THE VANCOUVER LIFE Real Estate Market Report PUBLISHED DECEMBER 2020



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Your Comprehensive Guide To Vancouver Real Estate Data

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01. Month In Review



November Market See's Sales Volumes At Near All Time Highs While Prices Diverge

November continues to follow suit as the busiest November we've had since 2015. The Vancouver Real Estate market is continuing its upward trajectory as all property types remain in a Seller's market. The Real Estate Board of Greater Vancouver (REBGV) reported residential home sales in the region totalled 3,064 for November, a 22.7% increase from November 2019, but also registering a 16.9% decrease from the homes sold compared to last month. Still - November has proved to be a very busy month as last month's sales volume was 24.6% above the 10-year November sales average - and was the second highest total in this period! With sales activity being the highest it's been in November in 5 years, the question remains - Will the market keep pace and continue its trend as the Province is posting record high numbers of Coronavirus infections. With restrictions in place and more coming (all adult led organized sport in the province is now being put on hold) until the caseloads ease, does everything remain the same or will there be a change in trajectory?

Month In Review

November Market See's Sales Volumes At Near All Time Highs While Prices Diverge

Depending on who you speak to and the type of property you own, there's likely a couple truths taking place in the same marketplace. It's true that single family homes and townhouses are continuing to outpace condos in a big way. There are still multiple offers taking place and competitive subject free environments are common for single family, duplex and townhome properties.

However, it's also true that if you are selling a condo, you're likely wondering what all the fuss is about. Supply numbers, especially in the downtown core remain very high and price competition is also being exacerbated by the strata insurance crisis and falling rents. Add in the spike in Covid-19 cases and the desire to live in a dense area just isn't here at the moment. Not a great case for Sellers but the conditions to buy an apartment for a good deal are starting to take place. It's not all doom and gloom. The Province introduced amendments to B.C.'s Financial Institutions Act and the Strata Property Act to help address the cost and availability of strata insurance in B.C. A recent report from the BCFSA (Financial Services Authority) found that premiums had risen between 40% - 100% throughout the province on a year-over-year basis, with deductibles experiencing up to triple-digit increases over the same period! The strata insurance industry has agreed to effectively eliminate using Best Terms Pricing by January 1, 2021 so that they are able to accommodate different prices for each insurer.

With vaccine deployment on the horizon, an entire slew of questions begin to come to mind. How long will it take before enough people are vaccinated so that restrictions will end? When will the border open up for non-essential travel? When will Canada start to aggressively fill it's new permanent residency targets - forecasted to be over 400,000 people by the end of 2021! These are but a few questions that could entirely change and shape the future of the condo market and the real estate market overall.

Average Property Prices

Average property prices dipped slightly in November, and are up 5.8% from 1 year ago. Property types are continuing to diverge as we saw Detached homes increase in value by 1% last monnth, while condos decreased by 1%.



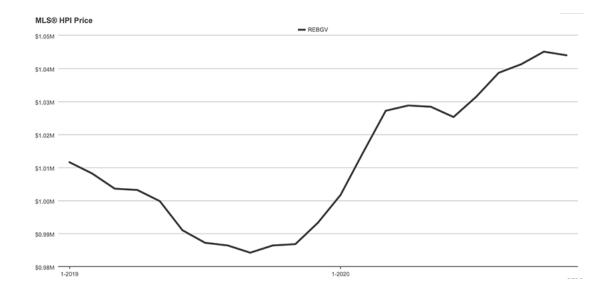
ALL PROPERTY TYPES

average sale price \$1,044,000

NOVEMBER 2019: \$986,800

y/y change **5.8%** + \$57,200





Total Volume of Property Sales

Housing demand in Metro Vancouver continues to outpace historical averages with November sales eclipsing 3,000 for the first time since 2015, and was also the second highest November ever.

Home sales totalled 3,064 in November, a 22.7% increase from November 2019, and a 16.9% decrease from last month.

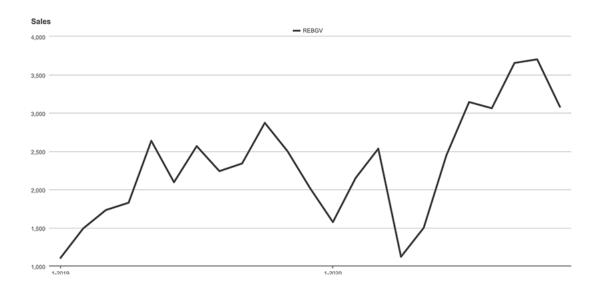
Last month's sales were 24.6% above the 10-year November sales average.



