Commercial Real Estate

2020 In Review

As we close out 2020, the commercial real estate industry's greatest impact was COVID-19. While creating many issues for office and retail assets, it has also created more demand for industrial assets. Following social distancing guidelines, consumers switched to online shopping options and employers opted to temporarily move their workspaces home. This affected the BC commercial industry in three ways: the first was that retail assets struggled to maintain a consumer base, even with rent assistance many businesses found it difficult to make ends meet.. The second was that a strong shift to Industrial assets emerged as warehousing and distribution needs increased with the move to online sales. Finally, the third affect was that the office market also took a large pause as workers moved home in the effort to help with social distancing, and employers are holding out for an end to the virus.

William | Wright

Commercial Real Estate Update

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2020 IN REVIEW



Commercial Real Estate

Retail

British Columbia's retail assets, like those around the world, were not immune to the effects of COVID-19. As consumers abruptly shifted to online shopping, the largest impacts were felt within clothing and department stores, electronics, and sporting goods which took on a -85% decrease in sales volume compared to last year. This came to a tune of -\$598m in investment, an increased vacancy rate by 4.95%, and net absorption -280,000 Square feet.

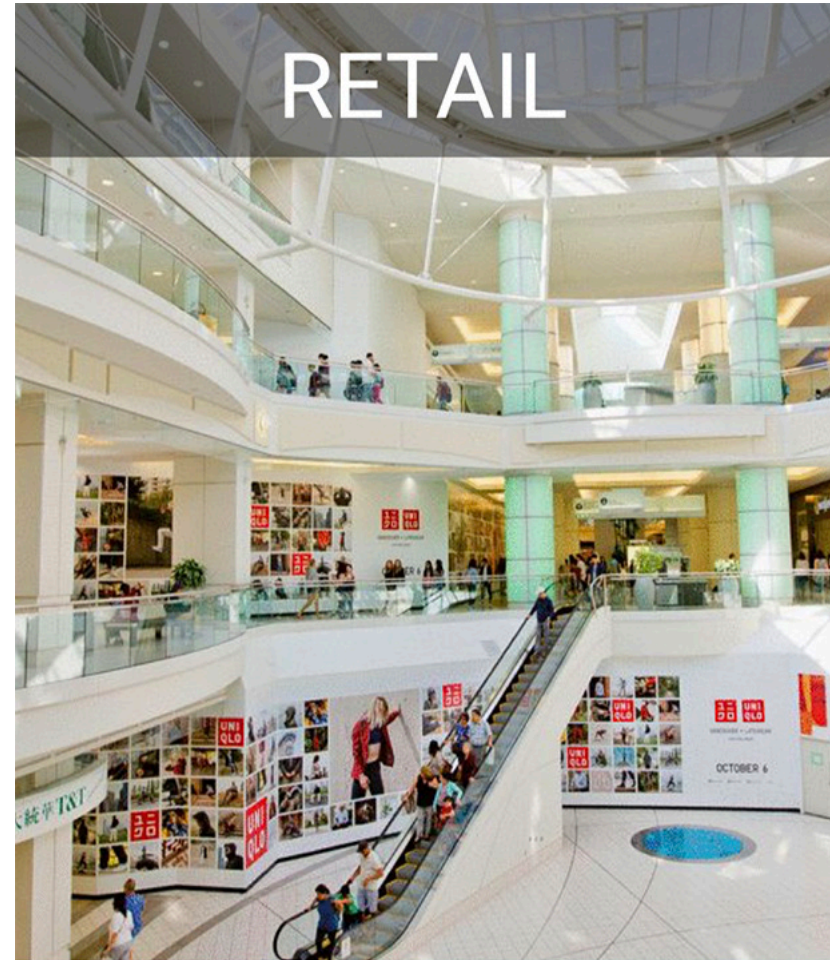
**-598m
Investment
(Y/Y)**



**Vacancy
Rate +4.95%
(Y/Y)**



**-280,000 SF
Net Abs
(Y/Y)**



Commercial Real Estate

Industrial

With sales naturally shifting online, Industrial assets quickly became the highest performing asset class as COVID-19 restrictions hurt traditional retail sales. With the emergence and expansion of e-commerce and 3PL (3rd party logistics) the industrial market vacancy rate dipped to the second lowest in Canada to 1.2% (from 1.5% the previous year) while average lease rates climbed to a record setting \$13 per foot. During the pandemic, the class has performed well, but it still has marked a decrease in investment, but only to a marginal -\$20m.

