



MLA Advisory, MLA Canada's market and product intelligence division, is the largest in-house analytics and advisory group in Western Canada. Our deep intelligence is powered by a dedicated team of Advisors and industry leading professionals with outstanding sales and marketing experience and proven results. We tirelessly analyze market trends and study consumer demand to best position our client's portfolio. MLA Advisory's scope of services include comprehensive market intelligence, product envisioning and design, and strategic price analysis, aiming to deliver tremendous value from acquisitions to sales execution.

We are proud to present our 2017 MLA Advisory Market Intel, a summary of just some of the information we continually monitor to keep abreast of the market. To analyze the outgoing year and plan ahead, the Market Intel features an overview of the current market conditions and an outlook for the coming year.

## MLA ADVISORY MARKET INTEL 2017

Current fundamentals indicate another stable and positive year ahead, when considering growing GDP, stable employment and currency, low interest rates, a rising population with steady housing starts, and the positive global perception of being a desirable place to live, even amidst our new government policies.

We focused on these fundamentals in the Intel. However, it should not go unsaid that 2017 will also see elections in British Columbia and in key global economies, including several in Europe, and, of course, the introduction of the Trump administration. The impacts of these elections on trade, pipelines, foreign policy, immigration, and climate change, as well as pre-election Liberal government changes or post-election make-good promises from a new government, could create major shifts. These elections and subsequent shifts may very well be the true factors which determine the economic strength of 2017.

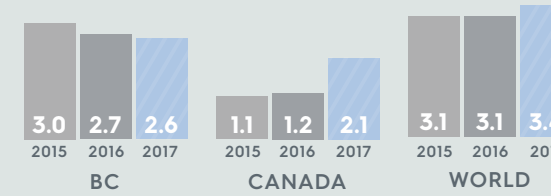
## MAJOR ECONOMIC TRENDS

The tourism, retail, and housing sectors are anticipated to be the main GDP drivers for the province in 2017. Once again, British Columbia is expected to lead the country in GDP growth, largely from job gains and a strong housing market. The National GDP is projected to increase, directed by positive swings in Saskatchewan and Alberta as the energy sector slowly rebounds. GDP growth will likely support an interest rate hike in 2017, although continued global uncertainty will hold the rate within historical lows.

A rebounding US GDP will likely keep our dollar under \$0.80 throughout the year, which will continue to positively affect the province's major export industries.

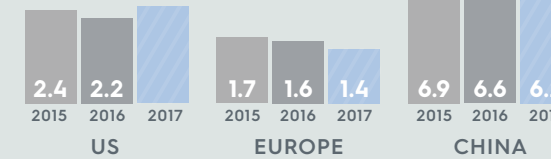
A close eye should be kept on China, primarily the declining GDP growth, the inevitable policy changes intended to limit the export of capital, and the subsequent implications that it will have on our local economy.