HOMES SOLD 3,064 NOVEMBER 2019: 2.498

22.7% + 566

Y/Y CHANGE



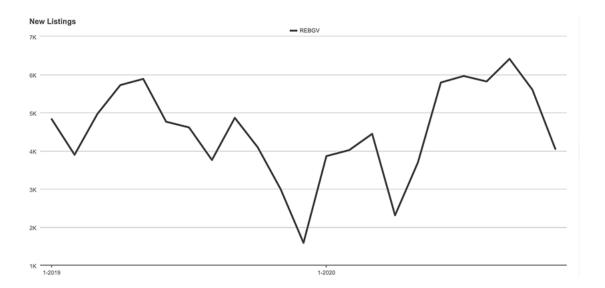
Newly Listed Homes

There were 4,068 detached, attached and apartment homes newly listed for sale in Metro Vancouver in November 2020. This represents a 36.2% increase compared to the 2,987 homes listed in November 2019 and a 27% decrease compared to October 2020 when 5,571 homes were listed.



NOVEMBER 2019: 2,995 + 1,073

y/y change 36.2%





ALL PROPERTY TYPES

Total Inventory

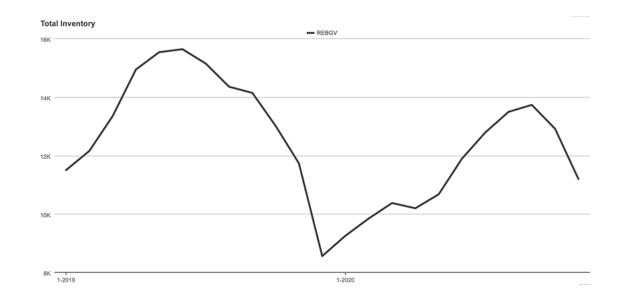
The total number of homes currently listed for sale in Metro Vancouver is 11,118, a 3.2% increase compared to November 2019 (10,770) and a 10.5% decrease compared to October 2020 (12,416).

The total number of homes for sale in Metro Vancouver is lagging behind the pace of demand right now. This trend favours home sellers in today's market.

 total inventory
 y/y change

 11,118 3.2%

 NOVEMBER 2019: 10,770
 + 348





ALL PROPERTY TYPES

Sales to Active Listings Ratio

For all property types, the sales-to-active listings ratio for November 2020 is 27.6%.

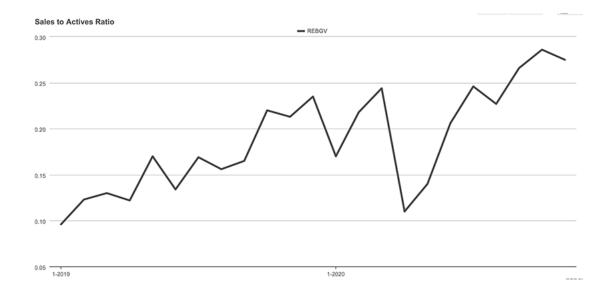
We have basically been in a sellers market for the pat 12 months - outside of April and May when the market stood still during lock-down.



NOVEMBER 2019: 21.3%

y/y change **6.6%**







Vancouver West Real Estate Stats

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



Vancouver West Detached Stats

16231

Vancouver West Real Estate Stats : Detached

Average Property Prices for the Detached Home Market

Vancouver West detached homes continued their upward trend in November, increasing by \$4,000. For the year, homes are up almost \$179,000 or 6.1%

The area has seen postive price increases in 12 of the past 16 months.

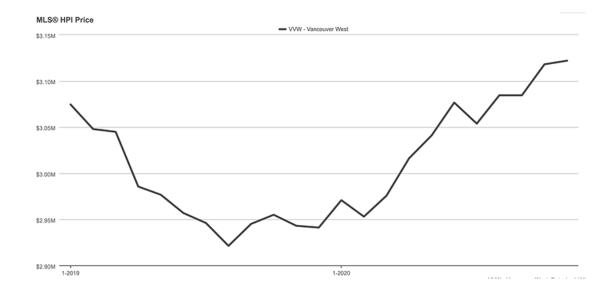




y/y change

+ \$178,900





Vancouver West Real Estate Stats : Detached

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

Increased demand and lowering inventory is resulting in price increases over the past 16 months. During that time we have seen the demand shift from Buyers market to the higher end of a Balanced Market.