**Vacancy
Rate 1.2%
(Y/Y)**



**Avg. Lease
Rates \$13
ppf (Y/Y)**



**-20M Net
Investment
(Y/Y)**



Commercial Real Estate

Office

With sales naturally shifting online, Industrial assets quickly became the highest performing asset class as COVID-19 restrictions hurt traditional retail sales. With the emergence and expansion of e-commerce and 3PL (3rd party logistics) the industrial market vacancy rate dipped to the second lowest in Canada to 1.2% (from 1.5% the previous year) while average lease rates climbed to a record setting \$13 per foot. During the pandemic, the class has performed well, but it still has marked a decrease in investment, but only to a marginal -\$20m.

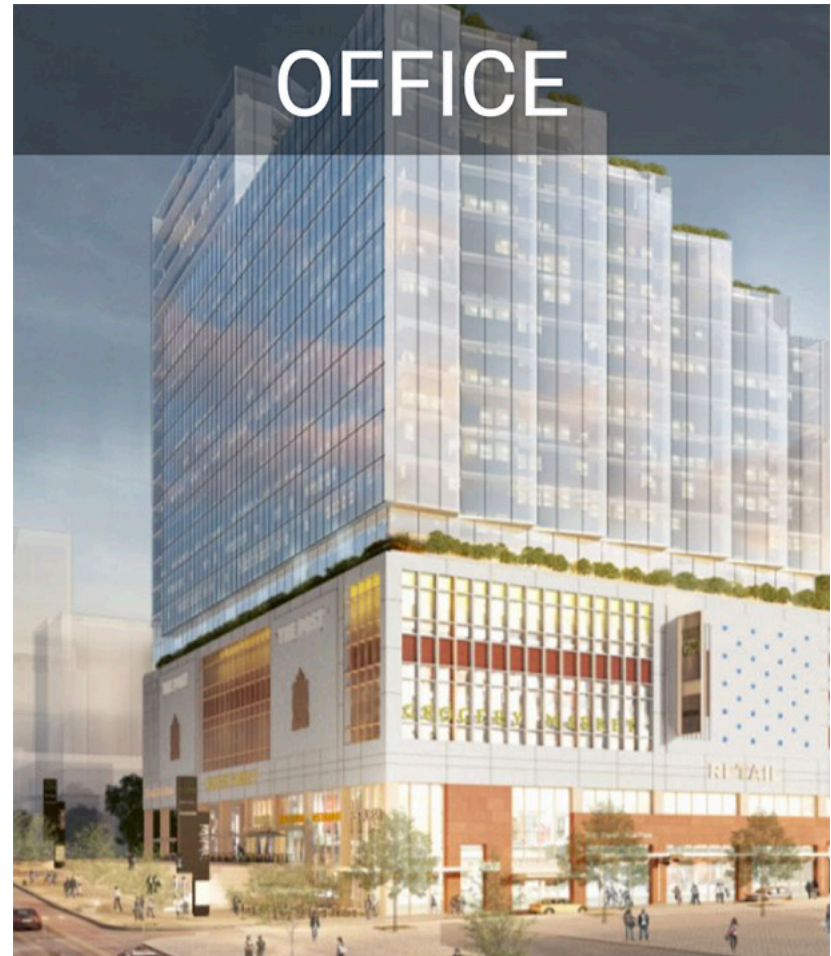
Vacancy
Rate 5.4%
(Y/Y)