**REAL GDP PERCENT GROWTH**  
2015, 2016, 2017 (FORECAST)



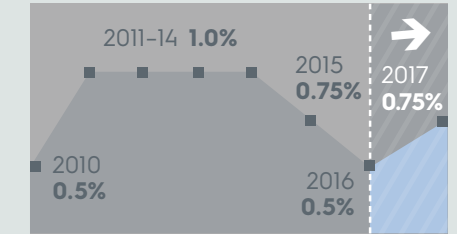
2017 FORECAST FOR VANCOUVER GDP

**3.3%**

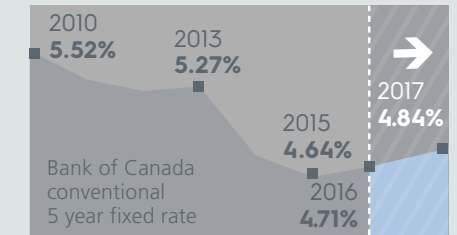


Source: www.bcbc.com

**OVERNIGHT INTEREST RATE**  
(Q3) 2010-2017 FORECAST

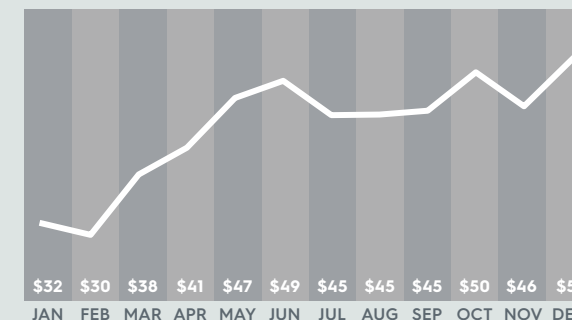


**NATIONAL MORTGAGE RATE**  
(Q3) 2010-2017 FORECAST



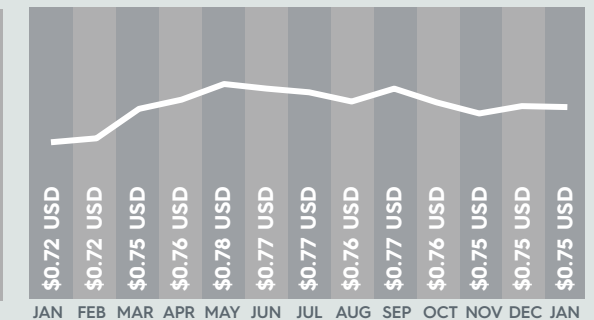
Source: Bank of Canada, Statistics Canada, Central 1 BC Economic Forecasts.