HOMES SOLD	Y/Y CHANGE
96	47.7%
NOVEMBER 2019: 65	+ 31
NEWLY LISTED	Y/Y CHANGE
138	12.2%
NOVEMBER 2019: 123	+15
TOTAL INVENTORY 544 NOVEMBER 2019: 688	Y/Y CHANGE 26.5%
SALES RATIO 17.6% NOVEMBER 2019: 9.4%	Y/Y CHANGE 8.2%

Vancouver West Townhome Stats



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Vancouver West Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

West Side Townhomes edged up only slightly at 1.5% from last year, a bit unusual as the sales jumped significantly and inventory levels lowered. With the sales ratio entering a Sellers market, we expect this home type and area to increase in price in the upcoming months.



AVERAGE SALE PRICE \$1,150,600 NOVEMBER 2019: \$1,133,900





MLS© HPI Price \$1.18M \$1.16M \$1.16M \$1.14M \$1.14M \$1.14M \$1.12M \$1.22D

Vancouver West Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

Sales increased as inventory fell in November. The sales ratio has almost doubled during this time frame as well. Expect continued demand for this property type in Vancouver West.



Y/Y CHANGE HOMES SOLD 58.6% 46 + 17 NOVEMBER 2019: 29 Y/Y CHANGE NEWLY LISTED 46.3% 79 +25NOVEMBER 2019: 54 TOTAL INVENTORY Y/Y CHANGE 15.3% 215 NOVEMBER 2019: 248 - 33 SALES RATIO Y/Y CHANGE 21.4% 10.7% NOVEMBER 2019: 11.7%

Vancouver West Condo Stats

Vancouver West Real Estate Stats : Condo

Average Property Prices for the Condominium Market

While prices are up 1.9% from last year, they are down 6% since the recent March peak. Directly affected by Covid, the Vancovuer West Condo market will likley continue to see downward pressure on prices until the borders open up.

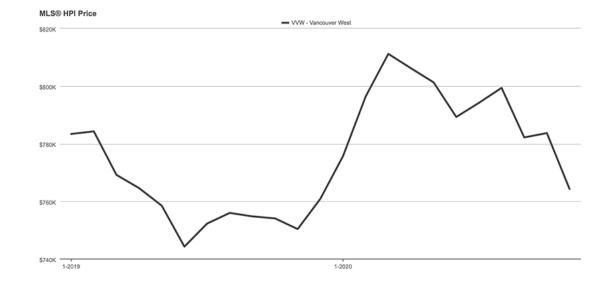


NOVEMBER 2019: **\$750,400**





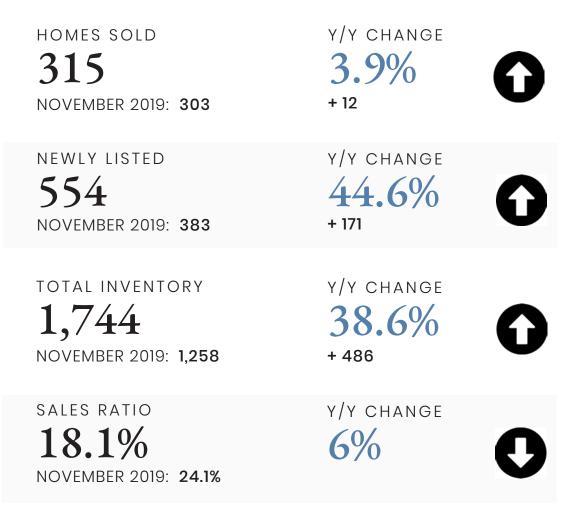




Vancouver West Real Estate Stats : Condo

Average Property Prices for the Condominium Market

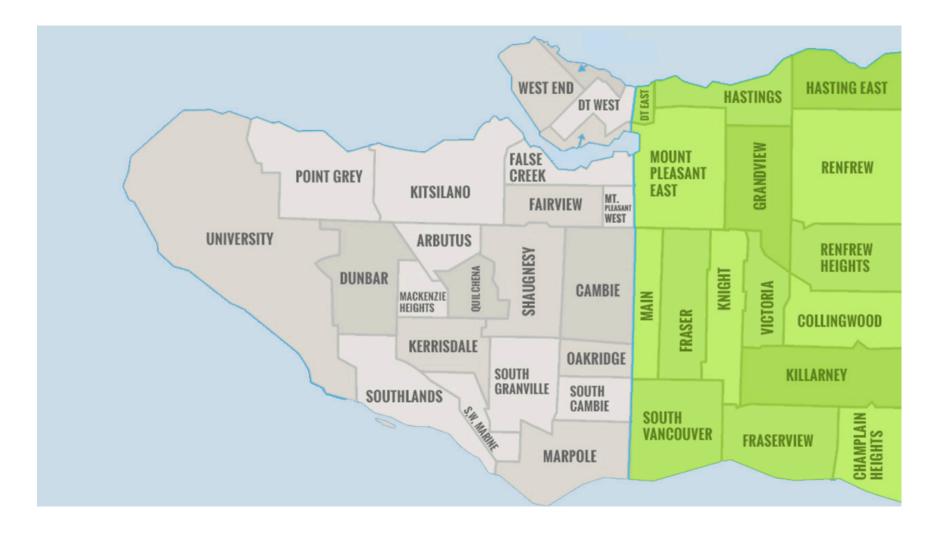
New listings are widely outpacing sales and inventory is climbing. This is resulting in the Sales Ratio lowering, along with prices.





