

Residential Real Estate Analysis

JANUARY 2019 VS. JANUARY 2018

EASTSIDELAW

DETACHED

UNIT SALES

27 ↓ -51.80%

New Listings

195 ↑ 7.10%

AVE. DAYS ON MARKET

49 ↑ 0.40%

HPI (combined total)

\$1,428,700 ↓ -8.65 %



TOWNHOME

UNIT SALES

4 ↓ -80.00%

New Listings

40 ↓ -2.40%

AVE. DAYS ON MARKET

35 ↓ -3.20%

HPI (combined total)

\$ 848,200 ↓ -1.1



CONDO

UNIT SALES

41 ↓ -54.40%

New Listings

196 ↑ 36.10%

AVE. DAYS ON MARKET

42 ↑ 62.60%

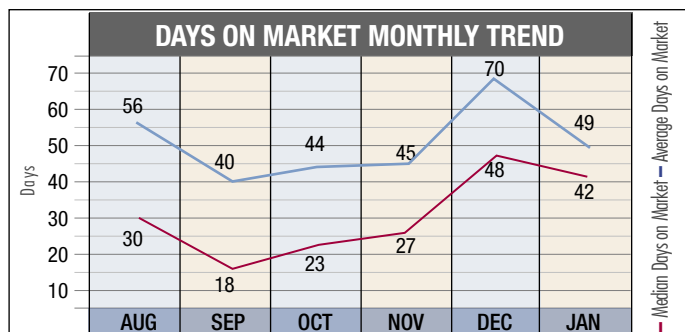
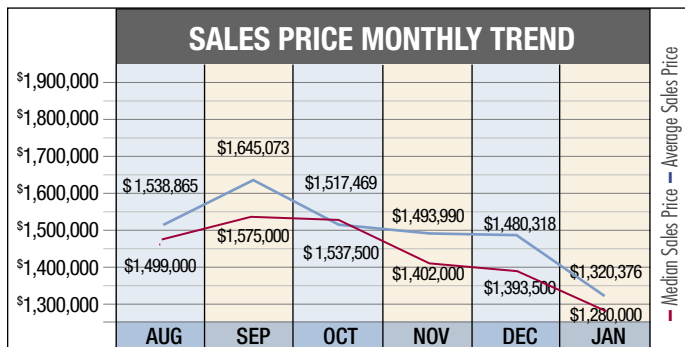
HPI (combined total)

\$530,500 ↓ -3.94%



JANUARY- SINGLE FAMILY DETACHED HOMES

THE REAL EASTSIDE RESULTS: JAN 2018



	2017	2018	CHANGE
JAN	56	27	-51.8%
FEB			
MAR			
APR			
MAY			
JUN			
Total	56	27	-51.8%

Price Segment (\$)	New Listings Added	Unit Sales	Sales-to-New-Listings Ratio
0 – 800,000	0	1	0%
800,001 – 900,000	1	2	200%
900,001 – 1,000,000	3	1	33%
1,000,001 – 1,100,000	2	3	150%
1,100,001 – 1,200,000	18	4	22%
1,200,001 – 1,300,000	16	5	31%
1,300,001 – 1,400,000	14	0	0%
1,400,001 – 1,500,000	13	3	23%
1,500,001 – 1,600,000	19	3	16%
1,600,001 – 1,700,000	18	2	11%
1,700,001 – 1,800,000	15	1	7%
1,800,001 – 1,900,000	12	1	8%
1,900,001 – 2,000,000	7	0	0%
2,000,001 – 2,250,000	14	1	7%
2,250,001 – 2,500,000	19	0	0%
2,500,001 +	24	0	0%
Totals	195	27	14%