**AVERAGE ANNUAL CRUDE OIL SPOT PRICE**  
MONTH TO MONTH 2016  
(USD/barrel WTI Cushing, Oklahoma)

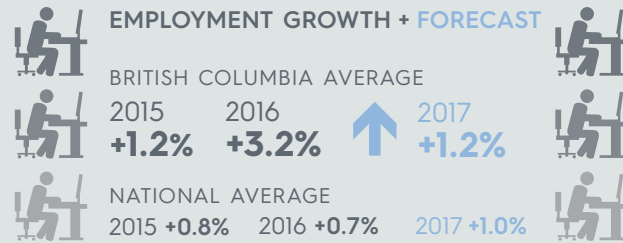


Source: www.eia.gov

**CAD/USD EXCHANGE RATE**  
January 5, 2016: \$1 CAD = \$0.72 USD  
January 5, 2017: \$1 CAD = \$0.75 USD

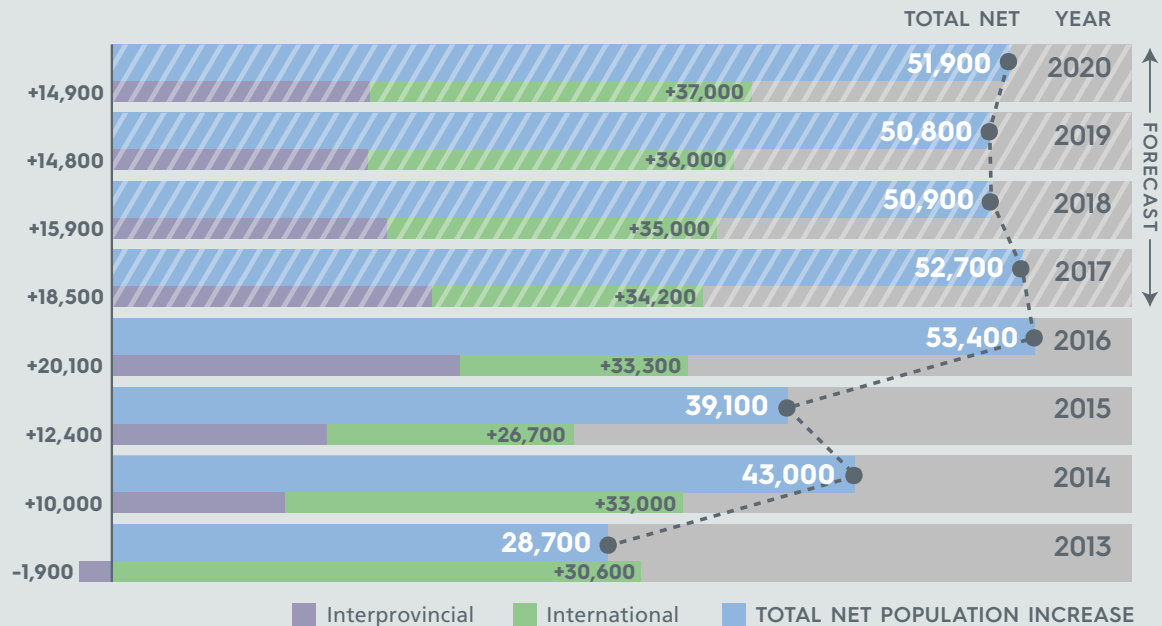


Source: www.x-rates.com



Source: www.bcstats.gov.bc.ca, CMHC Housing Market Outlook - Fourth Quarter 2016

INTERNATIONAL + INTERPROVINCIAL MIGRATION INTO BC 2013-2020



Source: BC Stats, British Columbia Population Projections 2016-2041

## BC EMPLOYMENT + POPULATION TRENDS

In 2016, British Columbia's employment growth saw an increase of 3.2%, outpacing the national average by 2.5%. Looking forward in 2017, BC is anticipating to see a softening of employment growth, but will continue to outpace the national average.

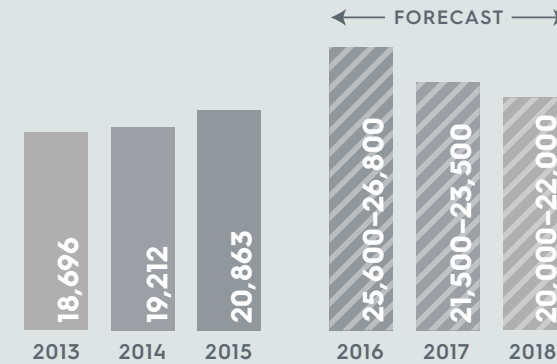
With strong employment growth in 2016, there was substantial inbound interprovincial migration, particularly Albertans moving west. However, as other provinces continue to stabilize and recover, we foresee interprovincial migration to slow and not reach the same level of activity we saw last year. Our international population growth is also expected to hold steady as Vancouver continues to be seen as stable and as one of the best places in the world to live. This added population will continue to help fuel housing demand.

## HOUSING MARKET TRENDS

After a prolonged and unsustainable price escalation, the market hit its peak last March, before declining and then levelling off by the new year. Even so, the Lower Mainland showed an increase in benchmark price of over 20%, and 2016 ended with a Sales-to-Active Listing Ratio of 28% – higher than the average over the last five years. 2017 will see a return to a more balanced market and modest price increases.

We expect the single-family market will continue to stabilize over the course of 2017, returning to an equalized market due to diminishing supply and continued high demand – despite August’s introduction of the Foreign Buyer Tax and other government implementations. Housing starts reached an all-time high in 2016, but are not expected to remain at those levels. Paired with continued low interest rates, steady population growth, and stable employment trends, we expect to see demand keeping up with supply, maintaining relatively constant activity levels and more modest price increases compared to 2016.