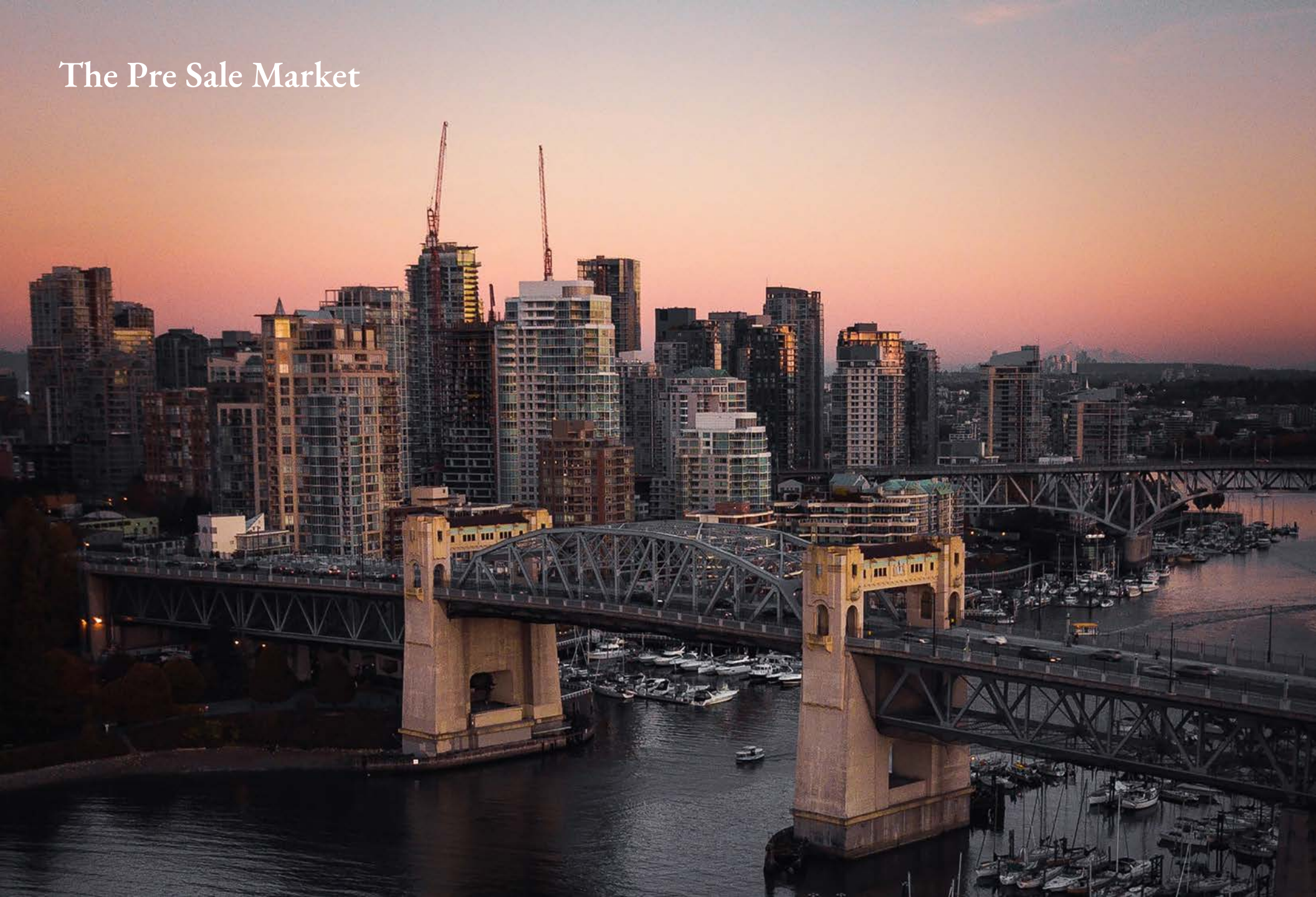
Net
Absorption
5% (Y/Y)



Avg Lease
Rate \$29 (Y/Y)



The Pre Sale Market





The Pre Sale Market

An overview of how the Pre Sale performed in the month of December 2020

November marked the 2nd straight month with over 1,000 new homes released for sale. November had 13 presale projects launched, which included 1,103 condos and townhomes. These projects were concentrated in Langley, North Vancouver, and South Surrey townhome markets. Roughly 18% of the 1,103 units sold, which marks the lowest absorption rate since July, but 41% of these units are townhomes and these tend to absorb more evenly over time. Concrete condos had the highest absorption rate at 23% followed closely by wood frame condos at 20%. Plaza One by the PCI group released 438 concrete units and sold 25% in the first two weeks.

With the market slowly rising and with continued activity through Covid, there could be a large release of concrete projects in early 2021. Currently leading the way with number of potential projects is West Coquitlam, Metro town, and Brentwood. Depth of market will be put to the test and it is expected that these areas will be quite competitive.

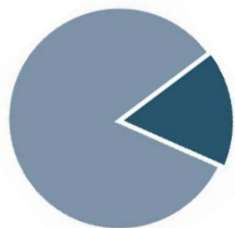
Even though Covid cases have been rising over the past 3 months, activity in the presale market has been very consistent. As the end of the year approaches, there will be decreased new launch activity as buyers are usually less active in the holiday season. It is expected that there will be only one presale project launching sales in December, which will bring 232 concrete condos to Richmond.



The Pre Sale Market

An overview of how the Pre Sale performed in the month of December 2020

GVRD & FRASER VALLEY SOLD RATE DECEMBER 2020



18% Sold

1,103 Units Brought To Market

UPCOMING PROJECT LAUNCHES OCTOBER TO DECEMBER



MONTH	PROJECTS	UNITS
October	14	1,524
November	13	1,103
December	1	232

Notable Property Of The Month

The Second Highest Price Sale Recorded Happened Last Month

3019 Point Grey Road in Kitsilano sold last month for \$27,000,000. This matches the second highest MLS sale ever recorded, second only to the \$31,100,000 sale of 4833 Belmont Avenue in Point Grey that sold in 2016.

This comes in a month where 24 homes over \$5,000,000 were sold, 4 of those over \$8,000,000.

The confidence in the luxury market continues as high end home sales picked up dramatically starting in the summer months.

While the home took 427 days to sell, and for almost \$9,000,000 less than the original asking price, it is a notable sale, and one that is a sign of the times.



