THE VANCOUVER LIFE Real Estate Market Report PUBLISHED NOVEMBER 2020



Table Of Contents

Your Comprehensive Guide To Vancouver Real Estate Data

MONTH IN REVIEW	3
METRO VANCOUVER MARKET DATA	6
VANCOUVER WEST MARKET DATA	13
VANCVOUER EAST MARKET DATA	23
PRE SALE DATA	27
PROPERTY OF THE MONTH	30
MORTGAGES AND INTEREST RATES	31
CANADIAN EMPLOYMENT	36
CANADIAN INFLATION	38
CANADIAN GDP	40
IMMIGRATION	41
LOOKING AHEAD	42
ABOUT THE VANCOUVER LIFE	49

01. Month In Review



Prices Increase As Sales Volumes Hit Highest Level In 11 Years

Following September's record setting sales volume, October followed suit with the second highest sales volumes recorded for the month. Falling short by less than 100 units from the previous all-time high. Interestingly, the previous record was set in 2009, as Vancouver was coming out of the previous recession. The levels of resiliency the Vancouver market has is being shown once again. October's sales volume was up 29% from last year and is was 34.7% above 10-year average.

Inventory levels dropped 5% from last month but ticked up 1.5% from a year ago. Still, inventory levels are well below the 10-year average and sit at only 3.4 months of availability.

Sales to listings ratio has all property types in a Seller's Market.

Looking at the above data, it's no wonder that sales prices continue their upward trend. The HPI average price sits at \$1,045,100, up 6% from 1 year ago. The Average sale price hit an all-time high of \$1,114,000 and the Median price is also at an all-time high of \$846,000.

Detached inventory for sale fell to 3.1 months, making it the tightest market since June 2016. As a result, 30% of detached homes sold above the asking price in October.

Month In Review

Prices Increase As Sales Volumes Hit Highest Level In 11 Years

Interest in pre-sale homes hit a 1 year high with the absorption rate at 36% in September. The highest since September 2019.

Vancouver is not alone in this trend of housing price increases during a pandemic. Looking globally, the phenomenon is happening in many countries including the Philippines, Portugal, Poland, The Netherlands, Russia and Germany all seeing 8-17% price increases in Q2 alone.

Looking locally again, confidence in the luxury market increased in October where we saw 35 homes sell over the \$5,000,000 mark, and 4 over \$8,000,000.

Looking just below the surface of these numbers, we see the continued divergence of prices for the different types of homes. Since March, condo prices are down \$6,500, townhomes are up \$23,000, detached is up \$82,000.

The exodus of condos, with the epicenter being downtown Vancouver, continues. People are still moving out of smaller homes in condensed areas, for larger square footage in a more rural setting.

This has pushed average condo rental rates downwards of 15%-20%, motivating some investors to list their properties, resulting in an increase of condo inventory, and the downward pressure on prices. Condos are down an average of 5% since March and look to continue that trend.

But fear not, the government wants housing, and rental rates, to remain elevated. This can be seen by the Bank of Canada all but promising that interest rates will remain at the effective lower bound (the lowest they say they can go) of 0.25% for the next 3-4 years.

Month In Review

Prices Increase As Sales Volumes Hit Highest Level In 11 Years

The Bank of Canada now owns over 30% of the Canadian bond market and is on track to own around 50% by October 2021. Add to this the continued Quantitative Easing where they are pulling back their government bond purchases from \$5B per week to \$4B per week.

On top of this, Prime Minister Trudeau has recently come out and stated that he wants to hit an immigration target of 401,000 new residents in 2021. This target sits well above the 2019 levels of 240,000 and would be the highest ever recorded. Until the following years where 411,000 and 421,000 new permanent residents are targeted for growth numbers.

BC's employment levels have returned to 96% of pre-pandemic levels, with government stimulus still available for those who need it. Canadians are feeling more confident in the Real Estate market than any other asset class and are putting their record high savings into that sector, resulting in higher prices.

Let's get into the numbers.....

Prices Increase As All Property Types Remain In A "Sellers Market"

Home sales and new listings activity hit near record levels across Metro Vancouver in October.

Home sales totalled 3,687 in October 2020, a 29% increase from the 2,858 sales recorded in October 2019, and a 1.2% increase from the 3,643 homes sold in September 2020.

Last month's sales were 34.7% above the 10-year October sales average and stands as the second-highest total on record for the month, second only to October 2009.