THE REAL NEIGHBOURHOOD RESULTS: JAN 2018

MLS® Neighbourhood	Unit Sales	HPI Benchmark Price	BENCHMARK PRICE CHANGE (%)	
			1 Month	3 Months
Collingwood VE	2	\$1,207,100	-0.7	-2.41
Fraser VE	1	\$1,416,000	-1.39	-5.25
Fraserview VE	1	\$1,820,800	-1.46	-1.05
Grandview VE	3	\$1,599,200	-2.02	-3.88
Hastings	0	\$1,271,800	-0.9	-7.58
Hastings East	2	\$1,406,400	-2.76	-2.89
Killarney VE	3	\$1,458,800	-1.09	-2.95
Knight	2	\$1,407,500	-1.92	-2.87
Main	2	\$1,547,100	-1.92	-8.33
Mount Pleasant VE	0	\$1,325,000	-0.81	-7.32
Renfrew Heights	1	\$1,356,900	-1.92	-2.45
Renfrew VE	2	\$1,309,900	-0.53	-4.07
South Vancouver	4	\$1,433,500	0.68	0.78
Victoria VE	4	\$1,404,800	-1.49	-2.35
Vancouver East	27	\$1,428,700	-1.28	-3.51

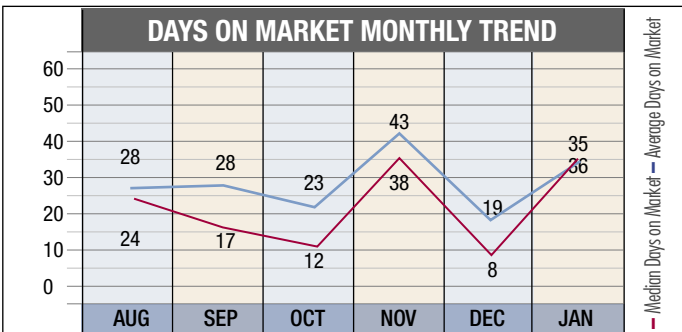
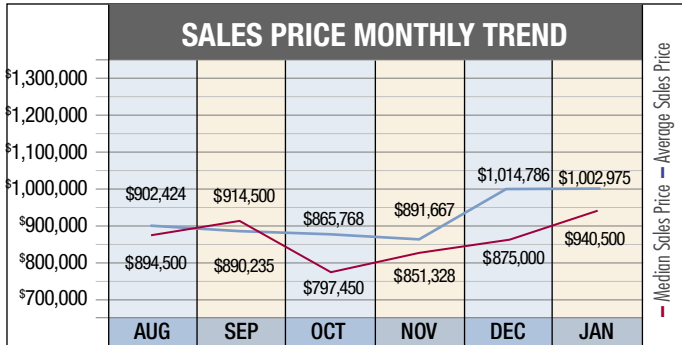
FAITH'S KEY INSIGHTS:

■ A total of 195 new listings for detached houses were added to the Eastside in January, up from 62 a month earlier and the highest level for any month since September of last year. Buyers were not as enthusiastic, however, as sales reached just 27 houses, down 51.8% from January 2018 and only marginally higher than December, normally the slowest month for sales. All 6 of the detached houses listed for less than \$1 million sold, but the sales ratio fell sharply when asking prices ascended: of the 127 Eastside houses listed above \$1.5 million, only 8 sold and none of the 43 priced above \$2.2 million found buyers.

■ Higher mortgage rates and government intervention are cited as the reason for the dramatically lower sales, but price is playing an important role on the Eastside. The current downturn can be traced to mid-2016, when house prices were peaking but interest rates were very low and the government had yet to attack with stiff targeted taxes and mortgage regulations. This January the average [not benchmark] price of an Eastside detached house was \$1.32 million. That is down about 9% from a year earlier, but nearly 16% higher than three years ago. The sales slump apparently started when average Eastside house prices began to consistently crest \$1.1 million, and has continued. Eastside detached houses prices have been declining steadily for months and, in January, were down a further 1.2% from December. Listings are increasing and will continue to do so into the spring. With sales-to-new listings at 14%, something has to give. We will probably see a hiatus on interest rate hikes and further government buyer restrictions are unlikely; some could even be eased. That leaves price as the main barrier to a more balanced housing market on the Eastside.

