



THE VANCOUVER LIFE

Real Estate Market Report

PUBLISHED OCTOBER 2020



THE VANCOUVER LIFE
REAL ESTATE GROUP



Table Of Contents

Your Comprehensive Guide To Vancouver Real Estate Data

MONTH IN REVIEW	3
METRO VANCOUVER MARKET DATA	5
VANCOUVER WEST MARKET DATA	14
VANCOUVER EAST MARKET DATA	24
PROPERTY OF THE MONTH	34
MORTGAGES AND INTEREST RATES	35
CANADIAN EMPLOYMENT	38
CANADIAN INFLATION	40
RETAIL SALES	42
CANADIAN HOUSING STARTS	44
LOOKING AHEAD	45
ABOUT THE VANCOUVER LIFE	46

01. Month In Review



Real Estate Sales Hit All Time High In September

The Vancouver Real Estate market is continuing its upward trajectory as all property types remain in a Seller's market for the month of September 2020. But there's more - September just recorded the highest total amount of sales ever recorded for the month - a staggering 44.8% above the 10 year averages. For anyone thinking that August was a bit of a fluke and a simple catch up to the slower spring market, September put this debate to rest.

With sales volume at an all-time high it is no surprise that prices have increased as well. The average Vancouver home increased by 0.3% compared to August and is up 5.8% from a year ago.

Both the Median and Average home prices in Vancouver hit all-time highs in September. Yes, that's even higher than in 2016.

First let's take a high level look at the market. The Real Estate Board of Greater Vancouver has reported that residential home sales in the region totalled 3,643 in September 2020, a 56.2% increase from the 2,333 sales recorded in September 2019, and a 19.6% increase from the 3,047 homes sold in August 2020.

What does this mean, why does it matter and how will it affect you? Well that depends if you are buying or selling real estate as this report will be the tale of two stories. But first, let's digest the stats and then explore why they are the way they are.



Month In Review

Real Estate Sales Hit All Time High In September

The best example of this comes from the fact that detached home inventory is at a 6 year low, while apartment inventory is at a 6 year high! Average rental rates are down 10%, strata fees and insurance premiums are still rising and it is expected that condo prices will face downward pressure for the months to come. Similar to the widening economic divide we are witnessing, certain property types are being favored more heavily right now.

This is compelling information showing that sales have increased by over 56% since last september and nearly 20% from the month before. If you look back to our previous reports, this level of activity is continuing to accelerate. But for how long? Let's look at the supply chain of property coming onto the market place.

There were 6,402 detached, attached and apartment properties newly listed for sale in Metro Vancouver in September 2020.

This represents a sizable 31.6% increase compared to the 4,866 homes listed in September 2019 and a 10.1% increase compared to August 2020 when 5,813 homes were listed.

So while the supply of homes coming onto the market is in good form compared to this time last year, it still isn't keeping up with the current demand levels. So long as demand continues to outperform supply, it will continue to push the overall pricing of homes up. By how much will remain a function of how much supply is on the market to meet current demand levels.

So why are demand levels so high? Well it's certainly being fueled by both the global pandemic and very low interest rates. As we've said in many reports before, the Pandemic has created a large repurposing of real estate and how we intend to use it going forward. Office space will not simply disappear, especially after we learn to deal with Covid-19 in the coming years, but there will continue to be and has been a large consumer push for more space at home because employers are asking their employees to largely work from home if possible.



Month In Review

Real Estate Sales Hit All Time High In September

When you combine this with low interest rates - the lowest ever on record - it becomes easier for those who are now working from home to take out bigger loans, upsize from their small space in a dense area to a much larger space with a home office in a Suburban one. This is further reflected in the total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 13,096, a 2.6% decrease compared to September 2019 (13,439) and a 2.3% increase compared to August 2020 (12,803).

When you begin to dive a little deeper into the local communities and neighborhoods, the story for apartments remains somewhat contentious as small apartments in dense areas struggle to find their pricing foothold with increasing supply.

The story becomes more clear as we look at the activity rates to see which property types are actually leading the way. For all property types, the sales-to-active listings ratio for September 2020 is 27.8%.

By property type, the ratio is:

28.3% for detached homes,
36.1% for townhomes, and
24.8% for apartments.

The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently \$1,041,300. This represents a 5.8% increase over September 2019, and a 0.3% increase compared to August 2020.

Sales of apartment homes reached 1,596 in September 2020, a 36.9% increase compared to the 1,166 sales in September 2019. This is great news pushing the the benchmark price of an apartment to \$683,500. This represents a 4.5% increase from September 2019 and a 0.3% decrease compared to August 2020.



Month In Review

Real Estate Sales Hit All Time High In September

In the months prior The Vancouver Life identified this curve and began warning our readers and listeners that the upward trend for Condos' (despite operating in a current Seller's market) was slowing drastically with a huge increase of supply in the downtown core coming onto the market as Seller's made their push to get into the suburbs; fitting the narrative above that consumers are vacating small spaces and moving towards bigger homes in the suburbs.

It's hard to see because the activity levels in the other two market segments (townhouse and houses) are performing exceedingly well and are pulling the entire market into a seller's marketplace, when that's not exactly the case for condos. When you compare this information:

Attached home sales in September 2020 totalled 730, a 73% increase compared to the 422 sales in September 2019. The benchmark price of an attached unit is \$809,900. This represents a 5.2 per cent increase from September 2019 and a 0.4% increase compared to August 2020.

And the best performer of them all is back:

Sales of detached homes in September 2020 reached 1,317, a 76.8% increase from the 745 detached sales recorded in September 2019. The benchmark price for detached properties is now \$1,507,500. This represents a 7.8% increase from September 2019 and a 1.1% increase compared to August 2020.

Big money is moving into high end properties as well. In fact, 45% of homes priced at or above \$8 million dollar bought in 2020 happened in the last 2 months!! The ultra-luxury market has been making a quiet comeback.



Greater Vancouver Real Estate Stats

Prices Increase As Sales Hit Record High In September

Home sale and new listing activity reached record levels in Metro Vancouver in September.

3,643 properties sold in September 2020, a 56.2% increase from the 2,333 sales recorded in September 2019, and a 19.6% increase from the 3,047 homes sold in August 2020.

Last month's sales were 44.8% above the 10-year September sales average and is the highest total on record for the month.

There were 6,402 homes newly listed for sale in Metro Vancouver in September 2020. This represents a 31.6% increase compared to the 4,866 homes listed in September 2019 and a 10.1% increase compared to August 2020 when 5,813 homes were listed.

Event with the jump in monthly inventory, overall availability decreased. Currently there are 13,096 homes for sale, a 2.6% decrease compared from September 2019 (13,439) and a 2.3% increase compared to August 2020 (12,803).

All property types are in a Sellers Market, with the sales-to-active listings ratio for September 2020 at 27.8%. By property type, the ratio is 28.3% for detached homes, 36.1% for townhomes, and 24.8% for apartments. (Anything above 20% is considered to be a sellers market.)

The benchmark price for all residential properties in Metro Vancouver is currently \$1,041,300. This represents a 5.8% increase over September 2019, and a 0.3% increase compared to August 2020.

Greater Vancouver Real Estate Stats

Average Property Prices

Average home prices increased by 0.3% from August and are up 5.8% since September 2019. That month also represented the bottom of the recent cycle. Prices are up an average of \$57,100 since then and are the highest they've been in 2 years, dating back to October 2018.



ALL PROPERTY TYPES

AVERAGE SALE PRICE

\$1,041,300

SEPT 2019: \$984,200

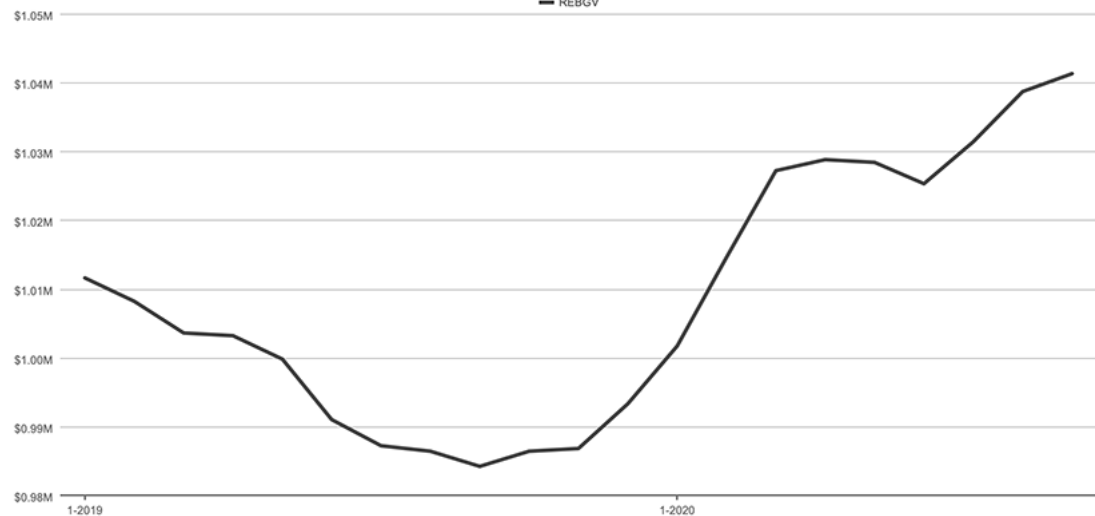
Y/Y CHANGE

5.8%

+ \$57,100



MLS® HPI Price



Greater Vancouver Real Estate Stats

Sale Prices - Median and Average

The previous page shows property prices as determined by the MLS HPI Price. This is determined by using more than 15 years of MLS data and sophisticated statistical models to define a “typical” home based on the features of homes that have been bought and sold.