There were 5,571 detached, attached and apartment homes newly listed for sale in October. This represents a 36.7% increase compared to the 4,074 homes listed in October 2019 and a 13% decrease compared to September 2020 when 6,402 homes were listed.

The total number of homes currently listed for sale in Metro Vancouver is 12,416, a 1.5% increase compared to October 2019 (12,236) and a 5.2% decrease compared to September 2020 (13,096).

For all property types, the sales-to-active listings ratio for October 2020 is 29.7%. By property type, the ratio is 30.9% for detached homes, 43.5% for townhomes, and 24.9% for apartments. This places all properties into a Sellers Market.

The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently \$1,045,100. This represents a 6% increase over October 2019 and a 0.4% increase compared to September 2020.

Detached home sales reached 1,335 in October, a 42.3% increase from the 938 detached sales recorded in October 2019. The benchmark price for a detached home is \$1,523,800, an 8.5% increase from October 2019 and a 1.1% increase compared to September 2020.

Prices Increase As All Property Types Remain In A "Sellers Market"

Condo sales reached 1,570 in October 2020, a 13.4% increase compared to the 1,384 sales in October 2019. The benchmark price is \$683,500. This represents a 4.4% increase from October 2019 and is unchanged compared to September 2020.

Attached home sales in October 2020 totalled 782, a 45.9% increase compared to the 536 sales in October 2019. The benchmark price of an attached home is \$813,000. This represents a 5.4% increase from October 2019 and a 0.4% increase compared to September 2020.

Average Property Prices

Average property prices have increased in 11 of the last 13 months.

The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently \$1,045,100. This represents a 6% increase over October 2019 and a 0.4% increase compared to September 2020.

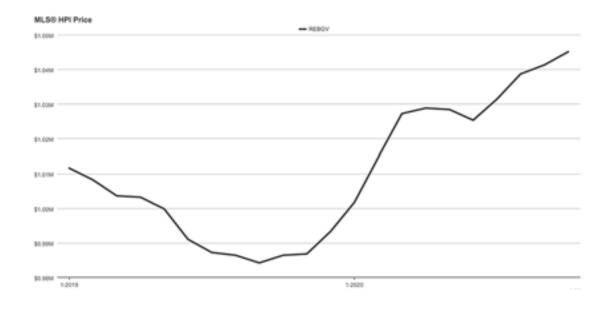


AVERAGE SALE PRICE \$1,045,100









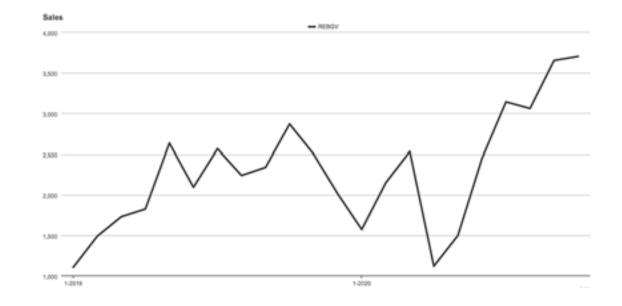
Total Volume of Property Sales

Last month's sales were 34.7% above the 10-year October sales average and stands as the second-highest total on record for the month, second only to October 2009.

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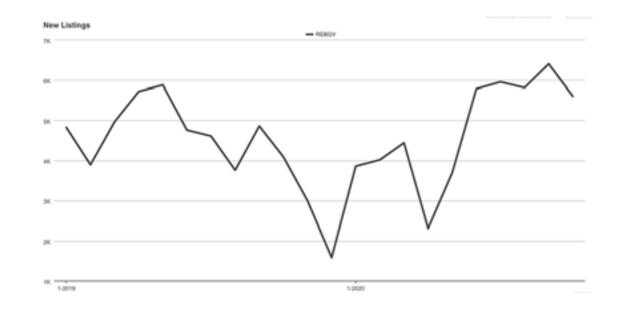
Newly Listed Homes

There were 5,571 detached, attached and apartment homes newly listed for sale on the Multiple Listing Service® (MLS®) in Metro Vancouver in October 2020. This represents a 36.7% increase compared to the 4,074 homes listed in October 2019 and a 13% decrease compared to September 2020 when 6,402 homes were listed.