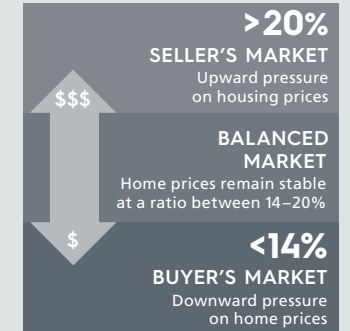
## METRO VANCOUVER HOUSING STARTS



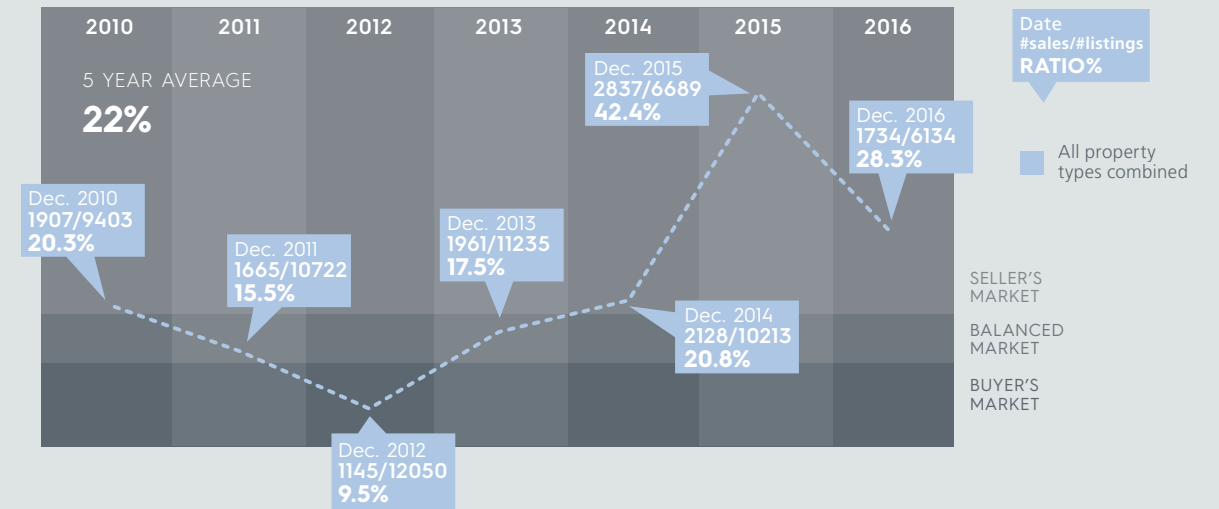
Source: CMHC Canada Housing Market Outlook Fall 2016.

## SALES-TO-ACTIVE LISTINGS RATIO

The ratio is a measure of balance between supply and demand in the housing market.