LIST PRICE

\$35,880,000

ASSESSED PRICE

\$20,678,000

OFFERS RECEIVED

Unknown

SOLD PRICE

\$27,000,000

BANQUE
DU
CANADA

Interest Rates & Mortgages



Mortgage & Interest Rate Update

Mortgage Interest Rates Bottom of 0.99% While Banks Make 2021 Predictions

This is the first month since April where we don't have a new record low interest rate to report. It appears, at least for the time being, that the lowest rate available is 0.99% (5 year fixed insured.)

This is the lowest in history and one that is stimulating markets and helping push all housing types into a sellers market. Especially with the BOC stating that rates will remain this low for the next 2 to 3 years.

When it comes to predictions, a number of banks and policy makers have come forward with their vision of 2021, so here you go:

The Canadian Real Estate Association (CREA): +9.1%

"Current trends and the outlook for housing market fundamentals suggest activity will remain relatively healthy through 2021, with prices either continuing to climb or remaining steady in all regions," the association said.

RE/MAX Canada: +4% to +6% "While we've seen a significant shift in buyer preferences this year. We believe factors such as the supply issue, pent-up demand and historically lower interest rates will continue to fuel activity in 2021," Elton Ash, a regional executive vice president at RE/MAX, said in a release.

Royal LePage: +5.5%

RBC (+0.6%) and Scotiabank (+0.4%) Both banks essentially expect flat price growth over the year, citing continued pandemic-related economic headwinds, continued weakness in regional condo markets and growing affordability concerns.

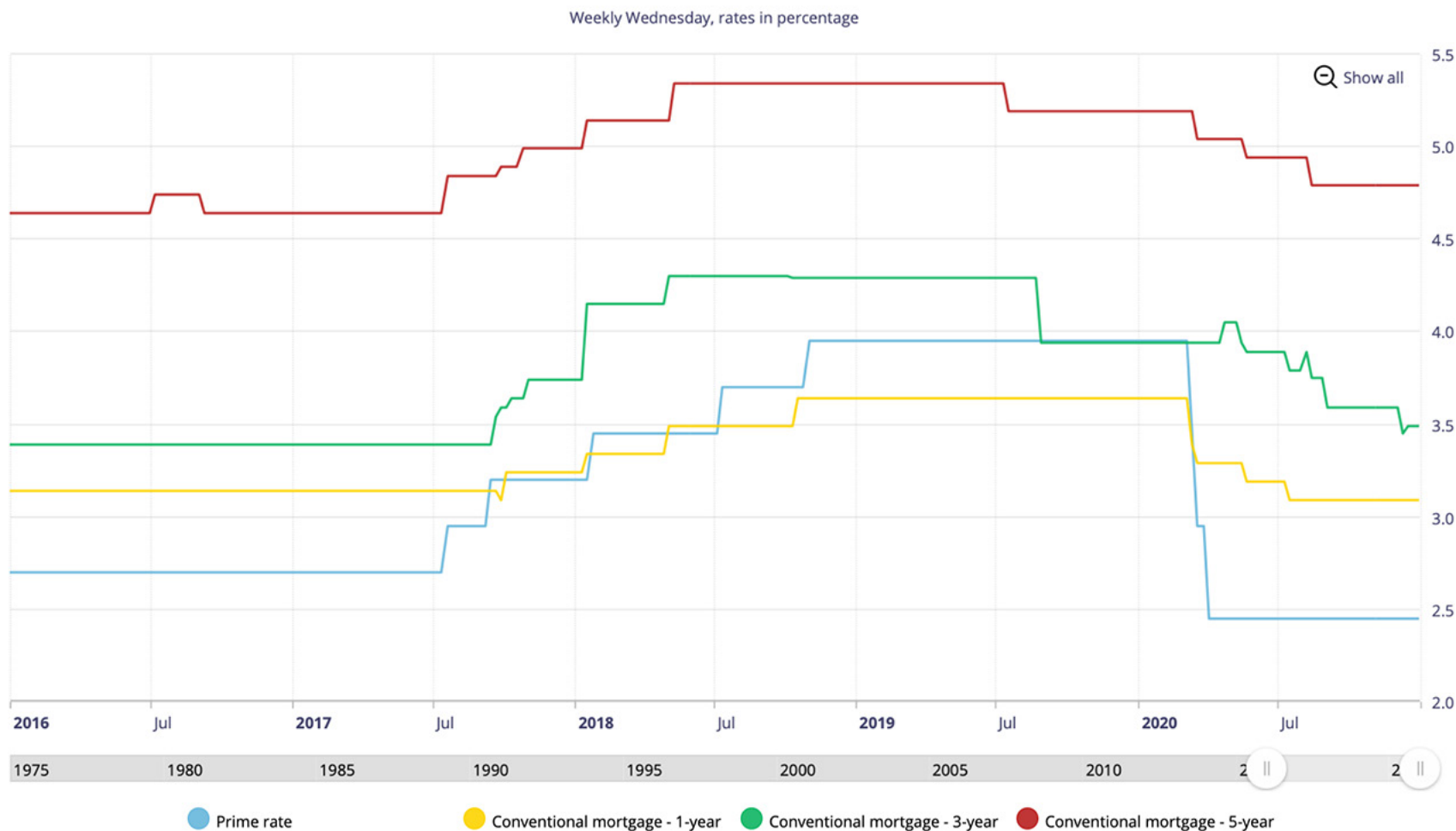
Fitch Ratings: -3% to -5% "Declining rents, a significant drop in immigration and the B-20 mortgage affordability stress test will put pressure on Canadian home prices.