Y/Y CHANGE 36.7% + 1.497







ALL PROPERTY TYPES

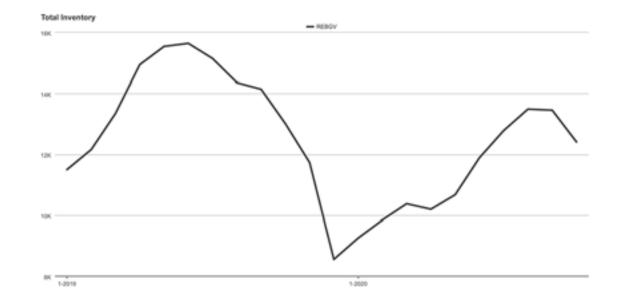
Total Inventory

The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 12,416, a 1.5% increase compared to October 2019 (12,236) and a 5.2% decrease compared to September 2020 (13,096).



Y/Y CHANGE **1.5%** - 680







Sales to Active Listings Ratio

For all property types, the sales-to-active listings ratio for October 2020 is 29.7%. By property type, the ratio is 30.9 per cent for detached homes, 43.5 per cent for townhomes, and 24.9 per cent for apartments. This places all property types well into a Sellers Market.

The sales ratio is the highest it has been since October 2017.

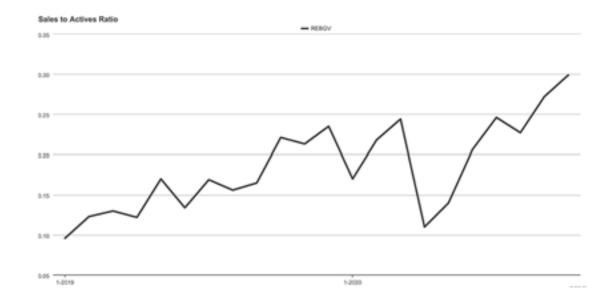


sales ratio **29.7%**

OCTOBER 2019: 27.2%

y/y change **2.5%**





Vancouver West Real Estate Stats

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



Vancouver West Detached Stats OCTOBER 2020 16201

Vancouver West Real Estate Stats : Detached

Average Property Prices for the Detached Home Market

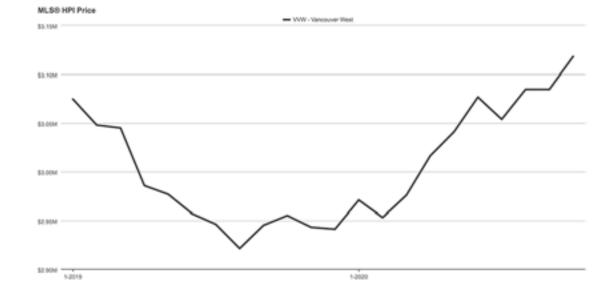
Vancouver West detached homes continued their upward trajectory increasing 5.5% from last year. Prices are the highest they have been since December 2018 and are up \$192,000 since the recent bottom of the cycle seen in August 2019.

AVERAGE SALE PRICE \$3,118,200 OCTOBER 2019: \$2,955,100

y/y change 5.5% + \$163,100







Vancouver West Real Estate Stats : Detached

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

With new home sales outpacing the total inventory, prices are increasing. The sales ratio has been trending upwards s well and is at the higher end of the balanced market.

HOMES SOLD 111 OCTOBER 2019: 78	Y/Y CHANGE 42.3% + 33	0
NEWLY LISTED 198 OCTOBER 2019: 169	y/y change 17.2% +29	0
TOTAL INVENTORY 585 OCTOBER 2019: 695	y/y change 18.8% - 110	0
SALES RATIO 19% OCTOBER 2019: 11.2%	y/y change 7.8%	0



Vancouver West Townhome Stats OCTOBER 2020

Vancouver West Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

While townhome prices dipped slightly in October, they remain up 4% for the year. Interest levels in this property type are currently the strongest and prices are expected to continue their upward trajectory.

AVERAGE SALE PRICE \$1,158,300

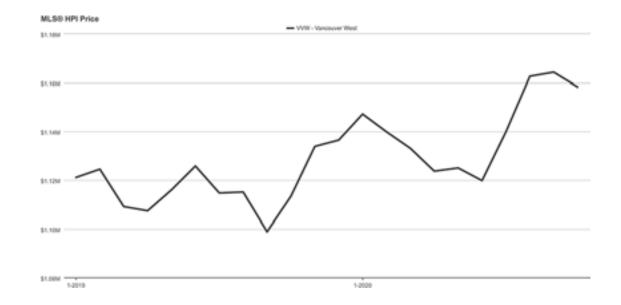
OCTOBER 2019: **\$1,113,400**

Y/Y CHANGE

+ \$44.900







Vancouver West Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

Townhomes in this area remained relatievely flat from a year ago, with all metrics under a 10% change. Shockingly, that is unusal in this market. Demand for this property is up, and in a sellers market, though more popular on the East side of the city.