Vancouver East Real Estate Stats

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





Vancouver East Real Estate Stats : Detached

Average Property Prices for the Detached Home Market

The most sought after properyt type and area continued its reign in November, increasing by \$25,000 last month alone. Homes in the area are up \$180,000 since the recent bottom in June 2019, and are up 10.4% year over year. Prices have increased in 16 of the last 18 months.

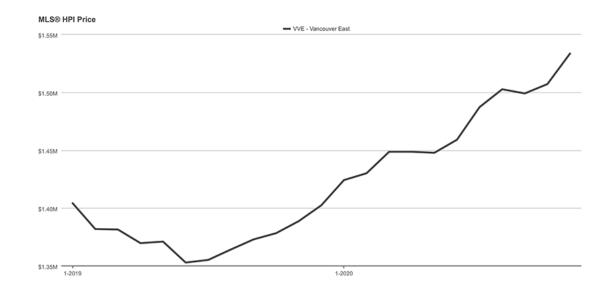


NOVEMBER 2019: **\$1,388,700**

Y/Y CHANGE **10.4%** + \$144,900







Vancouver East Real Estate Stats : Detached

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

Price increases are being driven by low inventory and increased sales. With homes at half the price of the neighbouring Vancouver West area, and a sales ratio heavily favouring sellers, expect prices to continue to rise.

HOMES SOLD 138 NOVEMBER 2019: 108	Y/Y CHANGE 27.8% + 30	
NEWLY LISTED 159 NOVEMBER 2019: 117	Y/Y CHANGE 35.9% + 42	
TOTAL INVENTORY 488 NOVEMBER 2019: 554	Y/Y CHANGE 13.5%	
SALES RATIO 28.3% NOVEMBER 2019: 19.5%	Y/Y CHANGE 8.8%	



Vancouver East Townhome Stats

Vancouver East Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

Townhomes in the area have remained relatively flat price wise in 2020, but are up 3.7% year over year. Expect these properties to remain stable price wise, and continue to edge up at a civilized pace.

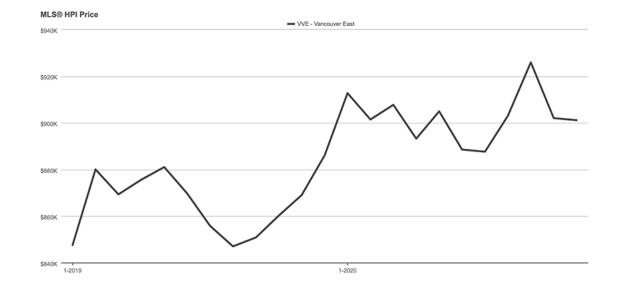
average sale price \$901,200

NOVEMBER 2019: **\$869,100**









Vancouver East Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

While the data is still strongly in favour of sellers for this property type, it is no where near what it was a year ago. With less than 3 months of inventory available, the fight for properties will keep these in a sellers market for some time.

	HOMES SOLD 33 NOVEMBER 2019: 38	Y/Y CHANGE 15.2%
	NEWLY LISTED 41 NOVEMBER 2019: 27	Y/Y CHANGE 51.9%
	TOTAL INVENTORY 86 NOVEMBER 2019: 72	Y/Y CHANGE 19.4%
	SALES RATIO 38% NOVEMBER 2019: 53%	Y/Y CHANGE 15%



Vancouver East Condo Stats

Vancouver East Real Estate Stats : Condo

Average Property Prices for the Condominium Market

Just like Vancouver West Condos, the East Side is seeing prices drop since the pandemic. Up 3.2% from last year, but down 2.8% since the lockdown, these homes will continue their downward slide for the upcoming months.