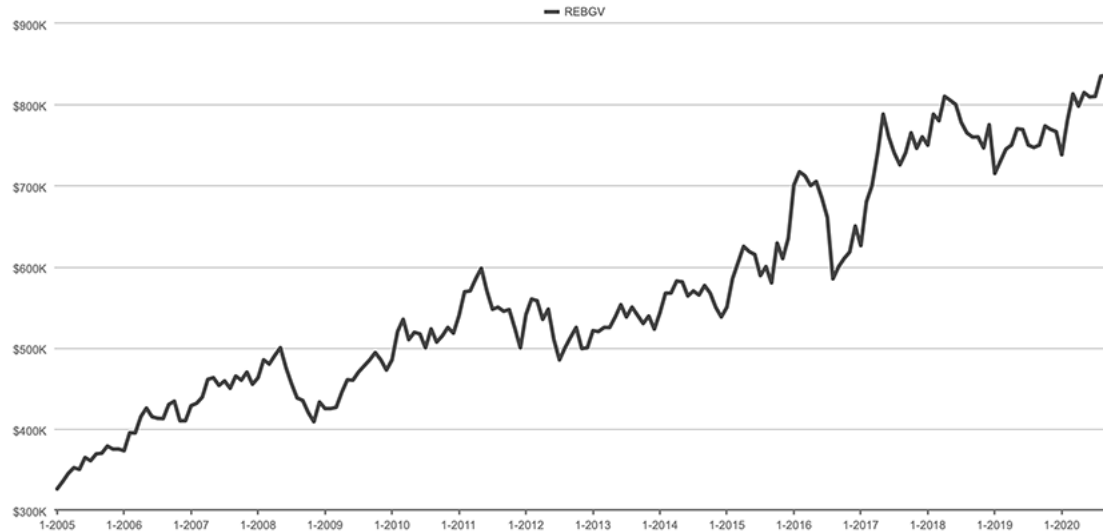
Home prices are also tracked by Median and Average Sales price.

It is important to note that both Median and Average sale prices hit an all time high in September. Yes, higher than 2016.

Average Sales Price



Median Sales Price



Greater Vancouver Real Estate Stats

Total Volume of Property Sales

September 2020 sales volumes were the highest ever recorded for the month.

Home sales in the GVRD totalled 3,643 in September, a 56.2% increase from the 2,333 sales recorded in September 2019, and a 19.6% increase from the 3,047 homes sold in August 2020.

Last month's sales were 44.8% above the 10-year September sales average.



ALL PROPERTY TYPES

HOMES SOLD

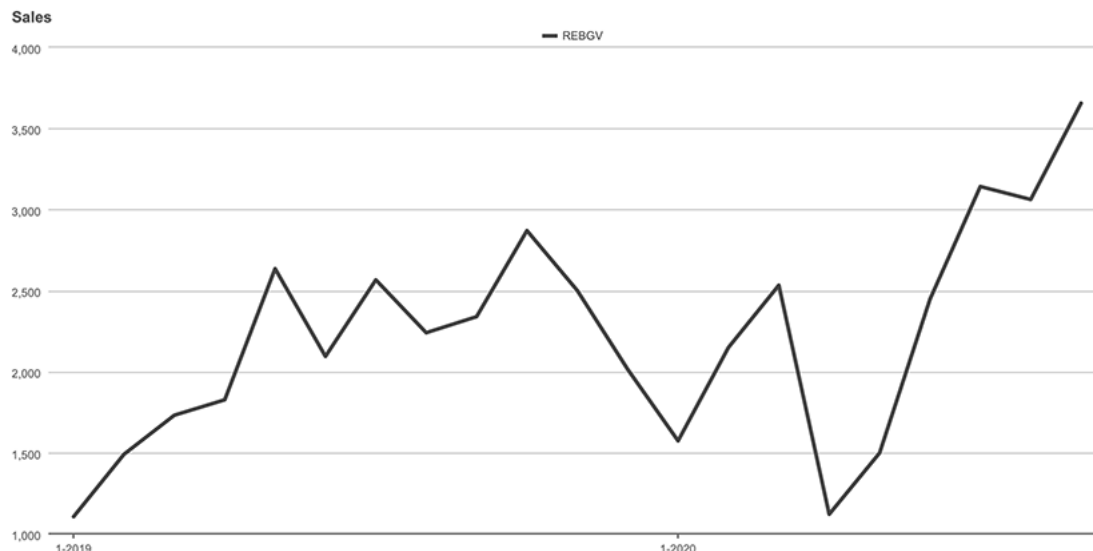
3,643

SEPT 2019: 2,333

Y/Y CHANGE

56.2%

+ 1,310



Greater Vancouver Real Estate Stats

Newly Listed Homes

There were 6,402 detached, attached and apartment properties newly listed for sale on the MLS in Metro Vancouver in September 2020. This represents a 31.6% increase compared to the 4,866 homes listed in September 2019 and a 10.1% increase compared to August 2020 when 5,813 homes were listed.



ALL PROPERTY TYPES

NEWLY LISTED

6,402

SEPT 2019: **4,866**

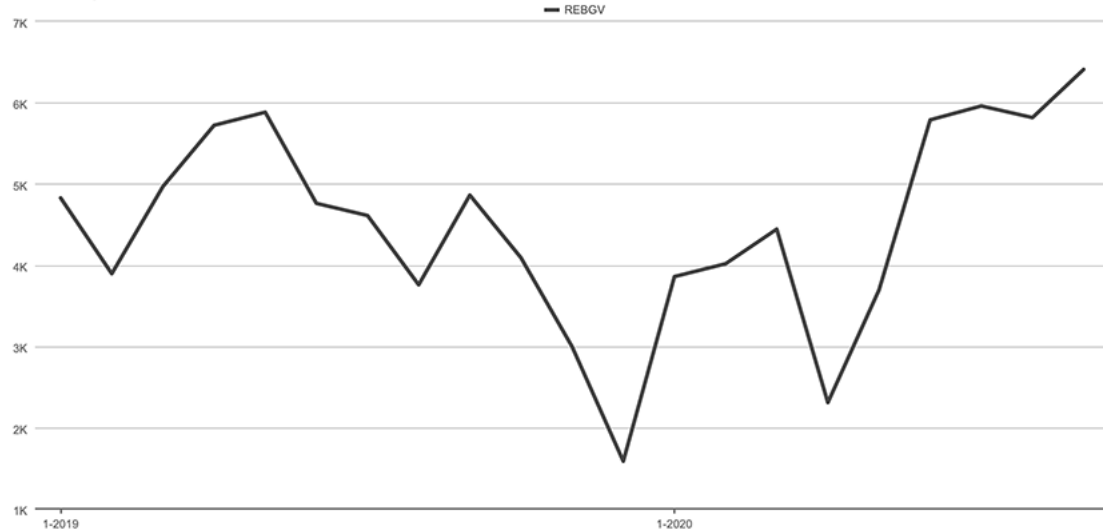
Y/Y CHANGE

31.6%

+ 1,536



New Listings



Greater Vancouver Real Estate Stats

Total Inventory

The total number of homes currently listed for sale on the MLS system in Metro Vancouver is 13,096, a 2.6% decrease compared to September 2019 (13,439) and a 2.3% increase compared to August 2020 (12,803).

TOTAL INVENTORY

13,096

SEPT 2019: **13,439**

Y/Y CHANGE

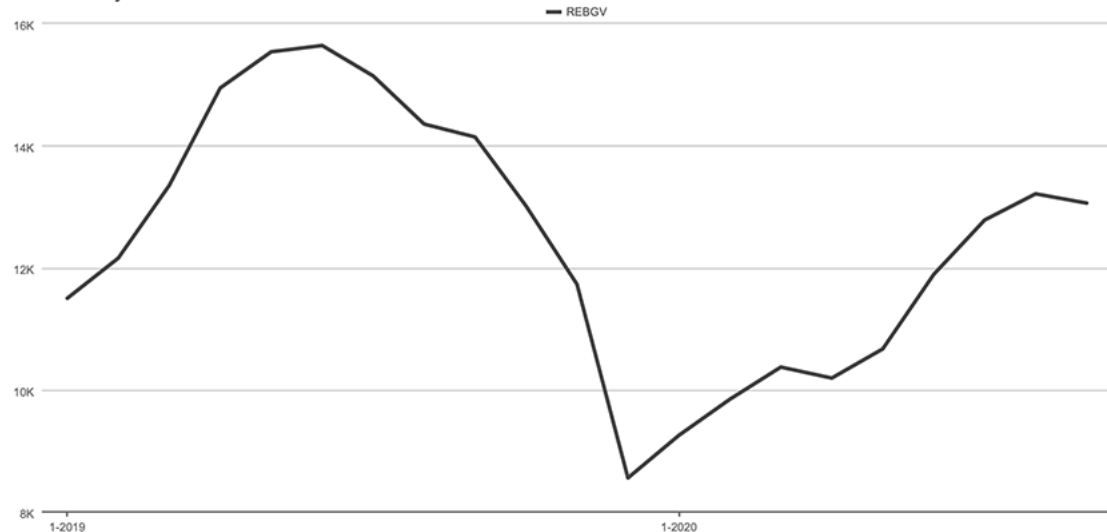
2.6%

- 343



ALL PROPERTY TYPES

Total Inventory



Greater Vancouver Real Estate Stats

Sales to Active Listings Ratio

For all property types, the sales-to-active listings ratio for September 2020 is 27.8%. By property type, the ratio is 28.3% for detached homes, 36.1 per cent for townhomes, and 24.8% for apartments.