HOMES SOLD 55 OCTOBER 2019: 51	y/y change 7.8% + 4	0
NEWLY LISTED 107 OCTOBER 2019: 108	y/y change 0.9% -1	0
TOTAL INVENTORY 234 OCTOBER 2019: 257	y/y change 9.8% - 23	0
SALES RATIO 23.5% OCTOBER 2019: 19.8%	y/y change 3.7%	0

Vancouver West Condo Stats OCTOBER 2020 1 1808

Vancouver West Real Estate Stats : Condo

Average Property Prices for the Condominium Market

Vancouver West condos continue their downward trend, off \$27,000 since March, but up 3.9% for the year. Expect continued downward pressure on pricing until the virus is contained.

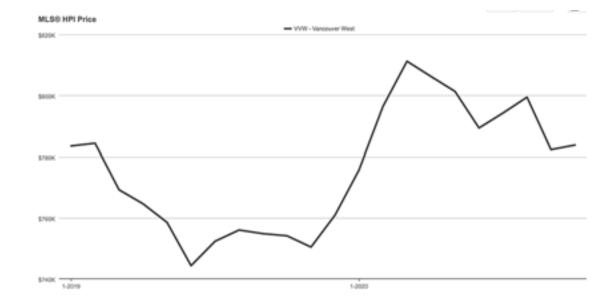


OCTOBER 2019: **\$754,100**





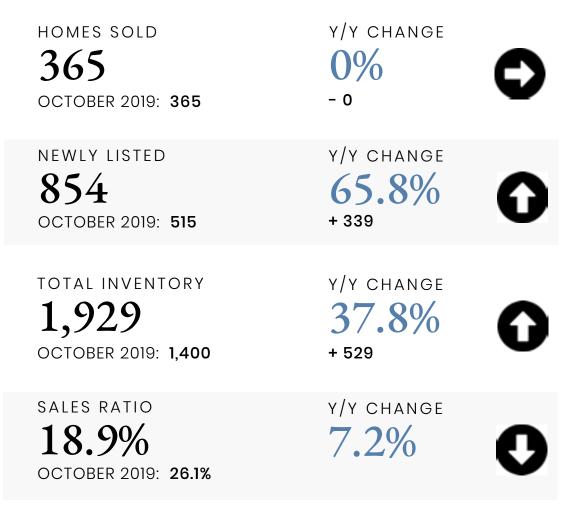




Vancouver West Real Estate Stats : Condo

Average Property Prices for the Condominium Market

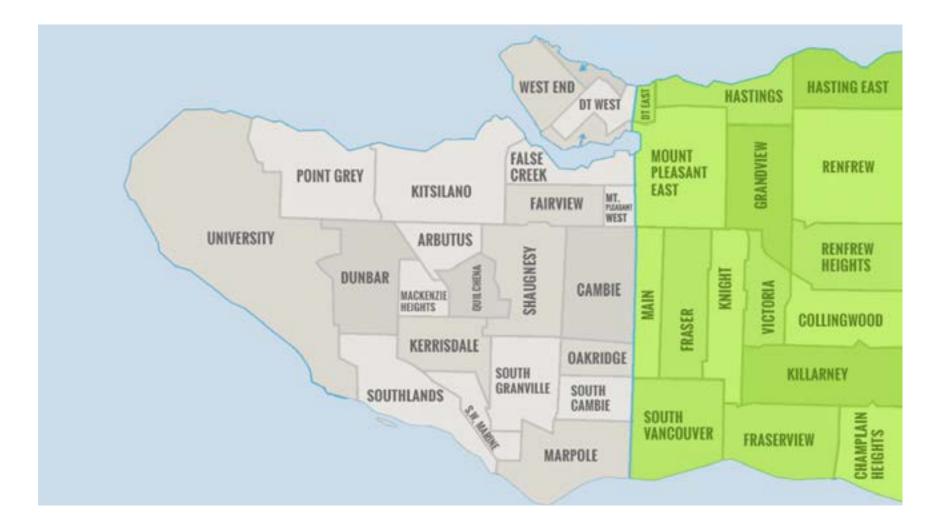
As inventory rises and sales ratio falls, downward price pressure will continue. Downtown alone has over 1,150 active condo listings and is being hit the hardest by the pandemic.