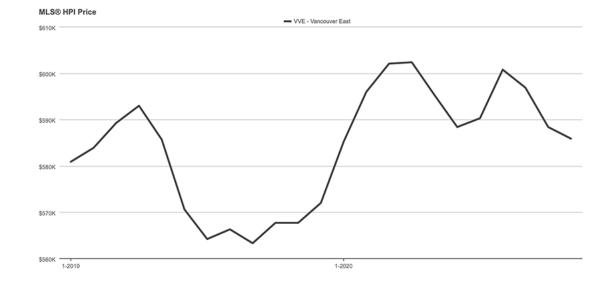
NOVEMBER 2019: \$567,700

y/y change **3.2%**

+ \$18,200







Vancouver East Real Estate Stats : Condo

Average Property Prices for the Condominium Market

A large spike in inventory and new listings will continue through spring driving prices downwards. This will likley continue until the borders open up and immigration numbers increase.

Homes sold	Y/Y CHANGE
161	11%
November 2019: 145	+ 16
NEWLY LISTED	Y/Y CHANGE
217	36.5%
NOVEMBER 2019: 159	+ 58
TOTAL INVENTORY 555 NOVEMBER 2019: 379	Y/Y CHANGE 46.4% + 176
SALES RATIO 29% NOVEMBER 2019: 38.3%	Y/Y CHANGE 9.3%



The Pre Sale Market

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The Pre Sale Market

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

October was another record setting month with over 6000 MLS sales transactions across Greater Vancouver and the Fraser Valley. Newly released projects and existing inventory saw strong absorption rates as the flight to space continues.

Approximately 1,524 condos and townhomes were released into the market from 14 pre sale projects in October and 25% of them sold. This absorption rate is on par with the previous two months and is extremely strong considering there was more supply released than 3 previous months combined.

Wood frame condos had the high-est absorption rate at 35%, followed by concrete condos (25%) and townhomes (17%). These projects were mainly concentrated in West Vancouver, West Coquitlam, and Vancouver East. Two concrete projects that launched in October were Format by Cressey in East Vancouver and Apex by Denna Home in North Vancouver. It is forecasted that there will be 9 pre sale projects that launch sales in the month of November and continued pre sale activity despite the 2 week plan to increase restrictions implemented on Nov 7th. These 9 projects will bring approximately 51 wood frame condos, 439 concrete condos, and 301 townhome units to market.

The Pre Sale Market

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

GVRD & FRASER VALLEY SOLD RATE 25% 2020



25% Sold 1,524 Units Brought To Market

UPCOMING PROJECT LAUNCHES SEPTEMBER TO NOVEMBER



MONTH	PROJECTS	UNITS
September	6	583
October	14	1,524
November	9	791

Notable Property Of The Month

The Highest Sale Of November Was A Point Grey Home That Sold In 2 Days

4223 W 9TH Avenue in Point Grey hit the market on November 2nd and was sold by November 4th. It was the first time the 4 year old home hit the market and received instant attention.

The home features 5 bedrooms and 6 bathrooms across 4,535 sqft on 3 levels.

It was the highest price sale of the month.



LIST PRICE **\$9,875,000**

assessed price **\$5,947,000**

offers received Unknown

sold price **\$9,700,000**

Commercial Activity

Commerical Sales See First Quarterly Increase In 5 Months

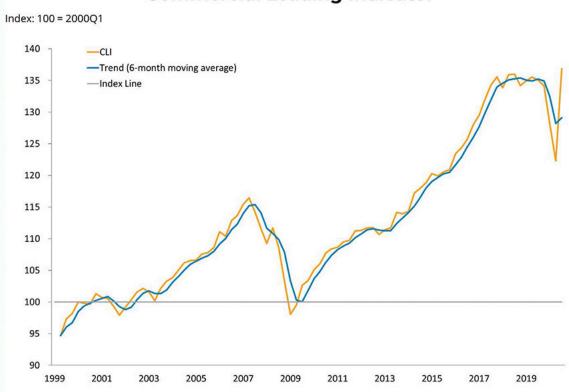
In the third quarter of 2020 the BCREA Commercial Leading Indicator (CLI) bounced back from 122.3 to 136.9, which marks the first increase after four quarters in a row of declines. This was the largest increase the indicator has seen since the start of the CLI se-ries in 1999, reflecting some recovery from a large drop in the first half of 2020. Last year, the index was up 1.3%. The third quarter saw the resurgence of key industries in BC including the hard hit retail sector, as brick and mortar stores gradually reopened. Employment in real estate sectors and manufacturing also bounced back, although the financial component of the CLI decreased.