Downward pressure on home prices occurs when the ratio dips below 12% for a sustained period, while home prices often experience upward pressure when it surpasses 20% over several months.



ALL PROPERTY TYPES

SALES RATIO

27.8%

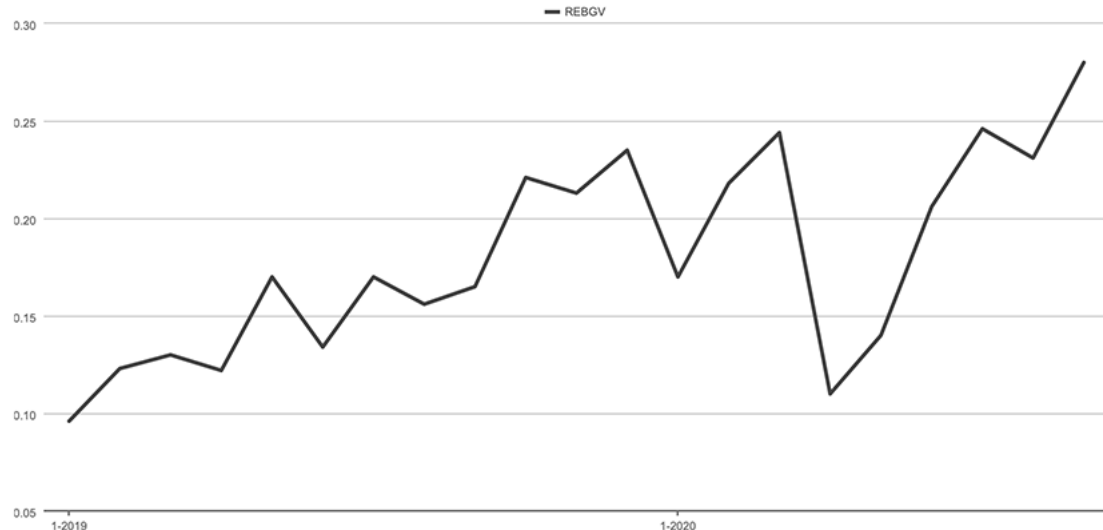
SEPT 2019: 17.0%

Y/Y CHANGE

10.8%

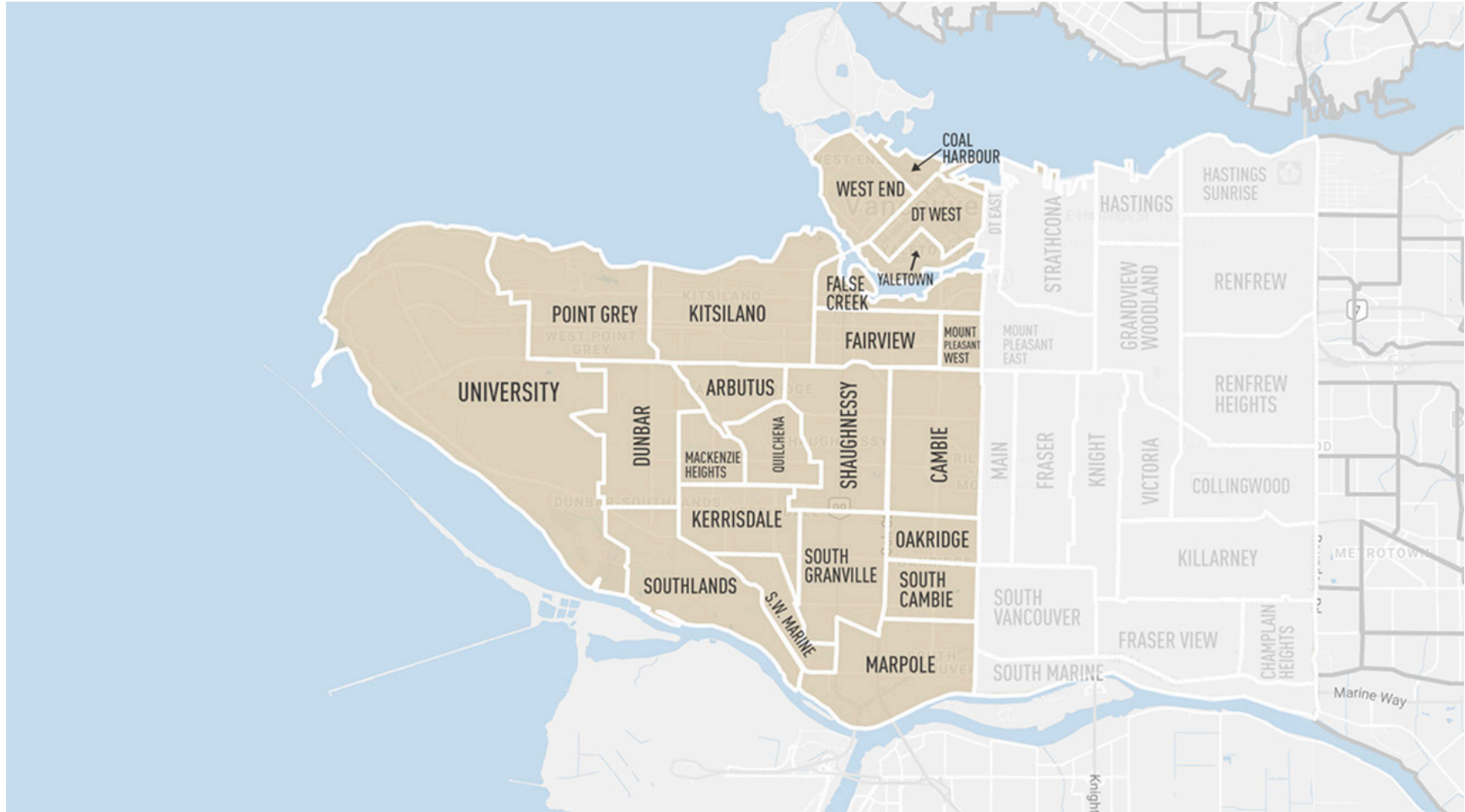


Sales to Actives Ratio



Vancouver West Real Estate Stats

A Focused Look At How The Vancouver West Market Performed





Vancouver West Detached Stats
SEPTEMBER 2020

Vancouver West Real Estate Stats : Detached

Average Property Prices for the Detached Home Market

Homes in this area maintained the exact same average price as the previous month, and are up 4.7% or \$139,500 from 1 year ago.

Homes in the area are still \$600,000 below the peak price of \$3,690,000 hit back in July 2017.



AVERAGE SALE PRICE

\$3,084,600

SEPT 2019: **\$2,945,100**

Y/Y CHANGE

4.7%

+ \$139,500



MLS® HPI Price

\$3.10M

— VVW - Vancouver West

\$3.05M

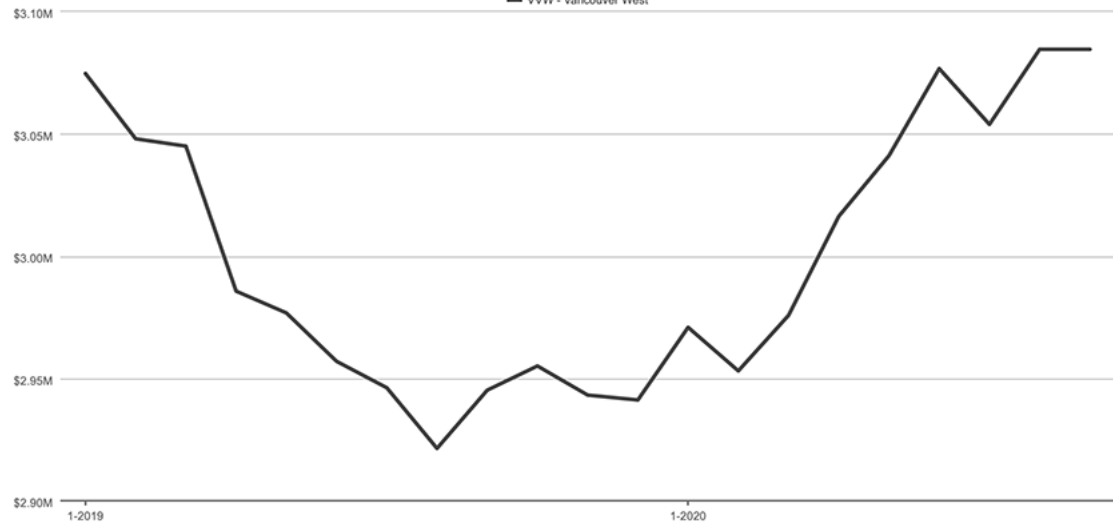
\$3.00M

\$2.95M

\$2.90M

1-2019

1-2020



Vancouver West Real Estate Stats : Detached

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

A significant jump in sales from 1 year ago outpaced the increase in new listings. Inventory dropped almost 17% from a year ago helping push the sales ratio into the higher end of a balanced market.



HOMES SOLD

104

SEPT 2019: 61

Y/Y CHANGE

70.5%

+ 43



NEWLY LISTED

207

SEPT 2019: 182

Y/Y CHANGE

13.7%

+25



TOTAL INVENTORY

605

SEPT 2019: 706

Y/Y CHANGE

16.7%

- 99



SALES RATIO

17.2%

SEPT 2019: 8.6%

Y/Y CHANGE

8.6%



Vancouver West Townhome Stats

SEPTEMBER 2020



Vancouver West Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

Townhome prices hit a 2 year high and are up 6% from last September. While still down \$60k from their April 2018 high, prices have been clawing upwards for 7 of the last 12 months.