Vancouver East Real Estate Stats

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



Vancouver East Detached Stats OCTOBER 2020

860

Vancouver East Real Estate Stats : Detached

Average Property Prices for the Detached Home Market

Vancouver East detached homes are a very sought after property type and are outperforming the market averages. Look for this to continue in the upcoming months.

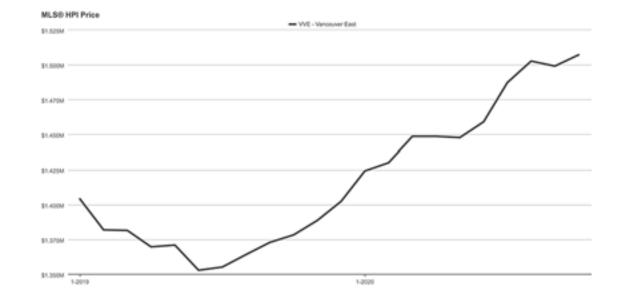


Y/Y CHANGE

9.4% + \$128,900







Vancouver East Real Estate Stats : Detached

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

With low inventory and increasing sales it's no wonder prices keep rising for this property type in this area. The sales ratio has been on a constant increase since January 2019 and the stories about multiple offers are most predominent in this area.

HOMES SOLD 150 OCTOBER 2019: 108	Y/Y CHANGE 38.9% + 42	
NEWLY LISTED 234 OCTOBER 2019: 149	Y/Y CHANGE 57% + 85	
TOTAL INVENTORY 538 OCTOBER 2019: 606	Y/Y CHANGE 12.6%	
SALES RATIO 27.9% OCTOBER 2019: 17.8%	y/y change 10.1%	



The Pre Sale Market

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The Pre Sale Market

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

September saw a total of 6 presale projects launch releasing around 583 units to market. All 6 launches were in Greater Vancouver in 6 different submarkets from Vancouver West to Port Coquitlam. Even though it was busy summer in submarkets like South Surrey and Langley, presale sales in the Fraser Valley slowed down in September due to the fact that there were zero presale projects that launched sales in the month. September saw a sale rate of 36% for newly released presale inventory, marking the highest monthly absorption rate since September 2019 and shows there is a strong demand among product types. Townhomes had the highest absorption rate at 73%, followed by wood frame and concrete condos at 44% and 13%. With Covid restrictions keeping people inside and forcing them to work from home for the foreseeable future, the shift to affordable housing for more space is happening. For the month of September, Fraser Valley saw record sales numbers. Single family and townhouse sales jumped by over 100% in Mission and Abbotsford compared to September 2019. Squamish and Whistler also continue to perform well with 6 month price increases of 5.6% and 6.4%. Vancouver Island has reported that sales have doubled from the same time last year and the Okanagan saw between 14% and 101% gains in year over year sales depending on the market and product type. With commute times becoming less of a priority, people are starting to look for more space in more affordable markets.

The Pre Sale Market

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

With families adjusting to the new realities of schooling, and the provincial election that took place on October 24th, demand for presales is strong. Confidence in the presale market has been boosted due to healthy resale activity experienced in the summer and continued price appreciation. It is expected that 10 pre sale projects will launch in October releasing roughly 784 concrete condos, 231 wood frame condos, and 149 townhome units to market. Among these projects are more concrete tower projects that were rarely seen in the market for the last 18 months

GVRD & FRASER VALLEY SOLD RATE X 2020



36% Sold 583 Units Brought To Market

UPCOMING PROJECT LAUNCHES AUGUST-OCTOBER 2020



MONTH	PROJECTS	UNITS
August	9	506
September	6	583
October	10	1,164

Notable Property Of The Month

108 Year Old Home In Kitsilano Sells for \$600,000 Over Asking Price

Located 'North of 4th' and just a couple blocks off of 'Billionaires Row' sits this 108 year old home. Charming, and having received some updates, this home was originally built in 1912 and meaurses in at 2,669 ft over 3 levels on a 2,640 sqft lot.