CMHC: -9% to -18% As recently as September, CMHC announced it was standing by its original forecast of a peak-to-trough decline in home prices of between 9% and 18% before they start to recover in 2021.



Mortgage & Interest Rate Update

Interest Rates Posted For Selected Products By The Major Chartered Banks





Canadian Employment

BC Adds 3,800 Jobs in December

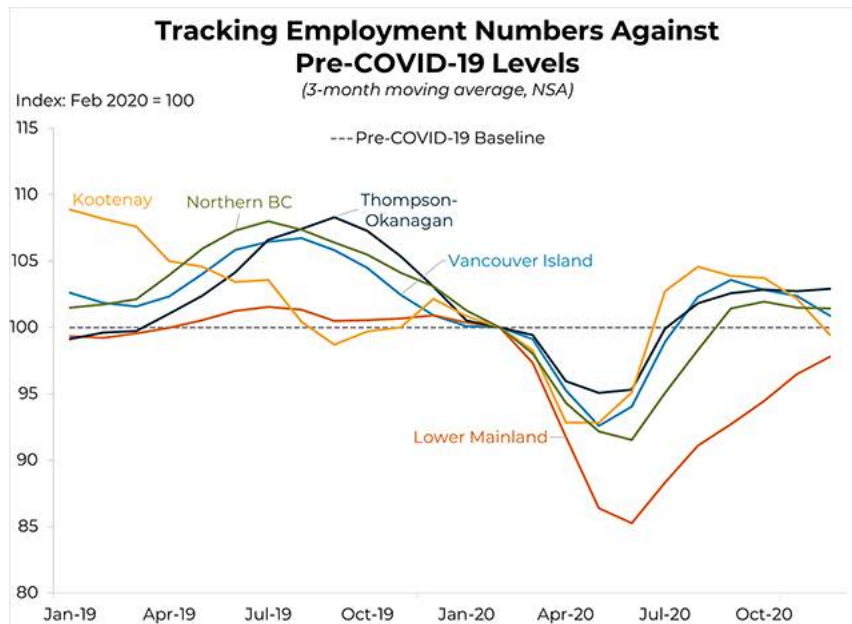
Marking the first decline since April of last year, Canadian employment lost 63,000 jobs in December. This was mainly due to the fact that many provinces reinstated restrictions like closing recreational facilities and in person dining. Part time employment led the decline, especially those in the 15 to 24 age category. BC was the only province that did not see a decline in employment. The national unemployment rate went up from 8.5% to 8.6%, which is still far less than the 13.7% experienced in May of last year. Compared to December 2019, Canadian employment was down 572,000 jobs (3%).

BC actually saw a rise in employment by 3,800 jobs in December. The province is still at 99% of its pre Covid employment levels. The unemployment rate went from 7.1% to 7.2%, marking the first increase since May of 2020. Unsurprisingly, Vancouver experienced a decline in employment by 1,100 jobs. Compared to December 2019, BC's employment was down by 37,000 jobs.

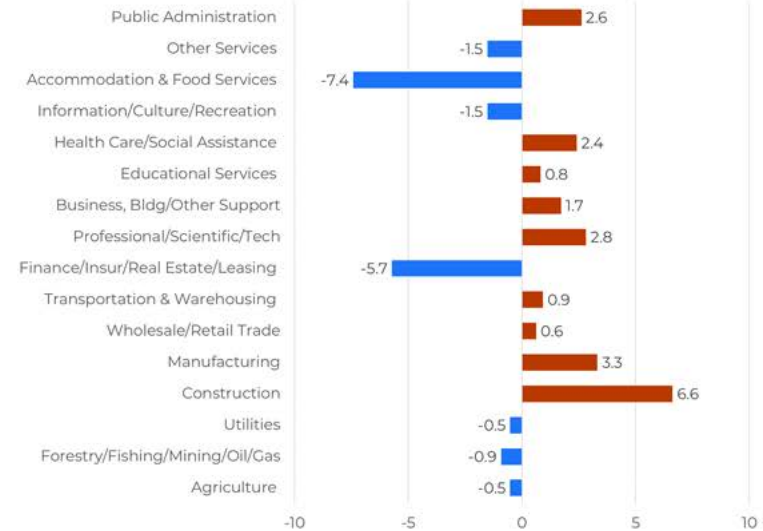
Even though cases have been rising across the country, BC's employment managed to grow in December. Construction and manufacturing had the largest increases, while accommodation and food services saw declines in employment. National employment growth is expected to come to a halt with the extension of restrictions.