AVERAGE SALE PRICE

\$1,164,300

SEPT 2019: **\$1,098,900**

Y/Y CHANGE

6.0%

+ \$65,400



MLS® HPI Price

\$1.18M

— VVW - Vancouver West

\$1.16M

\$1.14M

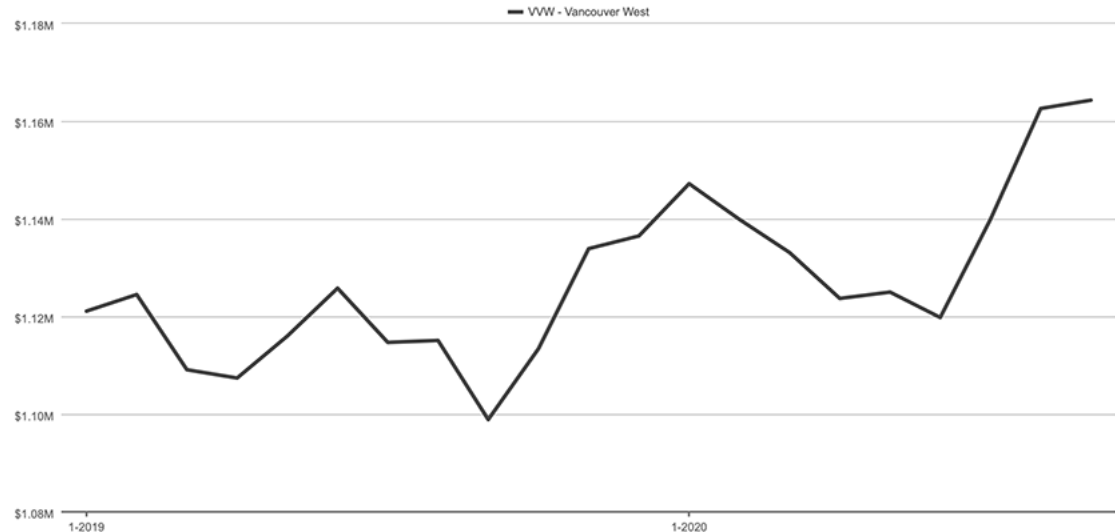
\$1.12M

\$1.10M

\$1.08M

1-2019

1-2020



Vancouver West Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

The spike in sales volume kept inventory slightly suppressed, even though it has been generally increasing since 2016. Interest in these types of homes pushed the sales ratio just into a sellers market, and almost twice as high as it was a year ago.



HOMES SOLD

50

SEPT 2019: 27

Y/Y CHANGE

85.2%

+ 23



NEWLY LISTED

132

SEPT 2019: 94

Y/Y CHANGE

40.4%

+ 38



TOTAL INVENTORY

247

SEPT 2019: 264

Y/Y CHANGE

6.9%

- 17



SALES RATIO

20.2%

SEPT 2019: 10.2%

Y/Y CHANGE

10.0%





Vancouver West Condo Stats

SEPTEMBER 2020

Vancouver West Real Estate Stats : Condo

Average Property Prices for the Condominium Market

While condo prices are up 3.7% or \$27,400 from a year ago, the recent downward trend can be seen. Since March average condo prices are down \$29,000 or 3.7%. With inventory at a 6 year high and climbing, we expect downward pressure on pricing to continue through the winter season.



AVERAGE SALE PRICE

\$782,200

SEPT 2019: **\$754,800**

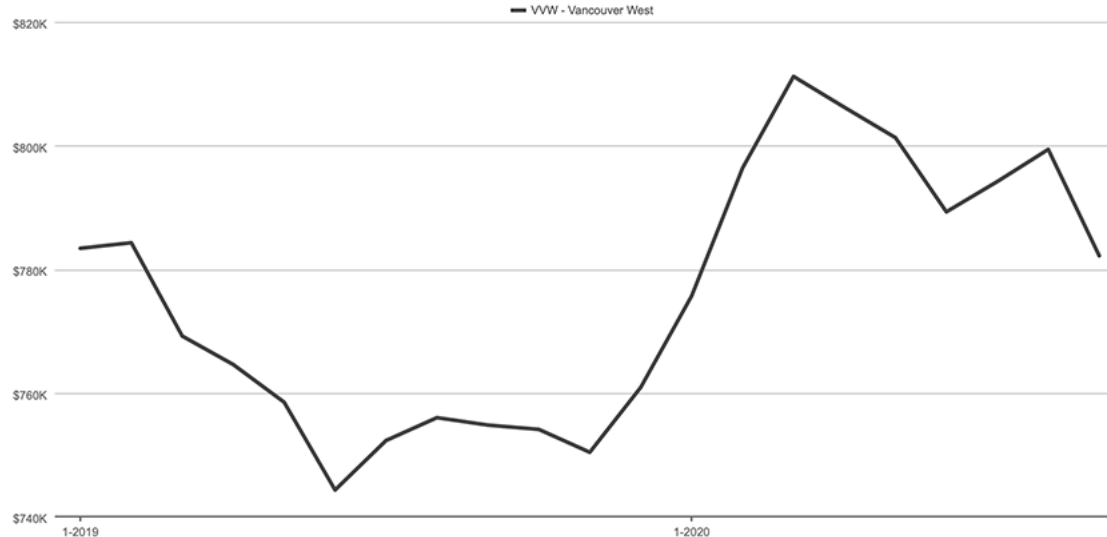
Y/Y CHANGE

3.7%

+ \$27,400



MLS® HPI Price



Vancouver West Real Estate Stats : Condo

Average Property Prices for the Condominium Market

Newly listed condos hit an 8 year high, which outpaced the increased demand to sit at a 6 year high in total inventory levels. We expect inventory to continue to climb through October and November.

HOMES SOLD

377

SEPT 2019: **302**

Y/Y CHANGE

24.8%

+ 75



NEWLY LISTED

977

SEPT 2019: **682**

Y/Y CHANGE

43.3%

+ 295



TOTAL INVENTORY

1,929

SEPT 2019: **1,550**

Y/Y CHANGE

24.5%

+ 379



SALES RATIO

19.5%

SEPT 2019: **19.5%**

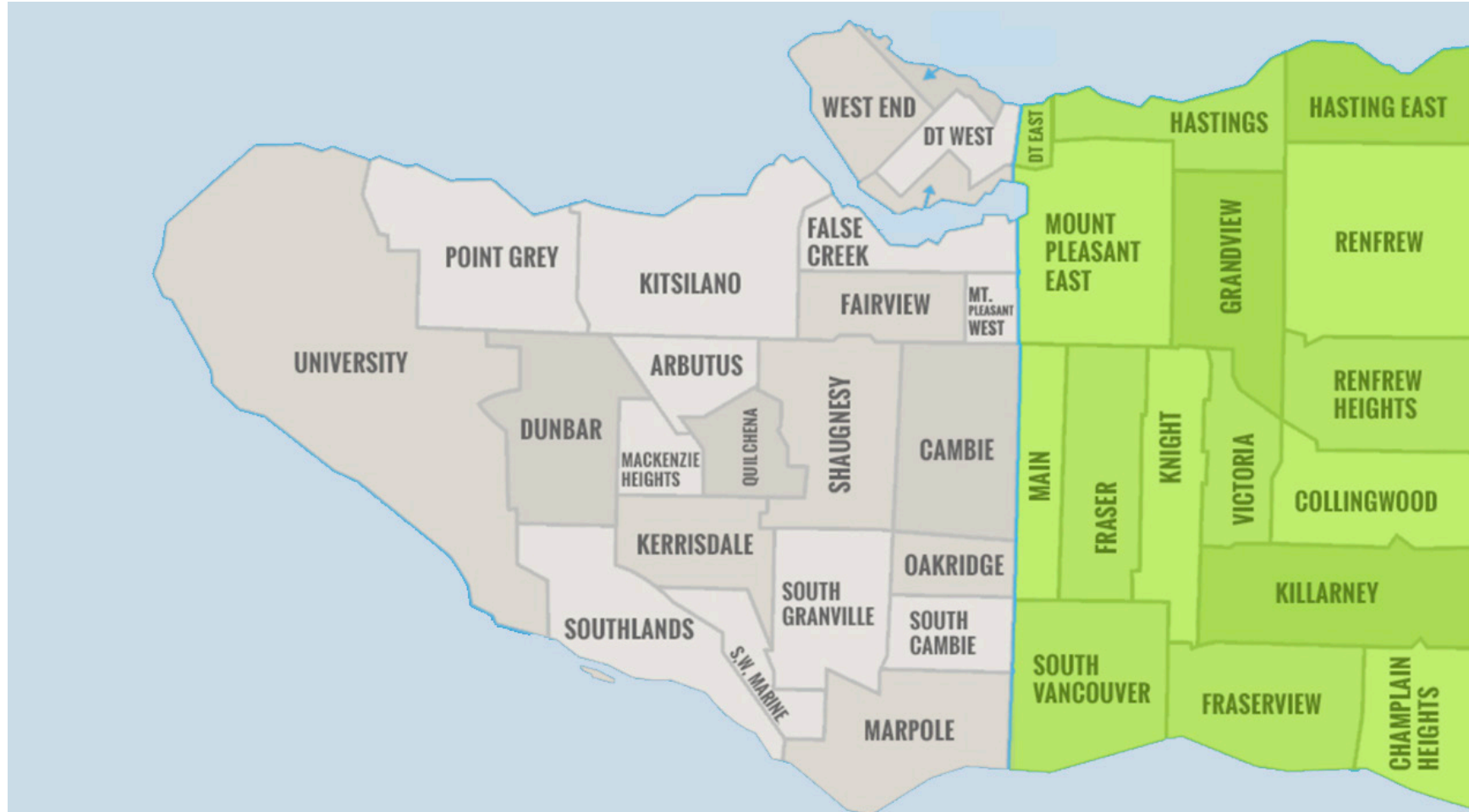
Y/Y CHANGE

0%



Vancouver East Real Estate Stats

A Focused Look At How The Vancouver East Market Performed In September



Vancouver East Detached Stats

SEPTEMBER 2020



Vancouver East Real Estate Stats : Detached

Average Property Prices for the Detached Home Market

The most popular property type and area saw a slight downturn in price last month, only the 3rd time we've seen that in the past 15 months. Overall these homes are up 9.2% from 1 year ago, outpacing the market average.