JANUARY - TOWNHOUSES

THE REAL EASTSIDE RESULTS: JAN 2019



Month	2018	2017	CHANGE
JAN	4	20	-80.0%
FEB			
MAR			
APR			
MAY			
JUN			
Total	4	20	-80.0%

Price Segment (\$)	New Listings Added	Unit Sales	Sales-to-New-Listings Ratio
0 - 300,000	0	0	0%
300,001 - 350,000	0	0	0%
350,001 - 400,000	0	0	0%
400,001 - 450,000	0	0	0%
450,001 - 500,000	1	0	0%
500,001 - 550,000	0	0	0%
550,001 - 600,000	4	0	0%
600,001 - 650,000	1	0	0%
650,001 - 700,000	3	0	0%
700,001 - 750,000	3	0	0%
750,001 - 800,000	4	1	25%
800,001 - 850,000	1	0	0%
850,001 - 900,000	4	1	25%
900,001 - 1,000,000	2	0	0%
1,000,001 - 1,250,000	9	1	11%
1,250,001 +	8	1	13%
Totals	40	4	10%

THE REAL NEIGHBOURHOOD RESULTS: JAN 2019

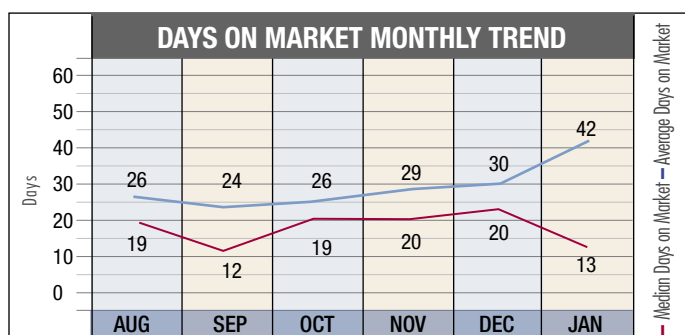
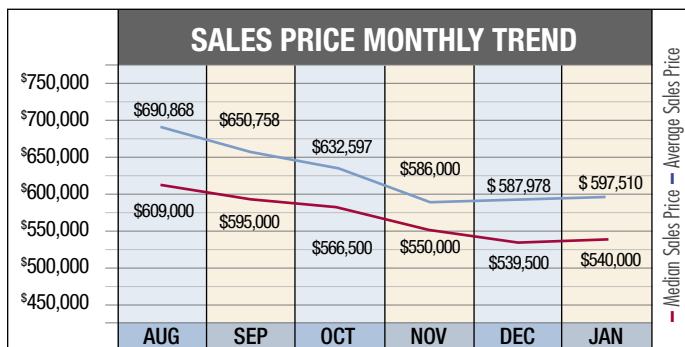
MLS® Neighbourhood	Unit Sales	HPI Benchmark Price	BENCHMARK PRICE CHANGE (%)	
			1 Month	3 Months
Champlain Heights	1	\$700,400	1.42	2.48
Collingwood VE	1	\$759,700	1.56	1.56
Fraser VE	0	\$975,400	-4.63	1.1
Fraserview VE	0	\$830,200	2.75	3.27
Grandview VE	0	\$899,700	-0.26	0.85
Hastings	0	\$772,300	1.21	4.39
Killarney VE	0	\$607,400	1.29	2.24
Knight	0	\$982,600	-2.88	4.37
Main	0	\$964,500	-3.51	-1.06
Mount Pleasant VE	1	\$1,173,900	-2.22	-0.34
Renfrew VE	1	\$840,100	0.21	1.51
Victoria VE	0	\$982,600	0.99	3.2
Vancouver East	4	\$848,200	-0.22	1.79

FAITH'S KEY INSIGHTS:

- The townhouse market on the Eastside is a bit of a mystery wrapped in surprises. Eastside townhouse sales in January totalled just 4, which was lower than in December, usually the slowest sales month of the year, and down 80% from January of 2018. January's sales-to-new-listing ratio, based on 40 new listings, plunged to 10%, a stunning indication of a buyer's market and one of the lowest monthly sales level we have ever seen. Such a scenario would normally suggest price reductions, yet the benchmark townhouse price was nearly unchanged (down 0.2%) from December, at \$848,200, and prices were up 1.7% from three months earlier. Townhouses were the only property type to increase in price on the Eastside in that period. The answer to this apparent contradiction is a deep confidence that a low inventory of townhouses will keep prices escalated. This has validity: as of January there were only 115 new townhouses under construction in all of Vancouver and few underway on the Eastside, many of which are already pre-sold.
- A further anomaly in the Eastside townhouse sector in January was that, despite more than half the new listings (21) being priced at \$900,000 or less, most of the few sales there were for more than that price. This underlines a buyer perception that Eastside townhouses represent good value in today's market. One potential concern of townhouse sellers, aside from the current anemic sales, is that the price gap between townhouses and detached houses is narrowing. Six months ago, for instance, the average price of an Eastside detached house was \$636,400 more than the average townhouse price. In January it was a gap of just \$318,400. This is because detached prices have been declining much quicker than in the townhouse sector over the past year. If the trend continues, townhouse sellers at the higher end of the market will be facing competition, as surveys show that most buyers would really prefer to buy a detached house than any form of strata property.