On offer day, the home recieved 15 offers with 3 groups in particular racing to the top. The winning big was ultimately \$613,000 over asking price and \$913,000 over the assessed value. The structure is valued at \$56,300.

This is another reminder of how coveted the Kitsilano area is, especially North of Fourth.



LIST PRICE **\$2,198,000**

ASSESSED PRICE **\$1,898,300**

offers received 15

sold price **\$2,811,000**

Interest Rates & Mortgages

LNAD

Mortgage & Interest Rate Update

Interest Rates To Remain At Lower Bound For An Estimated 3-4 Years

The Bank of Canada (BoC) has announced that it will keep its policy rate steady, as expected. Here are five major highlights from its most recent policy statement.

1. The BoC noted that in the summer we saw a sharp bounce back in household spending which was led by goods consumption and housing activity, while employment saw a large and unbalanced rebound. Canada's export sales have somewhat recovered although they are still below pre Covid levels. Business confidence and investment still remain low.

2. The Boc expects three phases in response to this pandemic: Containment, reopening, and recuperation. The containment phase brought upon a severe recession, which was noted as "the biggest global downturn since the Great Depression". The reopening stage that has just completed was way stronger than expected. The recuperation stage, which is what we are in now, is expected to be choppy and slow. 3. Government programs that replaced incomes and subsidized wages supported the stronger than expected reopening stage. These programs not only replaced lost income, but they raised incomes by an average of 11% in the second quarter.

4. "CPI inflation is close to zero... and is expected to remain below target in the near term." The BoC's sub measures of core inflation all below 2%, "reflecting the large degree of economic slack with service prices showing the weakest growth." All of the banks actions are aimed towards maintaining target inflation.

5. Phase two, the recuperation stage "will be heavily reliant on policy support" and everything will depend on the path of the pandemic and the evolution of social distancing measures. Schools reopening were highlighted as being extremely important. Everything comes down to whether there will be a second wave or not. Every single pandemic in history had a second wave, the odds may not be in our favor, but hope is.

Translating this article will lead you to another common belief and that is that extremely low mortgage rates will be around for quite some time.

Mortgage & Interest Rate Update

Interest Rates To Remain At Lower Bound For An Estimated 3-4 Years

The Bank of Canada has held its rate at 0.25%, which it considers to be its effective lower bound. They are also going to continue their quantitative easing (QE) program, though adjusted to target longer term bonds and reduced from \$5 billion per week in Government of Canada bonds to \$4 billion per week. The Bank also committed to keeping the policy rate at 0.25% until inflation is trending at 2% and slack in the economy has been absorbed.

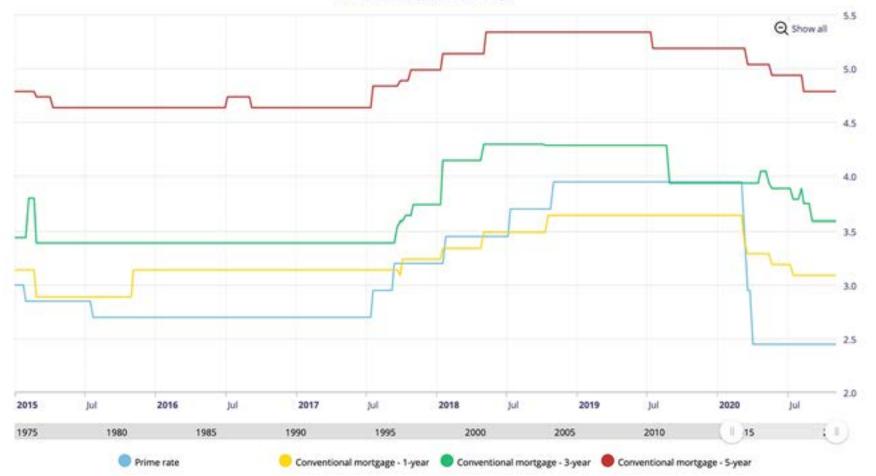
The Bank of Canada also noted that the Canadian economy is recovering, at a very uneven rate, with the pandemic mainly affecting low income workers. The Bank of Canada is expecting a drop of 5.5% in Canadian real GDP this year, before a growth of 4% in 2021. Inflation is expected to remain below the 2% target through 2022. Canadian mortgage rates are expected to remain at an all time low until 2023.