AVERAGE SALE PRICE

\$1,499,100

SEPT 2019: **\$1,372,900**

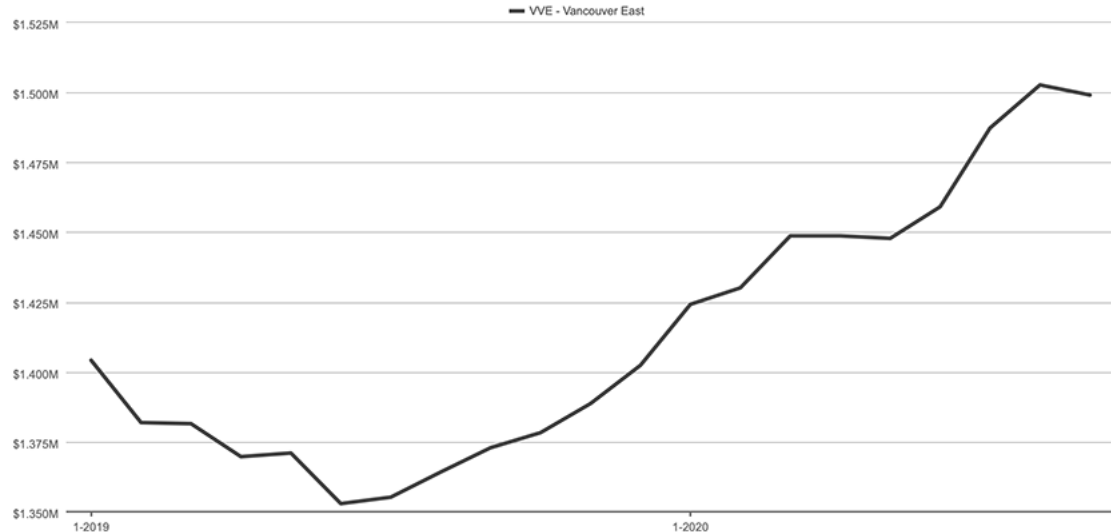
Y/Y CHANGE

9.2%

+ \$126,200



MLS® HPI Price



Vancouver East Real Estate Stats : Detached

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

Even with new listings at a 2 year high, the 3 year high in sales volume resulted in a 4 year low in inventory. Homes in this area are well into a sellers market, with the ratio heading north ever since Mid 2018.



HOMES SOLD

171

SEPT 2019: 109

Y/Y CHANGE

56.9%

+ 62



NEWLY LISTED

294

SEPT 2019: 169

Y/Y CHANGE

74.0%

+ 124



TOTAL INVENTORY

544

SEPT 2019: 645

Y/Y CHANGE

18.6%

- 99



SALES RATIO

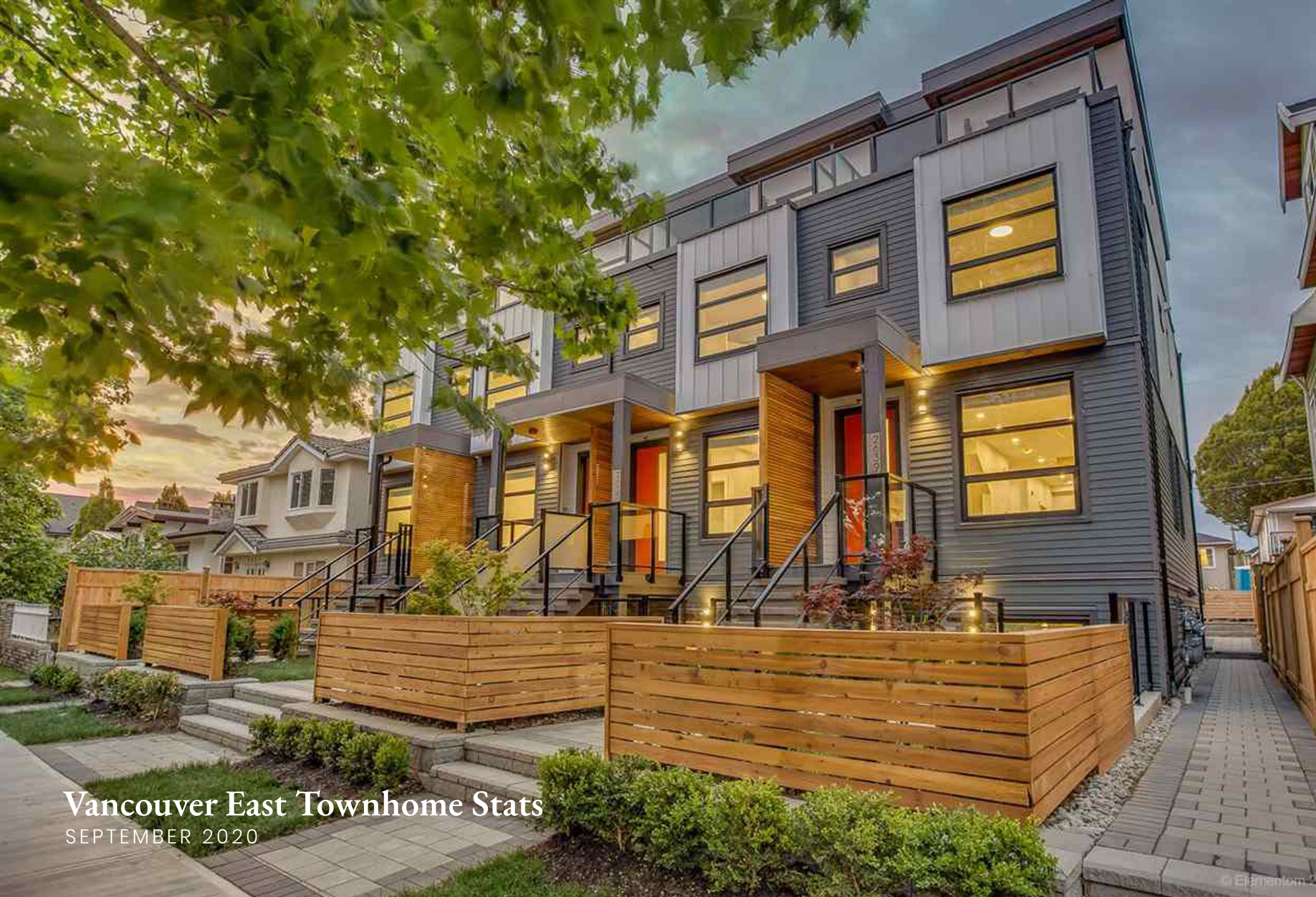
31.0%

SEPT 2019: 17%

Y/Y CHANGE

14.0%





Vancouver East Townhome Stats

SEPTEMBER 2020

Vancouver East Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

Townhome prices hit a 2 year high in the area and are up 8.8% from a year ago. Prices are up \$80,000 from the recent bottom of the cycle seen in August 2019.