Canadian Employment

BC Adds 3,800 Jobs in December



Monthly Change in Employment by Industry (British Columbia, December, '000)





Canadian Housing Starts

Housing Starts Up 53% From October

Canadian housing starts went up by 34,444 to 246,033 units in November, following an increase from October. 9/10 provinces saw increases in housing starts, with BC and the Atlantic having the biggest gains.

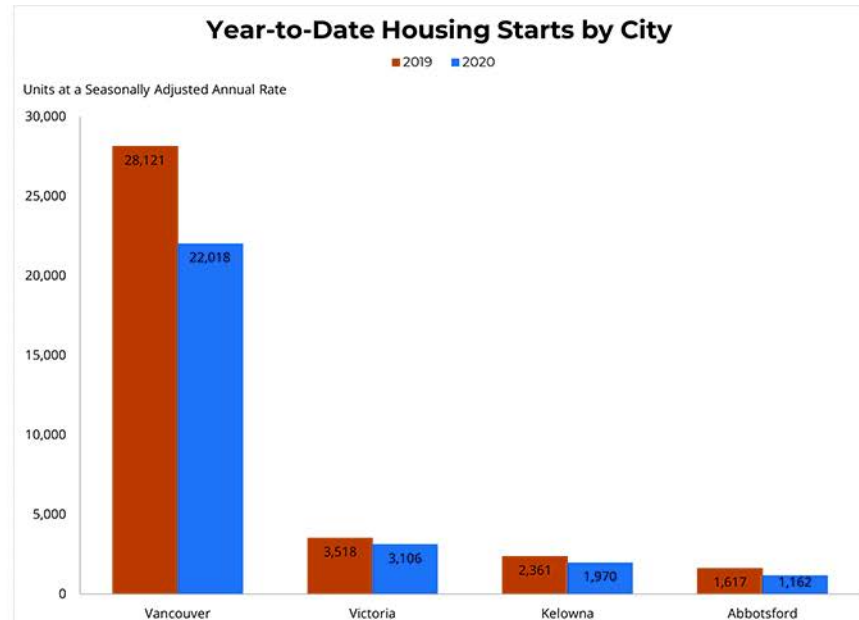
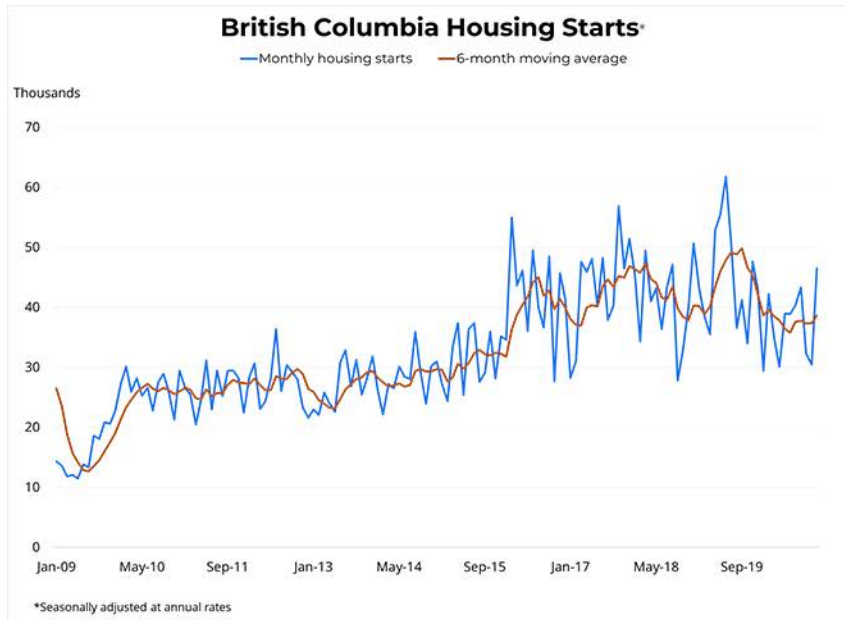
After two months in a row of decline, building activity in the multi unit segment has bounced back. November's performance brought the six-month moving average to an all time high of 231,491 units at a seasonally adjusted annual rate (SAAR). After two consecutive months of decline, BC housing starts went up by 53% month over month to just under 47,000 units SAAR in November.

While single detached starts decreased by 1%, building activity in the multi unit segment went up by 76%. This increase in the multi unit segment was concentrated in Vancouver. It is expected in the near term that housing activity will continue to be supported by record low rates and strong demand.