Mortgage & Interest Rate Update

Interest Rates Posted For Selected Products By The Major Chartered Banks

Interest rates posted for selected products by the major chartered banks

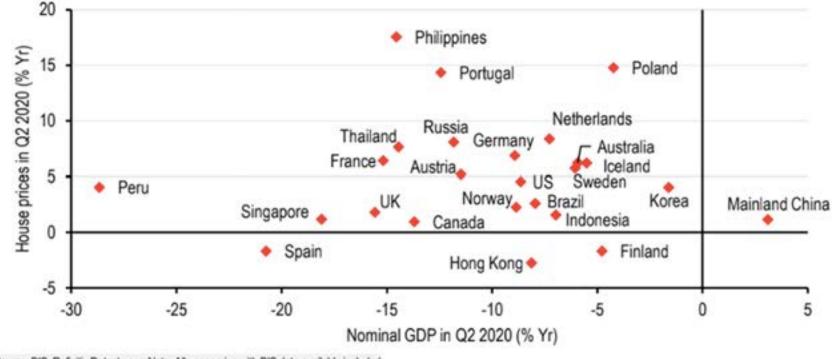
Weekly Wednesday, rates in percentage



Housing Defining Gravity Around The World

Housing Appears Completely Removed From The Recession

Vancouver, and Canada for that matter, are not alone in this upward pricing trend. Housing around the world is largely increasing in value, some as much as 17% in Q2.



1. House prices have defied the collapse in activity

Source: BIS, Refinitiv Datastream. Note: All economies with BIS data available included

Canadian Employment

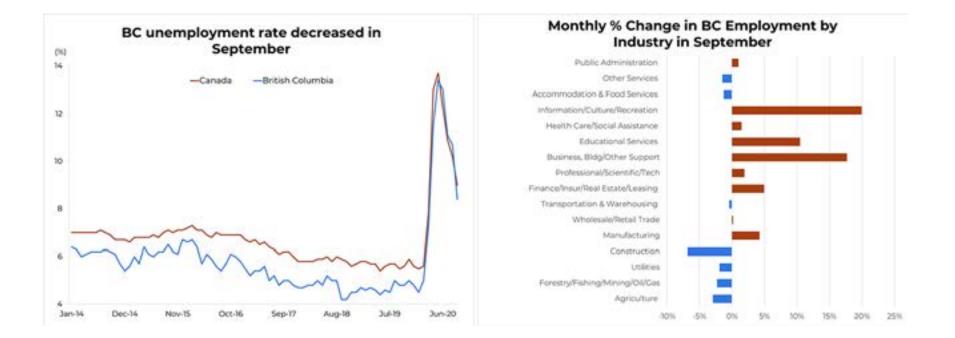
Canada Sees Fifth Straight Month Of Employment Gains

Canadian employment saw a gain of 378,200 jobs in September, following a gain in August of 245,800 jobs. This marks the fifth consecutive month of increases, bringing national employment within 719,500 of its pre Covid levels. The national unemployment rate dropped by 1.2% points down to 9% from the previous month. Accommodation/food, information/culture/ recreation, and educational services led gains services producing sector, while manufacturing led the increase in the good producing sector. Compared to last year in the same month, Canadian employment was down 685,000 jobs (3.6%).

Employment grew by 54,800 jobs in BC in September, 39,500 more than the gains in August. BC is now at 96% of its pre Covid employment levels. BC's unemployment rate dropped to 8.4% from 10.7%. Vancouver saw an increase of 35,000 jobs. Compared to last year, employment in BC was down 106,000 jobs.