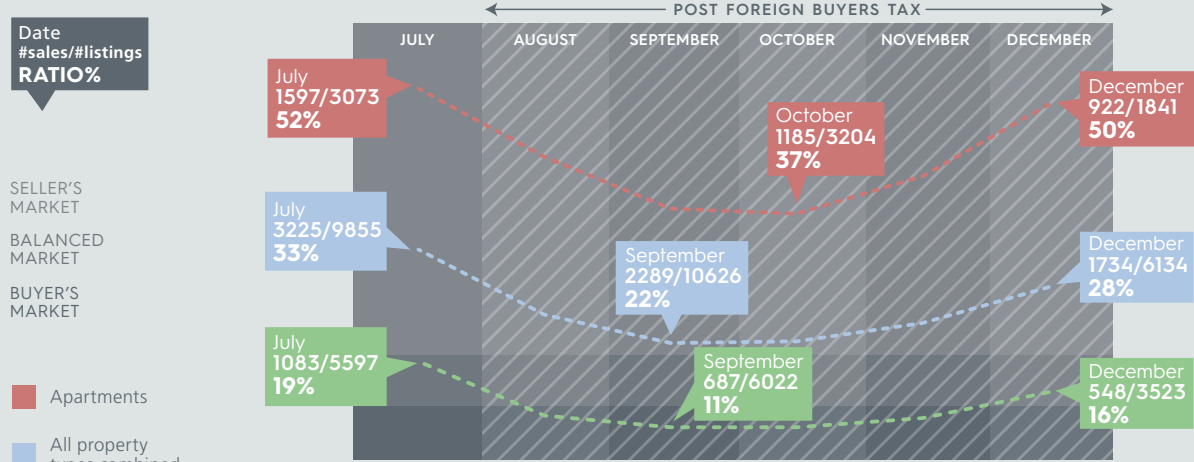


## SALES-TO-ACTIVE LISTINGS RATIO GREATER VANCOUVER 2010-2016

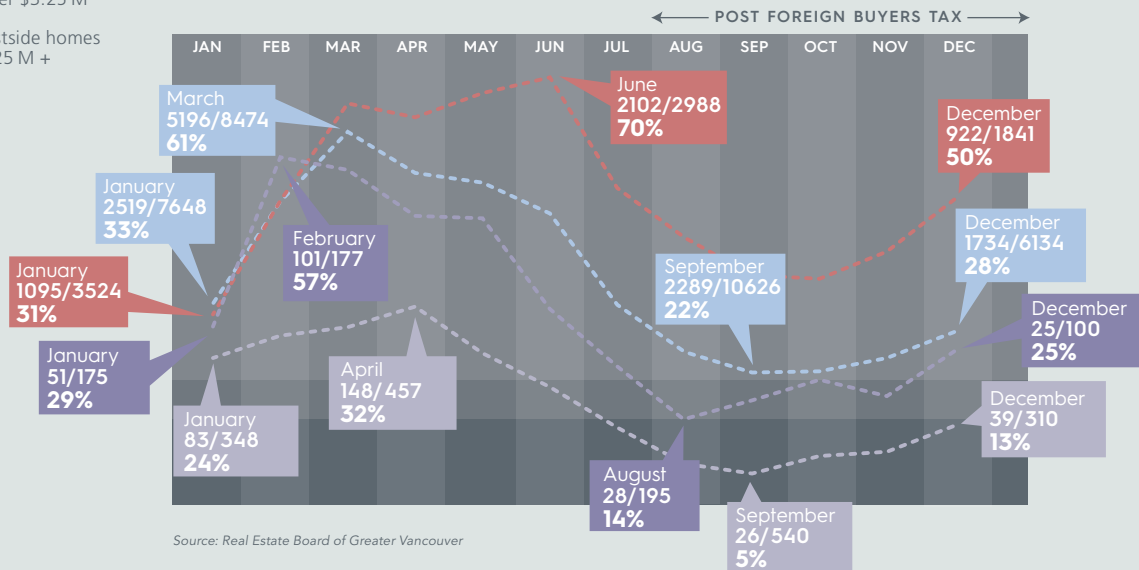


Source: Real Estate Board of Greater Vancouver

**SALES-TO-ACTIVE LISTINGS RATIO GREATER VANCOUVER**  
JULY-DECEMBER 2016



**GREATER VANCOUVER ALL PRODUCT TYPES COMPARED TO VANCOUVER WESTSIDE DETACHED SINGLE FAMILY** JANUARY - DECEMBER 2016



Source: Real Estate Board of Greater Vancouver

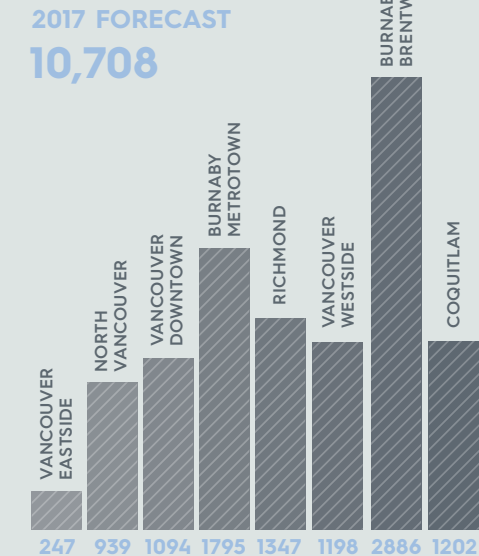
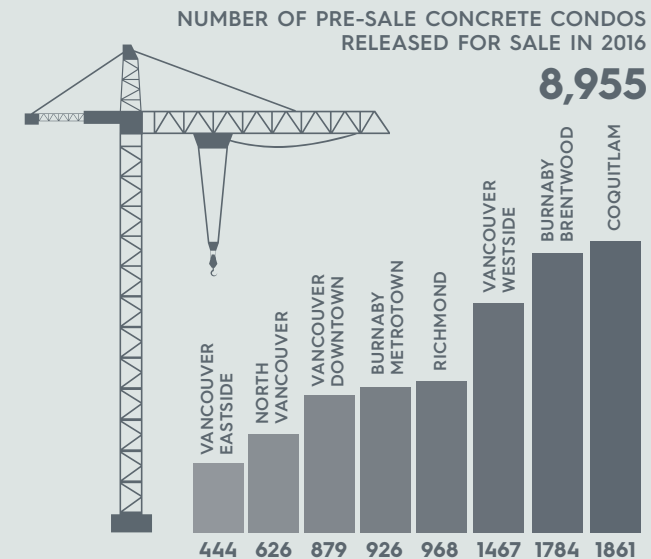
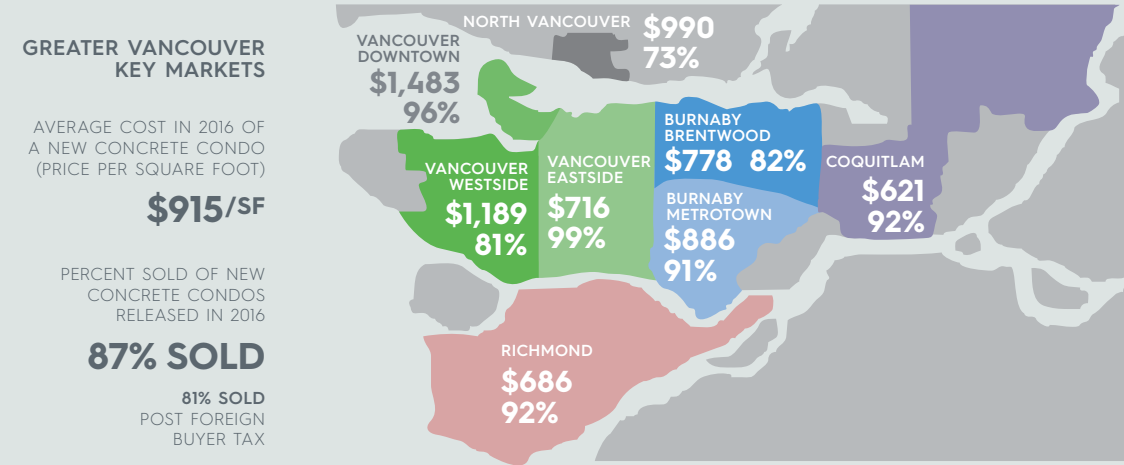
In 2016, the Greater Vancouver real estate market encountered unprecedented growth. Record sales activity and price increases were experienced across much of Metro Vancouver, particularly within the Vancouver West Side single-family home market. This historical growth peaked in March 2016 and went on to decline over the course of the summer. The implementation of numerous government policies, such as the Foreign Buyer Tax introduced in August, accentuated the decline before markets leveled off and recovered near the end of 2016. While these declines were widely reported, the greatest decline was isolated to the niche market of single-family homes over \$3.25 million. The apartment market segment on the other hand continued to outperform 5-year and 10-year averages with robust buying