BC residential building permits went down by 12% in value in October. In BC this time last year, housing starts were down by 2%.

Canadian Housing Starts

Housing Starts Up 53% From October



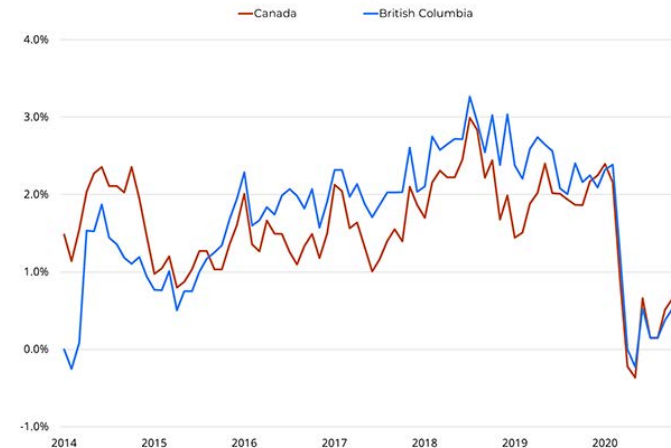
Canadian Inflation

Inflation Sees Largest Increase Since Pandemic Began

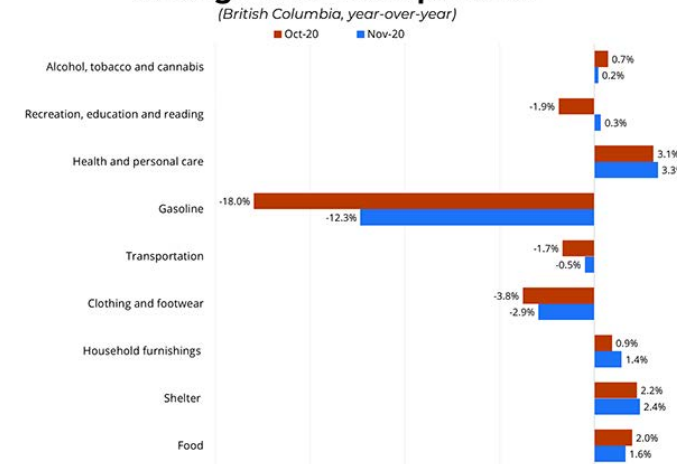
In November, Canadian inflation, as measured by the Consumer Price Index (CPI), went up by 1% year over year. Marking the largest increase since the pandemic started. Except for gasoline, the CPI went up by 1.4%. 6/8 components saw price increases year over year in November. The education, recreation, and reading indexes contributed most to the increase.

CPI went up by 1.1% in BC in November year over year, following October's increase of 0.5%. Large price growth was seen in health and personal care (3.3%) and shelter (2.4%) and on the opposite end gasoline dropped by -12.3%. Costs for shelter continue to go up and rental rates are rising. Consumers are spending more on furniture and household appliances as containment measures continue to expand. It is expected that Canadian inflation will remain held back and that interest rates will remain low.

12-month change in the CPI



Change in CPI components





Canadian Retail Sales

Retail Sales Up For 6th Month In A Row

In October retail sales went up for the sixth month in a row, with a rise of 0.4% on a seasonally adjusted basis. Out of 11 sub-sectors sales were up in 6 of them, representing 50.9% of retail sales. The rise in sales was led by higher sales at auto and parts dealers. Last year this time, retail sales were up 7.5%. Retail sales in BC were up by \$8 billion (2.1%) and by \$3.7 billion (2.8%) in Vancouver. Sales at health and personal care stores contributed most to this increase.

Last year retail sales in BC were up 11.5%. Accounting for 5.2% of total retail sales, e-commerce sales totaled \$3.1 billion.

Compared to last year e-commerce sales are up 68%.

Despite more restrictions being put in place in many provinces, positive retail sales are expected going into the holiday season.



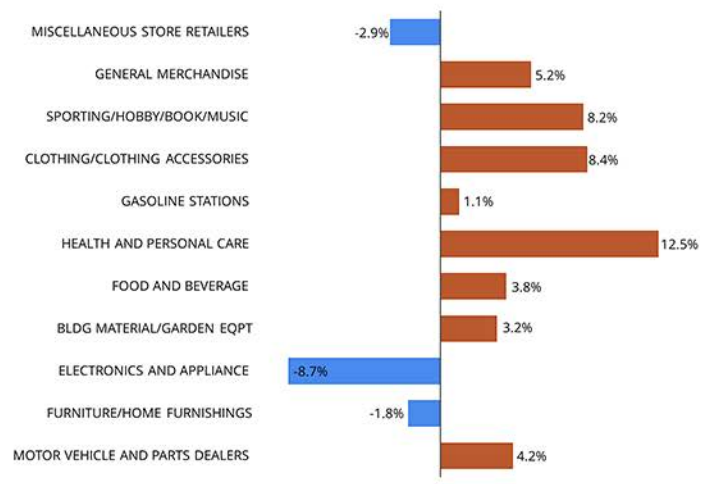
Canadian Retail Sales

Retail Sales Up For 6th Month In A Row

BC retail sales were up in October*



October change in retail sales by sub-sector
(British Columbia, not seasonally-adjusted)