AVERAGE SALE PRICE

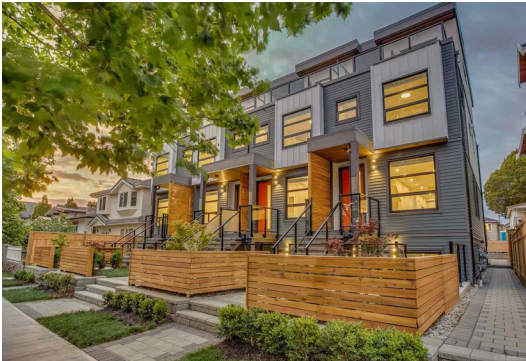
\$926,000

SEPT 2019: **\$850,900**

Y/Y CHANGE

8.8%

+ \$75,100



MLS® HPI Price

\$940K

— VVE - Vancouver East

\$920K

\$900K

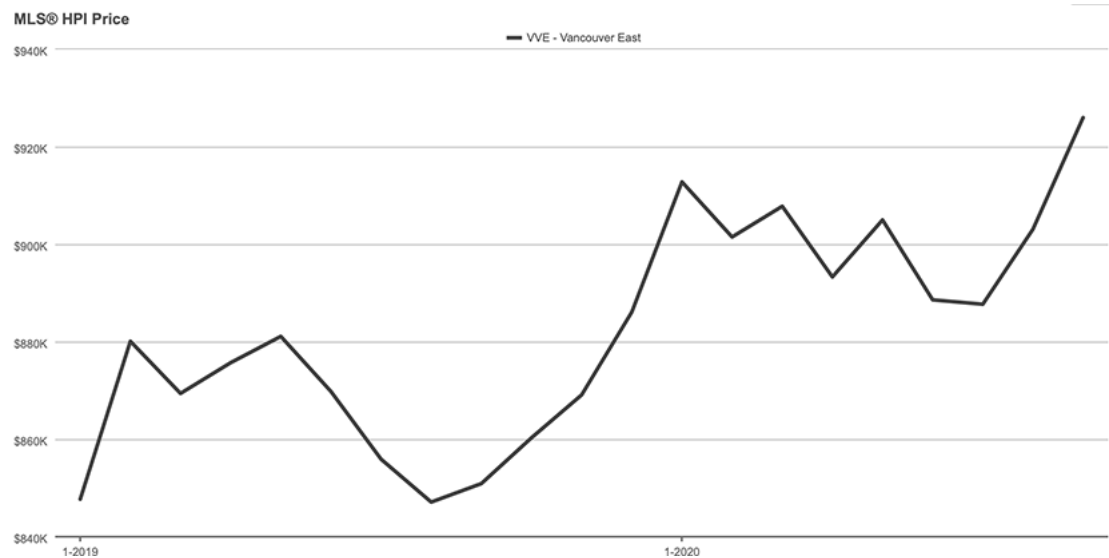
\$880K

\$860K

\$840K

1-2019

1-2020



Vancouver East Real Estate Stats : Townhome

Average Property Prices for the Townhome Market

Every indicator pointed up in September for Vancouver East townhomes, but keep your eye on inventory. We matched a 6 year high in inventory for these homes, even as sales jumped and the sales ratio remains firmly in sellers market territory.



HOMES SOLD

37

SEPT 2019: 24

Y/Y CHANGE

54.2%

+ 13



NEWLY LISTED

76

SEPT 2019: 60

Y/Y CHANGE

26.7%

+16



TOTAL INVENTORY

113

SEPT 2019: 94

Y/Y CHANGE

20.2%

+ 19



SALES RATIO

33%

SEPT 2019: 26%

Y/Y CHANGE

7%



Vancouver East Condo Stats

SEPTEMBER 2020



Vancouver East Real Estate Stats : Condo

Average Property Prices for the Condominium Market

Vancouver East Condos have been relatively flat with pricing in 2020, though up 6% since 1 year ago. Prices are around \$180,000 less than their neighbouring condos in Vancouver West.

AVERAGE SALE PRICE

\$596,900

SEPT 2019: **\$563,300**

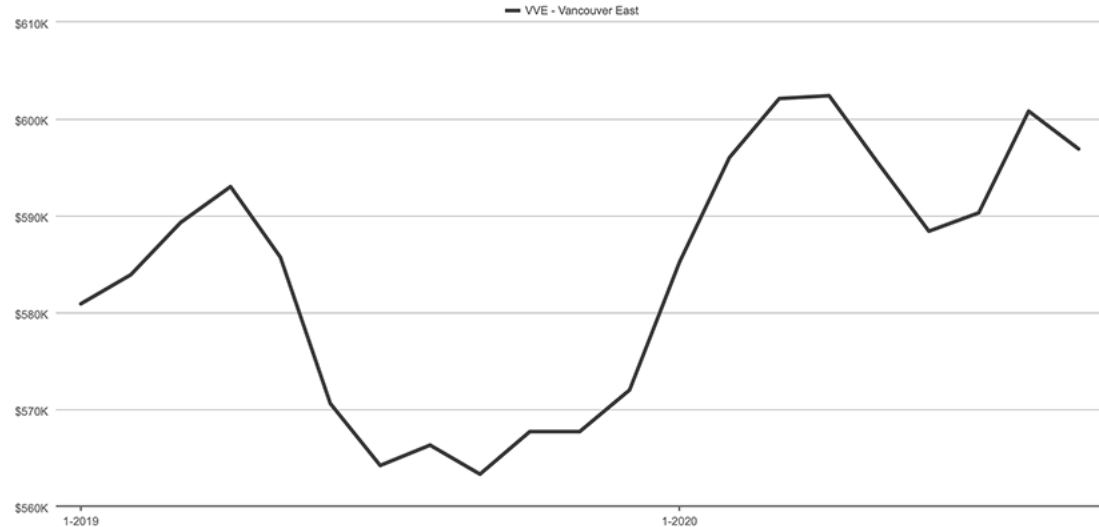
Y/Y CHANGE

6.0%

+ \$33,600



MLS® HPI Price



Vancouver East Real Estate Stats : Condo

Average Property Prices for the Condominium Market

New listings set an all time high record in September, eclipsing historical records by almost 30%. The 3 year high in sales helped eat into these new listings, but total inventory sits at a 6 year high. The sellers market ratio is high, though prices remain relatively flat for the past 2 years.



HOMES SOLD

197

SEPT 2019: **148**

Y/Y CHANGE

33.1%

+ 49



NEWLY LISTED

392

SEPT 2019: **293**

Y/Y CHANGE

33.4%

+ 99



TOTAL INVENTORY

602

SEPT 2019: **500**

Y/Y CHANGE

20.4%

+ 102



SALES RATIO

32.7%

SEPT 2019: **29.6%**

Y/Y CHANGE

3.1%



Notable Property Of The Month

45% Of \$8,000,000+ Homes Sold In Last 2 Months

7 of the 31 homes over \$8,000,000 sold in September. That is 22%. 14 of these homes sold in the last 2 months. 45% The ultra luxury market has returned and is gaining momentum.

In September, the highest sale went to a 6 bedroom home on 2 acres in the Southlands area. On the market for 450 days, the home was originally listed for \$16.8m, and ultimately sold for \$13m.

6630 Blenheim Street. Southlands
6 bed, 7 bath, 6,411 Sqft.



LIST PRICE

\$16,800,000

ASSESSED PRICE

\$9,797,000

OFFERS RECEIVED

Unknown

SOLD PRICE

\$13,000,000

BANQUE
DU
CANADA

Interest Rates & Mortgages



Mortgage & Interest Rate Update

Expect All-Time Low Mortgage Rates To Stick Around For Years To Come

Each month seems to bring a new record low in mortgage interest rates and September stayed true to this recent phenomenon. A number of major banks are offering 5 Year Fixed variable rate mortgages at 1.69%, the lowest we have ever seen.

With the Bank of Canada all but guaranteeing rates to stay pinned to the bottom for at least the next 2 years, we're seeing buyers rush in to obtain these record low rates.

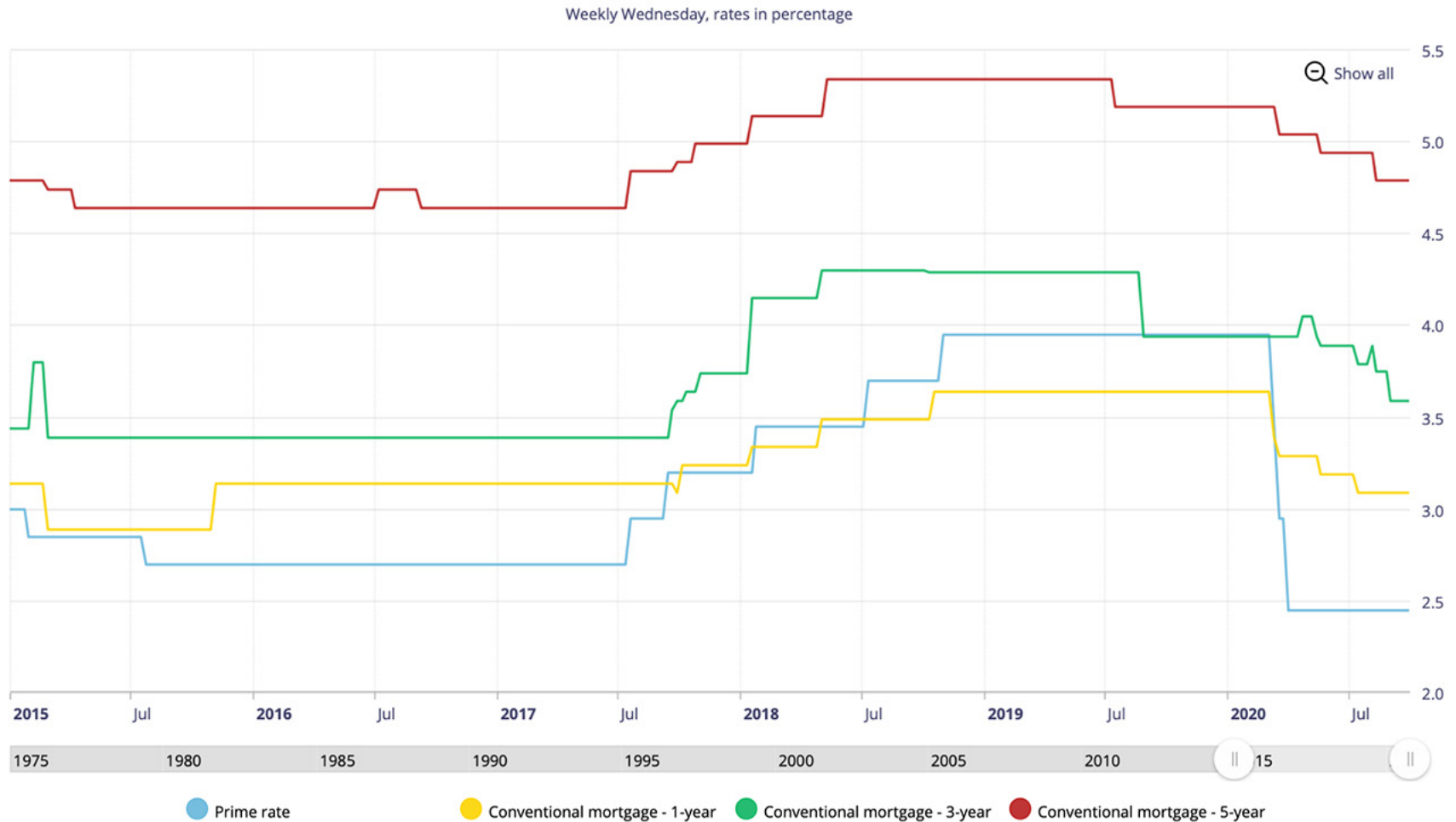
The Bank acknowledged that our stronger-than-expected reopening was "supported by government programs to replace incomes and subsidize wages." But it didn't acknowledge the recent data confirming that our federal government's unprecedented fiscal-policy response did more than replace lost income. It raised average incomes by an average of 11% in the second quarter during "the biggest downturn since the great recession." Whether you believe the government's response was right or wrong, our policy makers should be more willing to acknowledge that their staggering stimulus programs did more than temporarily shield our economy from much of the pandemic's real economic impact.