Canadian Employment

Canada Sees Fifth Straight Month Of Employment Gains



Canadian Inflation

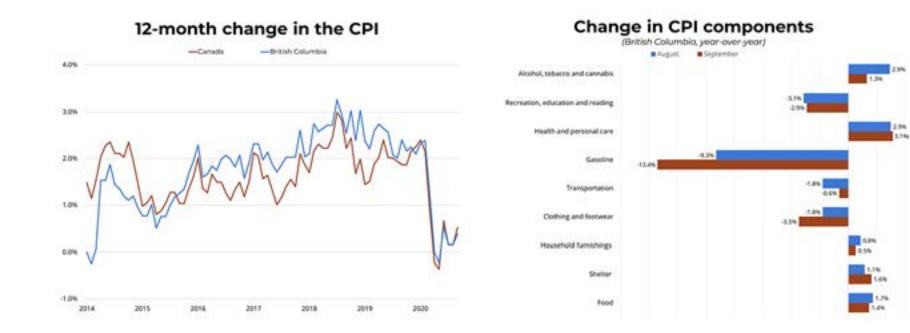
Inflation up 0.5% Year Over Year

Canadian inflation, measured by the consumer price index (CPI) went up by 0.5% in September year over year (y/o/y), which is up from last months increase of just 0.1%. Prices went up in 6/8 components y/o/y with large increases in health/personal care, food, and shelter, all three of these saw around a 1.6% increase. Clothing/footwear and recreation saw prices drop, clothing/footwear leading the way at -4.1%.

The CPI was positive in 7 provinces. CPI went up by 0.4% in BC in September y/o/y, which is up from last months increase of 0.2%. Prices increased in alcohol/tobacco/cannabis (1.3%), shelter (1.6%), food (1.4%), and health/personal care (3.1%). Prices continued to drop in gas (-13.4%), recreation (-2.9%), and clothing/footwear (-3.5%).

Canadian Inflation

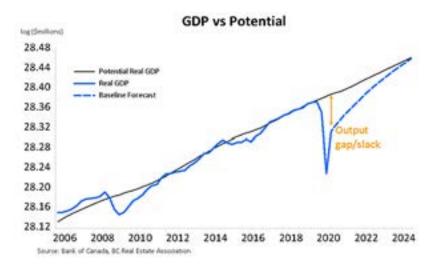
Inflation up 0.5% Year Over Year



Canadian Monthly Real GDP (August)

Economic Output 5% Below Pre Covid Levels

In August, Canadian real GDP rose by 1.2%, right after a 3.1% increase in July. This marks the fourth month in a row that GDP has increased following the sharpest contraction of the Canadian economy ever recorded. Economic output still remains around 5% below its pre Covid level. Real GDP growth in the third quarter is currently close to 10%, or 46% on a quarterly annualized basis. From there the economy is expected to see a strong but slow growth as it enters the "recuperation phase." Slack in the economy is not expected to be absorbed until 2023, which means interest rates will remain at an all time low for quite a while.

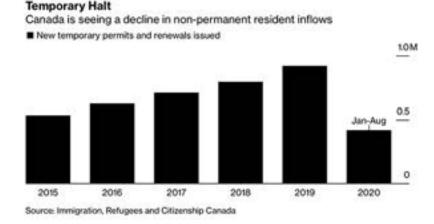


Canadian Immigration

Canada Looks To Set Record Immigration Levels

Prime minister Justin Trudeau is trying to bring in 401,000 new permanent residents by 2021 in an attempt to boost Canada's recovering economy by bringing in workers. This would be an increase of 50,000 people from the pre Covid goal of 351,000 announced in March. Canada's borders remain closed and its economy is getting ready for an end of year slow down due to an increase of Covid cases. International travel is expected to return to normal in 2021. Canada will further increase the level of newcomers over the next 3 years to 411,000 in 2022 and 421,000 in 2023 to make up for the immigration shortfall caused by the pandemic.

Between August and January, Canada brought in 128,430 new permanent residents. If this flow returns to 2019 levels, that number will grow to 240,000. This number seems optimistic as borders remain closed and there are no signs of them opening anytime soon with cases on the rise globally. The government is going to make it easier for international students and temporary workers to become permanent residents due to the fact that the borders are closed to non-essential travel and there are major delays in visa processing. Leah Nord, senior director of workforce strategies at the Canadian Chamber of Commerce said "We have a situation in the country though the pandemic where we do have high unemployment rates but we also have vacancies" and she also stated "Immigration in particular, international students and temporary foreign workers, have an important role in filling those gaps."



Looking Ahead

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

With a 4 year low in detached inventory, this sector, along with townhomes, look to continue their upward trend in pricing over the next few months.

A historically slower month, November has started off with high sales volumes and, should the trend continue, it will look similar to September and Ocotber with at or near record sales levels.

As we hit all-time high covid infections this week in BC, it's unknown how long until immigration levels will be able to increase and for more dense areas like downtown will become desireable again.

It appears the Government and Banks will do everything they can to keep housing, and rental rates, elevated for the foreeable future. With interest rates pinned to the bottom for what looks like years to come and lenders at their busiest levels ever recorded, we can expect home purchase levels to remain high through the normally slower winter season.

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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