A rebound in retail sales and employment would normally bring a recovery in retail and office space, but in this case it is not necessarily true. The realities of the pandemic are driving a wedge between what is being seen in the data and what is being experienced on the ground. The CLI's strong recovery in the third quarter is not a true reflection of actual commercial real estate conditions. After being halted in the second quarter BC's economy reopened in the third. A strong demand for wood products, due to activity in new home construction in Canada and the US, boosted manufacturing sales. Retail sales were also boosted in the third quarter by 16.3%, marking the largest quarterly growth since the start of the CLI in 1999. Employ-ment went up by about 15,000 jobs in insurance, finance, real estate, and leasing, recov-ering all losses reported in the first half of 2020. Employment in manufacturing was up by 12,500 jobs, which nearly made up for all the job losses that started in the third quar-ter of 2019.

The financial component of the CLI was negative in the third quarter. Due to the Bank of Canada's actions to provide liquidity in short term credit makers; a fall in REIT prices overcame the impact of a reduction in risk spreads.

Commercial Activity

Commerical Sales See First Quarterly Increase In 5 Months



Commercial Leading Indicator

Interest Rates & Mortgages

NAD

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Mortgage & Interest Rate Update

0.99% Mortgages Available In Canada For The First Time In History

Never has a Canadian bank offered a mortgage rate below 1%, but effective December 4th 2020, HSBC is launching the lowest rate in Canadian history at 0.99%. It is a variable rate for high ratio insured purchases only with a discount that is equal to prime minus 1.46%, which is also an all time low. The bank is also launching three more record low rates, including 1.39% on a 5 year fixed for high ratio purchases, 1.59% on a 5 year fixed for uninsured purchases and switches, and 1.64% on a 5 year fixed for refinances. On low ratio purchases, HSBC is offering \$1,000 in cash, which covers a large portion of the legal and appraisal fees.

Just 20 months ago, Canadians were paying rates that were three times higher. The 2.99% plus rates back then were costing people \$9,000 more in interest over 5 years per \$100,000 of mortgage. HSBC's strong securitization program is mainly what makes insured rates like 0.99% possible.

Mortgage & Interest Rate Update

1975

1980

Prime rate

1985

1990

Interest Rates Posted For Selected Products By The Major Chartered Banks

Q Show all Jul 2015 2016 Jul 2017 Jul 2018 Jul 2019 Jul 2020 Jul

Weekly Wednesday, rates in percentage

5.5

5.0

4.5

4.0

3.5

3.0

2.5

2.0

1 1

2005

2010

15

2000

1995

Employment

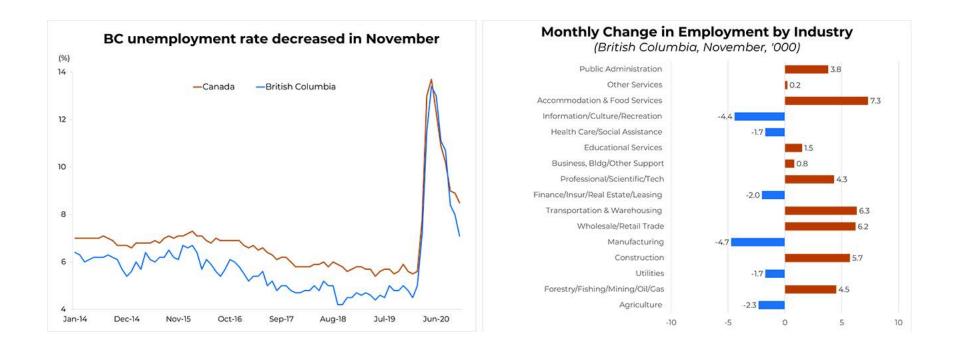
BC Within 99% Of Pre-Covid Employment Levels

Employment in BC grew by 24,000 jobs in November, following a gain of 34,000 in October. BC is now within 99% of its pre Covid employment levels. For the sixth consecutive month unemployment rates have dropped, down to 7.1%, a drop of 0.9%. Employment in Vancouver went up by 18,000 jobs. Last year this time, employment in BC was down by 1.8% (47,000 jobs).

Due to the new restrictions and workplace safety requirements, growth in November was at a slower rate than the previous months. An increase in full time employment was offset with losses in part time work. Some of the industries that saw increases were, accommodation and food services, construction, wholesale and retail trade, and transportation and warehousing. It is expected that employment growth will continue to slow as Covid cases rise, and some provinces could extend restrictions well into December and early 2021.