Five-Year Variable Rates				Five-Year Fixed Rates			
Down Payment	Purchase <\$1 million	Purchase \$1 million+	Refinances	Down Payment	Purchase <\$1 million	Purchase \$1 million+	Refinances
< 20%	1.70%			< 20%	1.74%		
20% to 25%	1.85%	1.85%	1.85%	20% to 25%	1.96%	1.94%	1.94%
25% to 35%	1.85%	1.85%	1.85%	25% to 35%	1.80%	1.94%	1.94%
35%+	1.85%	1.85%	1.85%	35%+	1.80%	1.94%	1.94%

*The rates listed above are for mortgages with excellent terms and conditions.
Contact us for details on renewal rates.
Other terms are also available.*

Mortgage & Interest Rate Update

Interest Rates Posted For Selected Products By The Major Chartered Banks





Canadian Employment

BC At 96% Of Its PreCovid Employment Level

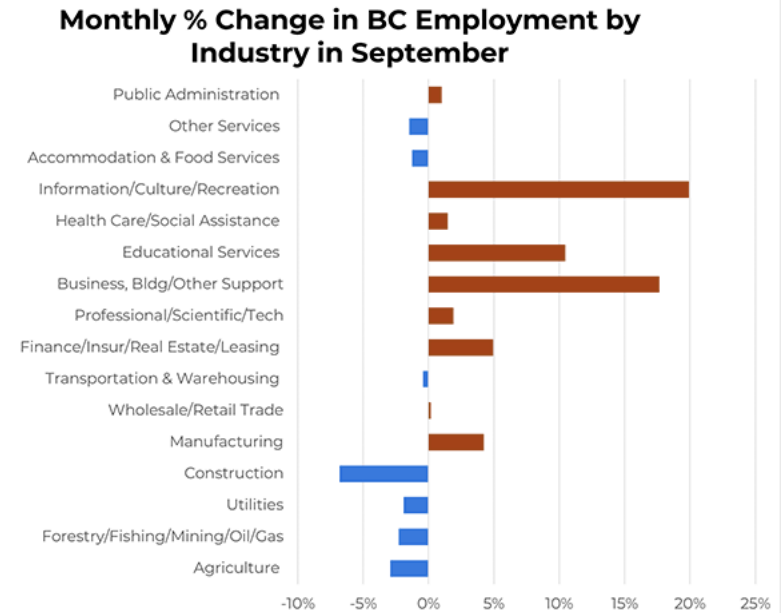
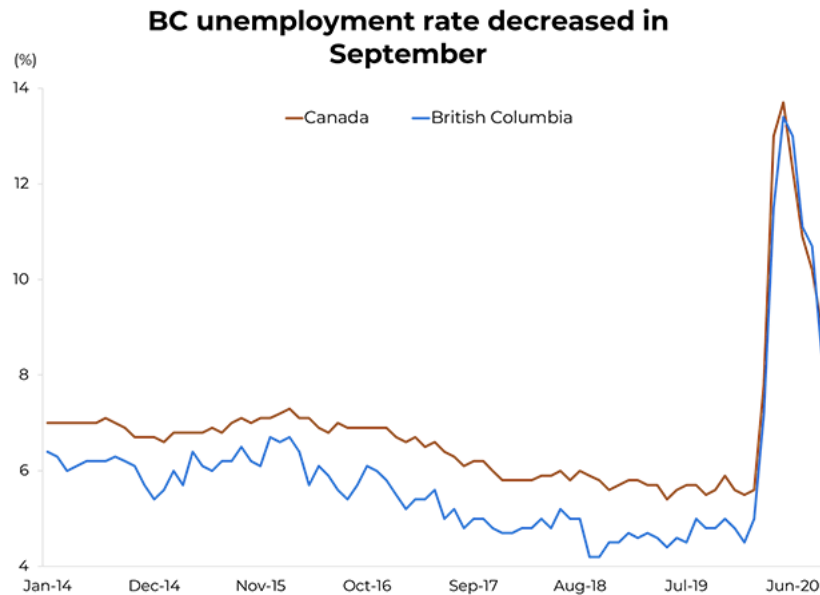
Canadian employment gained 378k jobs in September, 2.1%, month over month growth, following a gain of 246k in August. This is the 5th consecutive month of increases, putting national employment within 719.5k of its pre-COVID February level. The national unemployment rate fell by 1.2% to 9% from the previous month. Gains in the services-producing sector were driven by accommodation/food, educational services, and information/culture/recreation, while manufacturing led the increase in the goods-producing sector. Compared to the same month last year, Canadian employment was down by 3.6%

Regionally, employment increased in all provinces except in New Brunswick and PEI, with the largest gains in Ontario and Quebec. In BC, employment grew by 54.8k (2.3%, m/m) in September, surpassing the 15.3k gain in August. The province is now at 96% of its pre-COVID February employment level. September's gain brought down BC's unemployment rate by 2.3% to 8.4%. In Vancouver, employment increased by 35,000 jobs, contrasting the 2.3k jobs lost in August. Compared to one year ago, employment in BC was down by 4.2% (-106K) jobs.

We've come a long way since the loss of 3 million jobs in April. But as the economy continues to recover and adapt to the impacts of the global pandemic, some industries will continue to face a longer path to recovery than others.

Canadian Employment

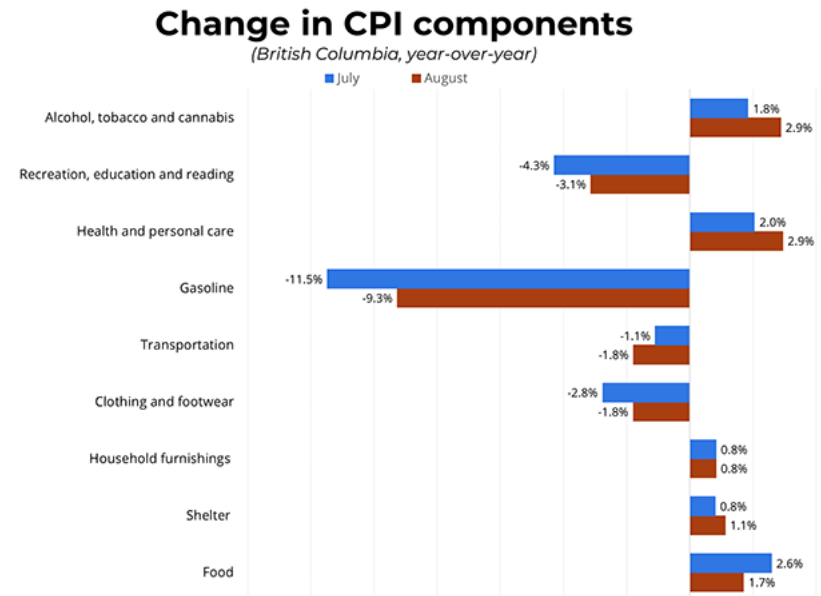
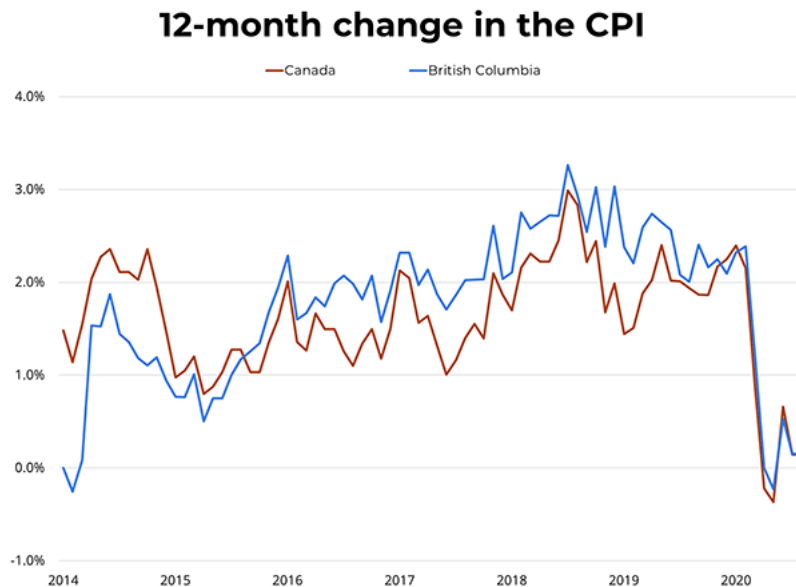
BC At 96% Of Its PreCovid Employment Level



Canadian Inflation

Consumer Price Index Up 2% Year Over Year In BC

Measured by the consumer price index (CPI), Canadian inflation grew by 0.1% in August year over year, the same as last month. With the exclusion of gas, the CPI grew 0.6%. Prices went up the most in food, shelter, and personal care, while falling in clothing, recreation, footwear, and transportation. In 5 provinces the CPI was positive. BC saw CPI rise by 2% in August year over year, the same as last month's increase. Personal care, food, shelter, alcohol/tobacco/cannabis, and household furnishings all saw prices rise. Higher prices for haircuts are what mainly caused an increase in personal care. Recreation, clothing, footwear, gas, and transportation all saw prices decrease. Inflation is expected to remain weak as some provinces are starting to bring restrictions back out.