and selling activity. Additionally, single-family homes under \$3.25 million enjoyed very stable activity and ended 2016 with a Sales-to-Active Listing ratio of 25%. Looking ahead to 2017, the overall market is expected to see a modest growth trajectory, while maintaining more stable conditions.

## PRE-SALE NEW CONSTRUCTION MARKET

Although the recently introduced Foreign Buyers Tax, along with other government policies, did curb activity levels in the resale market, the pre-sale market has shown minimal signs of slowing down.

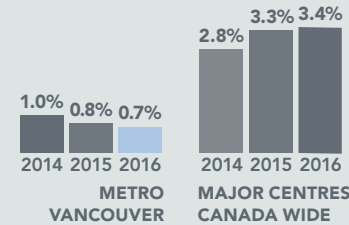
After analyzing the pre-sale concrete developments released post-Foreign Buyers Tax in major sub-markets, we found that over 81% of this inventory has been absorbed. The various government interventions have shown little effect on the pre-sale market to date, and with over 10,000 concrete units currently being planned for 2017, we anticipate continued steady absorption figures. This increase in pre-sale supply will likely dampen the massive price jumps in markets across Greater Vancouver that we saw in 2016, which should help affordability, especially in markets such as Richmond and the Tri-Cities.

## NEW CONSTRUCTION CONCRETE MULTI-FAMILY SUPPLY AND DEMAND AVERAGE PRICE PER SQUARE FOOT AND ABSORPTION RATE FOR 2016



Source: MLA Advisory. Data current to December 15, 2016.