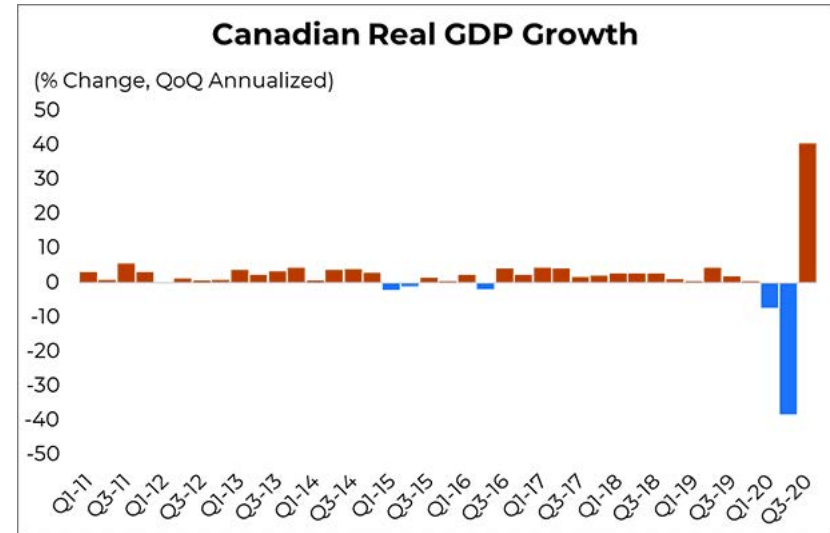


Canadian Real GDP Growth

GDP Increases For Sixth Month Straight

After seeing a 0.8% increase of Canadian real GDP in September, GDP grew again in October by 0.4%. This has been the sixth month in a row that GDP has increased since the steepest decline in Canadian history that was recorded earlier this year. 16 out of the 20 industries had increases in output. Professional services had the largest increase of 1%, while food services has the largest decrease of -3.9% due to the fact that patios are closing and because more restrictions were put in place.

It is expected that GDP will keep growing, but at a slower rate because of rising cases and increased restrictions. It is unlikely that the first quarter of 2021 will re-port any large amounts of growth.





Looking Ahead

Insights Into What To Expect In The Vancouver Housing Market Over The Next Few Months

2020 was a year like no other. While the predictions back in March and April were warranted, none of them came true. Record sales volumes and double digit price increases were the result of Government over-stimulus, mortgage deferrals and record low interest rates.

With over \$110 Billion in additional savings this year and the potential of borders reopening at some point in 2021, expect a Bull market in Vancouver Real Estate to predominate.

The Bank of Canada has promised to keep rates at record lows for the next 2 to 3 years and the immigration minister has set a record high 401,000 permanent residents to enter Canada this year.

The thirst for larger properties with outdoor space is still the leading asset class, though look for investors and new immigrants to start the recovery in condo prices.

We are well beyond 'pent up demand' and have entered a bull market. With a 5 year low in detached inventory, expect that property type to continue to appreciate the fastest, likely hitting double digits in 2021.

Townhomes will remain steady with an estimated 5-7% appreciation in 2021

Condos will vary by location, with downtown being the most volatile, and will also see the largest comeback - averaging an 8-10% increase by year end. Overall, a 3% rate is expected.

With the policy makers and powers-that-be showing their cards in 2020, and they are good ones, it's hard to bet against them in 2021 where they admit to wanting to keep asset prices, including housing, elevated and protected.

Just don't doubt that at some point, the piper will come calling, almost certainly in the form of further taxation on housing. But for now, the tides keep rising....

About The Vancouver Life

The Vancouver Life exists to provide exceptional Real Estate services that foster the goals and dreams of their clients and team members.

We know that every home, and every client, is different. It is for this reason that we custom tailor a Real Estate experience based entirely on each specific client's needs. Applying a personalized, professional and empowering approach results in a goal-driven plan and results that continue to outperform the industry standard.

With backgrounds in real estate development and investments, The Vancouver Life team has experience in every aspect of Real Estate and you can feel comfortable knowing they can navigate any scenario and tailor to their clients specific needs.

With a focus on open communication, integrity and attention to detail, The Vancouver Life Team ensures that our clients feel informed and confident during the purchase or sale of a home. With an entire Team working towards clients success, they know that we will always be available, working tirelessly to achieve each and every one of the clients goals.

The client experience is an extension of The Vancouver Life Real Estate Group, and we only settle for the best.

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