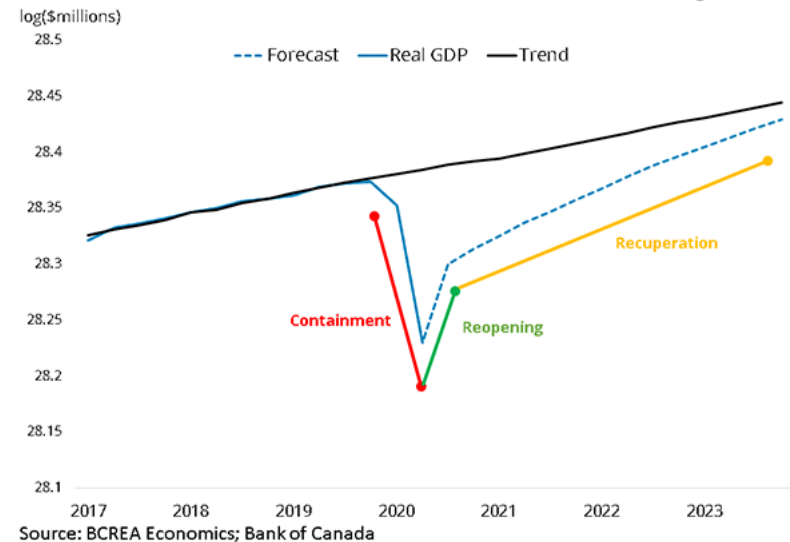
Canadian Monthly Real GDP - Sept 30 2020

Canadian Economy 6% Below Pre Covid Levels

Canadian real GDP went up by 3% in the month of July, following a record increase in June of 6.5%. Even after three months in a row of growth, the Canadian economy is still around 6% below its pre Covid levels of output. All industrial sectors in Canada saw increases in July, with real estate surpassing its pre Covid level of GDP.

Statistics Canada's estimation for real GDP growth for August is currently at 1%, which shows that third quarter real GDP growth is still tracking at almost 10%, or roughly 40% on a quarterly basis. Even with these levels of growth the Canadian economy is still 4% below its pre Covid levels. From here a strong, but slower, rate of growth is anticipated as the country heads into its recuperation phase.

Canadian Economic Recovery





Canadian Retail Sales

Retail Sales Up For Third Month In A Row

Retail sales went up for the third month in a row in July by 0.6% on a seasonally adjusted (SA) basis. This represents a deceleration from the 23% gain we saw in June and a 21% gain we saw in May. Out of 11 subsectors sales went up in 6 of them, led by auto dealers and gas stations. With the exception of those two subsectors, retail sales dropped by 1.2%. Last year this time, retail sales were up 5%. 5 provinces saw sales increase in July, being led by B.C., Manitoba, and Alberta. BC's (SA) retail sales went up by \$7.6 billion (2.1%) and by \$3.4 billion (0.9%) in Vancouver.

In July, e-commerce saw a continued slow in sales, up by 63% year over year, following a 71% increase from the previous month. The reopening of physical stores is the main cause for this slowdown. E-commerce sales totaled \$2.8 billion in July, making up 4.8% of total retail sales. This does not include Canadians purchasing from foreign e-commerce retailers.

Overall, the shape of retail sales recovery has been like a V, with pent up demand now dissipated. Low interest rates and government funding programs will continue to help drive retail spending. However, continued uncertainty around deferral programs, increased unemployment levels, and rising Covid cases could possibly produce problems moving forward.

Canadian Retail Sales

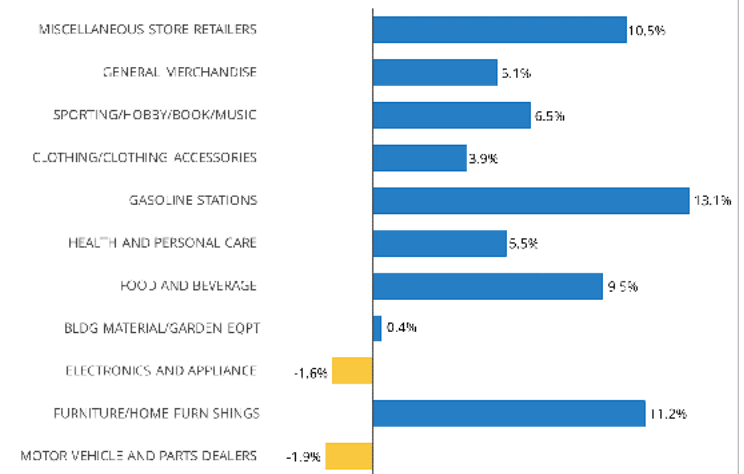
Retail Sales Up For Third Month In A Row

BC retail sales were up in July*



*Seasonally-adjusted

July change in retail sales by subsector in BC
(not seasonally-adjusted)



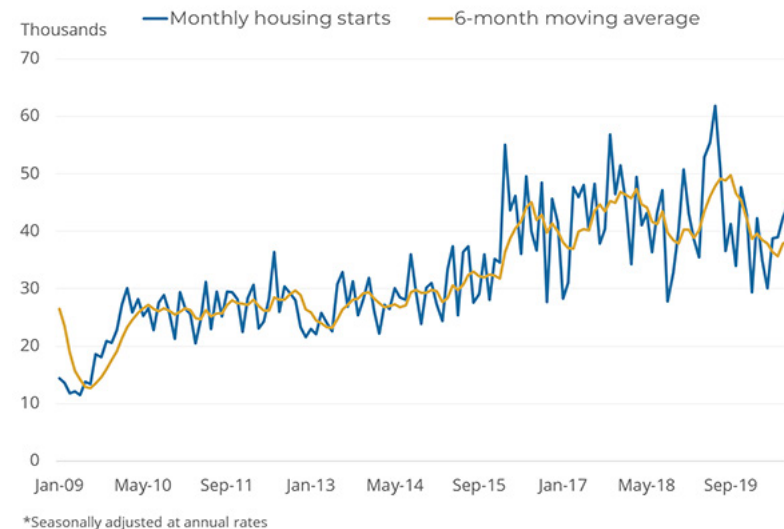
Canadian Housing Starts

Housing Starts Above Pre Covid Levels

August saw an increase of 7% at a seasonally adjusted annual rate (SAAR) month over month in Canadian housing starts, jumping to 262,369 units. This is the quickest pace of homebuilding since 2007 and is the fourth consecutive monthly increase, driving the 6 month average to 213,144 units SAAR. August's increase was pushed primarily from multi segment units in Ontario, representing the provinces strongest pace of homebuilding since 1990.

Housing starts in BC increased 6% month over month to just below 45,000 units SAAR for the month of August, following an increase of just under 43,000 units in July. Housing starts in August reached above pre Covid levels. It is expected that housing activity will continue to grow supported by sales that happened before the pandemic and extremely low borrowing rates. Although, the value of residential building permits was down by 34% in July. Compared to last year this time, housing starts were up by 23%. In Vancouver housing starts were up 22% month over month to 29,754 units SAAR. Housing starts were up by 50% the same time last year in Vancouver.

British Columbia Housing Starts*





Looking Ahead

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

If you're a Buyer looking for a Condo right now, you may want to get ready to buy in the near future. There will be and have already seen many Buyers picking up great deals in and around town. We believe this will be the case for months to come until the border reopens and we can let in the thousands of employees for example that Amazon is waiting to put to work. These are the people who will largely be purchasing condo's in the near future as they work to gain their footholds in the city. This however, could be a few years away as we work to better understand how to combat and live with Covid-19.

Mortgage interest rates continue to help fuel housing sales and helping consumers buy larger properties with less interest. This month's lowest recorded rate was found at 1.65% on a 5 year fixed term! In fact, if you have a mortgage rate with a 2 in front of it, you should really consider talking with your mortgage broker about how they can potentially save you thousands by refinancing with a new rate.

Interest rates are estimated to stay extremely low for as far out as 2023 and when you combine that with Canada's emergency wage subsidy program (is expected to be in place until at least Summer 2021 and will cost an additional \$40 billion) will put Canada's budget deficit up to \$148B. This is a massive increase in debt considering Canada's overall debt position a year ago was a deficit of \$1.6 billion. The government will be looking to keep interest rates low to encourage consumer spending and pay down the deficit.

Thanks to mortgage deferrals and continued government stimulus, the insolvency rate is the lowest it has been in 23 years, dating back to 1997. Obviously, it's easy to not be insolvent if your payments are deferred, but with Canadians saving at an increasing rate (up 26% compared to the average 6%), the payments look to be manageable once they come back into effect.

Very early October data shows the rapid sales pace continuing. With more money in the average Canadian's pocket and the promise of years of low interest rates, home sales could continue their above average sales volumes.

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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