VACANCY RATES 2014-2016



CONDO VACANCY RATE METRO VANCOUVER

0.7%

VANCOUVER CMA RENTAL MARKET BY BEDROOM TYPE

AVERAGE RENT VANCOUVER CMA

\$1,223

UP BY 6.4%

BACHELOR	1 BEDROOM	2 BEDROOM	3+ BEDROOM
0.7% VACANCY RATE	0.7% VACANCY RATE	0.7% VACANCY RATE	1.4% VACANCY RATE
\$1,013 AVG. RENT	\$1,159 AVG. RENT	\$1,450 AVG. RENT	\$1,631 AVG. RENT

Source: CMHC Rental Market Reports October 2016

AVERAGE RENTAL RATES FOR NEWLY COMPLETED HIGH RISE CONDOS  
AVERAGE MONTHLY RATE PER SQUARE FOOT

VANCOUVER		BURNABY	COQUITLAM	NEW WESTMINSTER
SOUTH CAMBIE \$3.05/SF	CAMBIE CORRIDOR \$3.35/SF	METROTOWN \$2.71/SF	\$2.18/SF	\$2.23/SF
UBC \$3.08/SF	YALETOWN \$3.40/SF	BRENTWOOD \$2.60/SF		

Source: MLA Advisory compiled survey of newly constructed condos for rent as of December 2016.

RENTAL MARKET TRENDS

Rental vacancy remains extremely low at less than 1%, where it has been for the past several years. This continued low vacancy has led to a record average rental rate increase of over 6%. The average rent of \$1,223 includes all rental supply in the Greater Vancouver area, but, it is important to note, average rental rates for newly completed apartments for both privately-held and purpose-built rental supply yield a much higher monthly lease. Urban areas, such as Downtown, UBC, and the Cambie Corridor, have achieved over \$3.00/SF and show few signs of slowing.

All statistics taken from external sources, as noted. MLA Canada does not guarantee the accuracy or completeness of the information. In providing this information MLA Canada does not assume any responsibility or liability. Prospective homebuyers should not rely solely on the information contained therein. E.&O.E.





### **Real Estate Intelligent.**

MLA Canada is the most comprehensive real estate service provider in Canada. Partnering with residential developers, MLA Canada offers an unmatched level of expertise in Advisory services, market intelligence, project marketing, sales, customer care, and administration.

From boutique projects to large masterplan communities, our diverse and deeply experienced service teams deliver exceptional results, while placing our clients' objectives and brand identity first.

### **LEADERSHIP GROUP**

In 2016, MAC Marketing Solutions and BLVD Marketing Group amalgamated to form McNeill Lalonde and Associates, or MLA Canada.

As MLA Canada, the best of two cultures are combined and supported by a highly experienced leadership group and dedicated and talented team. Together, we are redefining industry analytics, marketing, sales, and advisory solutions throughout major metropolitan centres across Canada. **Email [info@mlacanada.com](mailto:info@mlacanada.com) for more information on our services and to learn how we can strengthen your team.**

CAMERON MCNEILL

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JANIS GALL

EVP Sales & Administration, Partner

CLARKE NAKAMOTO

CFO, Partner

SHAYNA MACQUISTEN

COO, Partner



For over 15 years, MAC Marketing has been strengthening developers' endeavours by providing sales and marketing expertise for concrete towers and large masterplan communities. Exceptional results are delivered while honouring the integrity of corporate and project brands.



Specializing in boutique projects, BLVD Marketing offers an innovative and personal approach to sales and marketing by tailoring sophisticated programs for developers who wish to appeal to homeowners looking for an exceptional home and living experience.



Leading with the ability to precisely collect and analyze data, our industry-leading Advisory team is the largest in-house Analytics and Advisory group in Western Canada. Applying our innovative approach and sales-centric expertise, we make recommendations that strategically position client projects in an extremely competitive landscape.



Working closely with each project's marketing and sales teams, our Communications division ensures full integration of project objectives by thoughtfully strategizing and meticulously executing traditional and digital media, public relations, and social media plans.

## Real Estate Intelligent.

Become Real Estate Intelligent, register at [mlacanada.com](http://mlacanada.com) for market and project updates.  
For media inquiries, contact Valerie Wonghen at 778-838-6860 or [valerie@mlacanada.com](mailto:valerie@mlacanada.com).