JANUARY - APARTMENTS/CONDOS

THE REAL EASTSIDE RESULTS: JAN 2018



Month	2018	2019	CHANGE
JAN	90	41	-54.4%
FEB			
MAR			
APR			
MAY			
JUN			
Total	90	41	-54.4%

Price Segment (\$)	New Listings Added	Unit Sales	Sales-to-New-Listings Ratio
0 – 200,000	0	0	#DIV/0!
200,001 – 250,000	0	0	#DIV/0!
250,001 – 300,000	1	0	0%
300,001 – 350,000	1	0	0%
350,001 – 400,000	5	2	40%
400,001 – 450,000	11	3	27%
450,001 – 500,000	25	9	36%
500,001 – 550,000	23	8	35%
550,001 – 600,000	24	2	8%
600,001 – 650,000	18	2	11%
650,001 – 700,000	24	5	21%
700,001 – 800,000	19	6	32%
800,001 – 900,000	24	3	13%
900,001 – 1,000,000	10	1	10%
1,000,001 – 1,250,000	2	0	50%
1,250,001 +	9	0	0%
Totals	196	41	21%

THE REAL NEIGHBOURHOOD RESULTS: JAN 2018

MLS® Neighbourhood	Unit Sales	HPI Benchmark Price	BENCHMARK PRICE CHANGE (%)	
			1 Month	3 Months
Champlain Heights	1	\$744,200	-2.62	-4.2
Collingwood VE	12	\$469,000	-0.15	-7.18
Downtown VE	0	\$717,900	-1.34	-7.82
Fraser VE	1	\$517,800	-3.51	-7.27
Fraserview VE	1	\$572,800	-3.41	-5.46
Grandview VE	4	\$478,600	1.83	-9.33
Hastings	3	\$503,500	-1.12	-5.66
Hastings East	1	\$426,400	3.08	-9.67
Killarney VE	1	\$477,000	-0.77	-2.78
Knight	0	\$682,100	-3.78	-5.96
Main	3	\$678,600	-3.07	-6.69
Mount Pleasant VE	12	\$512,700	-2.44	-6.57
Renfrew VE	1	\$531,600	1.33	-9.63
Victoria VE	1	\$510,200	2.78	-8.4
Vancouver East	41	\$530,500	-1.38	-6.78

FAITH'S KEY INSIGHTS:

- What a difference a volatile year makes. It was in January of last year that the government extended the mortgage stress test to all Canadian home buyers and a month before the B.C. government increased the foreign buyer tax to 20% and began rolling out a speculation tax on second homes, and the City of Vancouver first floated its empty home tax. In January 2018 there were 71 condo sales on the Eastside at a benchmark price of \$552,300. This January there were 41 condo sales and the benchmark price was down to \$530,500. A year ago, there were 30 Eastside condos listed at less than \$500,000. This January there were 43. Also, in January 2018 it took an average of 20 days for a new listing of a condo to sell. This January that had stretched to an average of 42 days while the sales-to-new-listing ratio had shrank to 21%, down from 49% at the same time last year.
- In other words, buyers are now firmly in the driver's seat on the Eastside and are rolling through a landscape that is more welcoming every day. For instance, the January benchmark condo price was down a further 1.3% from December after dropping 6.7% from three months ago. The selection is expanding, posting a 300% increase in new listings in January from a month earlier. There are also 15,000 new condo apartments under construction in Vancouver, including many on the Eastside. Enormous selection, easing prices, less competition: for Eastside condo buyers this is about as good as it gets.
- Some Eastside condo buyers may be spooked by all the new mortgage regulations and interest rate changes. It appears, however, that interest rate increases have eased and the big banks have been trimming five-year rates recently. Faith Wilson Group's team includes has a full-time mortgage professional who can answer any questions.