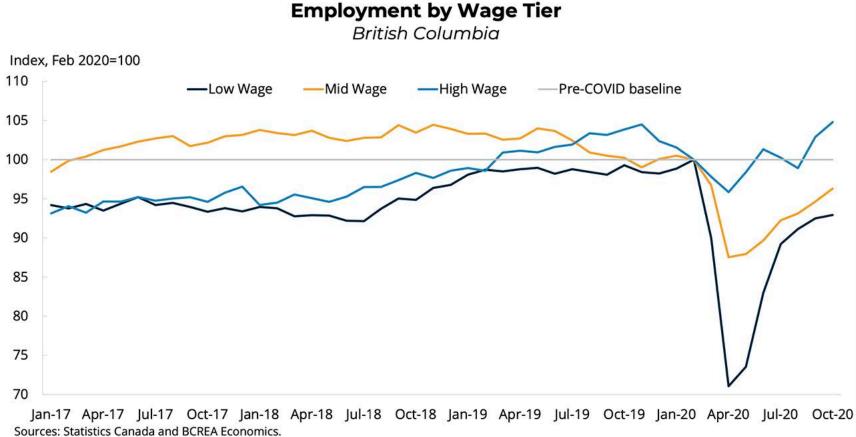
Employment

BC Within 99% Of Pre-Covid Employment Levels



Employment

BC Within 99% Of Pre-Covid Employment Levels



Last data point: October 2020

Canadian Inflation

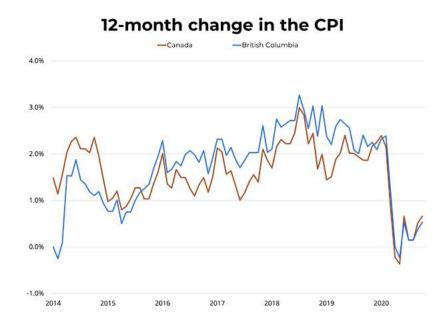
Consumer Price Index Positive In Every Positive Year Over Year

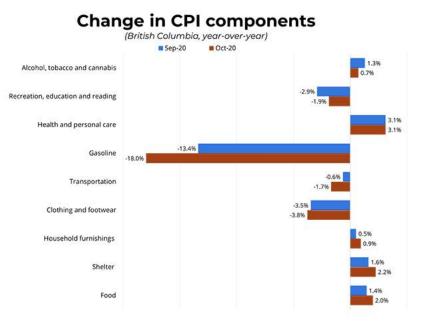
In October Canadian inflation went up by 0.7% year over year, up from last months increase of 0.5%. The CPI went up by 1.1%, except for gasoline. Prices have gone up in 5/8 components in October year over year, with food having the largest increase due to lettuce prices rising because of inclement weather and disease. The Bank of Canada's three measures of trend inflation went up by 0.1 percentage points in the month of October, with an average of 1.8%.

Across Canada the CPI was positive in every province. BC's CPI went up by 0.5% year over year in October, an increase from Septembers 0.4%. Health and personal care led the way in price growth at 3.1% year over year, followed by shelter (2.2%), and food (2.0%). Gas saw the biggest drop in prices at -18% year over year, followed by clothing and footwear (-3.8%), and transportation (-1.7%). Canadian inflation is expected to remain held back as provinces such as Quebec, BC, and Ontario expand their containment measures.

Canadian Inflation

Consumer Price Index Positive In Every Positive Year Over Year





Canadian Retail Sales

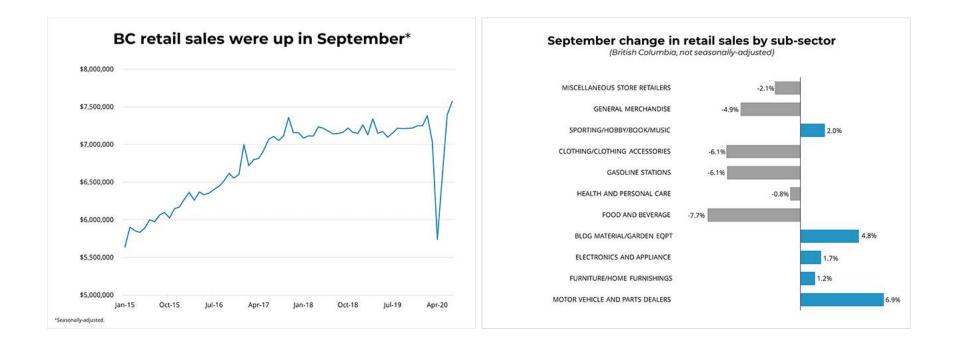
Retail Sales Mark 5th Straight Month In A Row Of Increases

Retail sales went up in September by 1.1% on a seasonally adjusted basis, marking the fifth month in a row to see an increase. 9 out of 11 subsectors saw sales increase, representing 93.2% of retail sales. Higher sales at auto dealers are what led the increase. For the first time in three months general merchandise stores increased, while sales rebounded at furniture and home furnishing stores. Last year this time, sales were up 8%.

In BC retail sales were up by \$7.8 billion (1.7%) in September and in Vancouver they were up \$3.6 billion (0.9%). Almost half of the subsectors were up in retail sales, but notable decline was seen in grocery and liquor sales. After two months of declines, growth in e-commerce was back up in September by 74% year over year. E-commerce sales totaled \$3.2 billion, making up 5.6% of total sales, an increase from 5.1% in the month of August. With Covid cases rising and restrictions tightening again this could put a damper on brick and mortar retail sales, while e-commerce could see another large boost as we enter the holiday season.

Canadian Retail Sales

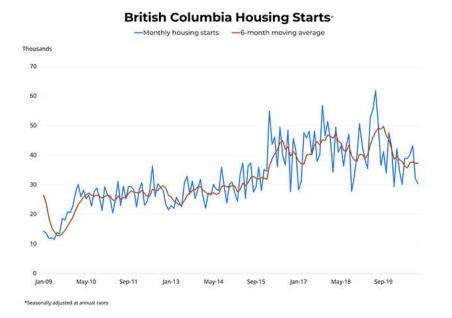
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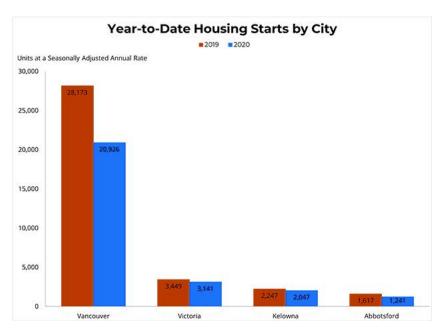


Canadian Housing Starts

Housing Starts Down 35% In BC From 2019

October saw an increase of 3% month over month in Canadian housing starts, up to 214,875 units. There have been strong gain in housing starts in Alberta and Manitoba and 6/10 provinces have reported increases. The single detached segment is gaining momentum in building activity, while multi unit starts slightly dropped. October brought the six-month moving average to 222,734 units at a seasonally adjusted rate (SAAR). In October in BC housing starts dropped by 6% month over month to 30,381 units SAAR, following a 26% decrease in the previous month. In the single detached segment building activity was up 6%, while multi unit starts saw a drop of 11%. It is expected that housing activity is going to be supported by historically low interest rates and strong demand. In September the value of residential building permits were up by 34%. Housing starts were down 11% in BC the same time last year.

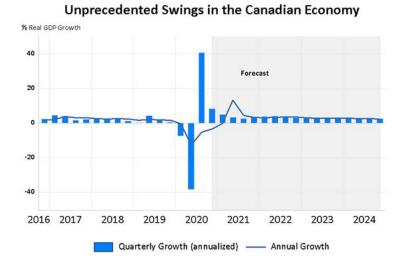




Canadian GDP

Economy Within 5% Of It's Pre Covid Level

In the third guarter of 2020 real GDP was up 8.9%, or 40.5% on an annualized basis, which brings the economy back within 5% of its pre Covid level. Household spending was up 13% in the guarter and investment in housing was up 30.2%. Still down from its record setting second quarter, household savings registered at 14.6% in the third guarter. In the fourth guarter of 2019 it was at just 2%. The stress of second wave, and the restrictions it has brought with it, is jeopardizing the current recovery that is under way. It is still expected that the fourth quarter will see positive real GDP growth, although there is a risk that restrictions and the fear of public spaces could bring a more modest comeback. The end impact of Covid by the end of the year will be that the Canadian economy produced about 5.5% less than it did prior to the pandemic. That being said, there have been promising results from vaccine trials that should lead to strong growth in 2021 as pent up consumption spend starts to pour back into the economy. It is expected that Canadian real GDP will grow by an average of 4% in the next 2 years.



Source: Statistics Canada; BCREA Economics

Looking Ahead

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

In the first 4 days of December 716 homes sold. That's over 1/3rd of all the homes sold in December of last year. Safe to say, it's going to be another near record month and likley the highest in 5 years.

With Canadians flush with cash, record savings and record low interest rates, the hunger for real estate is going to continue in the upcoming months.

Expect to see Detached homes increase in price, townhomes to remain stable, and condos, especially close to downtown, continue their downward trend in pricing.

Employment is on track to fully recover within the next couple months and the vaccine sounds to be just on the horizon as well. These factors will likely lead to further consumer confidence and push real estate prices higher. But what if they start moving too fast?

The government and banks can put the freeze on the gluttony of buying at anytime. And they are already hinting at doing so with increased taxes.

So enjoy your dessert now, but realize that we will all be paying for it in one way or another soon enough.

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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