



REAL ESTATE ROUNDUP

PETER MITHAM

Stable Vancouver property market draws apartment investors, Mainland Chinese

Apartment market strengthens

Vancouver's stable rental market continues to draw investors, despite a slight uptick in vacancies.

In the latest deal, 998 Thurlow Street, a 44-unit apartment block built in 1916 and listed with **Avison Young**, sold for \$12.1 million.

"It sold at full price – quite amazing," remarked veteran broker **David Goodman** of **Macdonald Commercial**, who expects close to 85 apartment properties to trade in Metro Vancouver this year. A total of 74 buildings changed hands last year.

"There will be some significant increases in volume in the not-too-distant future," Goodman said, anticipating "a good 15% to 20% [increase] in total sales."

To date, 39 properties have sold in 2010 with an aggregate value of \$181.4 million. The first six months of 2009 saw 34 sales with a total value of \$177.5 million.



ERIC LEE AND BRUCE EDWARD

Vancouver's West End and South Granville, where demand for units is stable, have enjoyed the most activity this year. Together with Burnaby, these three submarkets account for half of all sales to date in 2010.

Per-unit prices also in-

creased significantly across the board, rising to \$214,500 year to date across Metro Vancouver from \$188,000 in the first half of 2009. But the apartment market in Marpole, where many observers expected the opening of the Canada Line to boost demand,

has yet to reap the benefits of new transit construction.

"We expected more with the SkyTrain," Goodman said, "but it hasn't happened yet, although prices have jumped up quite a bit."

The stronger sales activity ignores the slight increase in vacancies **Canada Mortgage and Housing Corp.** reports in its semi-annual survey of rental apartment markets across Canada. Vancouver's vacancy rate rose to 2.2% in the June report, up from 2.1% last fall and 1.9% a year ago.

China buoys market

The influx of buyers from Mainland China many observers expected is happening, and it's helping stabilize business for some firms as investors from other countries pull back.

"HST and the interest rate won't be too much of a factor, just because of all the Mainland China work," said **Eric Lee**, principal of **VictorEric Design Group** in Vancouver, speaking of two key factors weighing on the minds of many watchers of local real estate markets.

He said his firm's interior design work was split 50-50 between Asian and non-Asian clients five years ago, and almost everyone had roots in North America. Today, about 80% of Lee's work is for Mainland Chinese buyers. His firm usually has 15 to 20 projects on the go.

"They've got a lot of money in the country," he said, "and they want to bring that out and invest."

Lee added that Vancouver's Dunbar, Arbutus and Mackenzie Heights neigh-



Steady business: Vancouver's VictorEric Design Group designed the interiors for Southwest Marine Drive's 11,000-square-foot Cliffside Residence, one of the several projects driven by Mainland Chinese investment in local real estate

bourhoods are all top areas and close to private schools.

Price, quality of life and proximity to China make Vancouver a convenient destination for Chinese buyers, who have been pushed abroad by investment restrictions at home. Lee said they're also looking at Hong Kong and San Francisco.

But if Chinese investors seem to be making gains, **MAC Marketing Solutions** principal **Cameron McNeill** said they're merely enjoying greater prominence as buyers from India and Iran pull out.

"The Mainland Chinese buyer continues to be there, quite steady, continuing to flow with a long-term perspective," he said, noting the trend is evident at the 15-odd projects MAC is handling across the Lower Mainland.

"They've got a lot of money in the country and they want to bring that out and invest"

- Eric Lee, principal, VictorEric Design Group

A recent marketing tour of Singapore, Hong Kong and Shanghai bore this out for **Phil Louis**, who oversees marketing for **Plaza 88 Development Ltd.** in New Westminster. Demand was largely for pre-sale product that would allow buyers to prepare the way for children coming to study in Canada. The long horizon reflected the need to secure immigration papers, with a long-term vision of possible emi-

gration – something Louis said is the ultimate goal of many Mainland Chinese.

REBGV launches awards **NAIOP** and the **Urban Development Institute (UDI)** recognize the best in real estate with awards, and now the **Real Estate Board of Greater Vancouver (REBGV)** is getting into the act with a Commercial Building Awards program.

Submissions for the awards, which are scheduled to be handed out on September 23, are due July 30. Approximately eight varieties of commercial property will be honoured, including rental housing. Criteria include the projects' architectural and esthetic merits, the choice of construction materials and how projects addressed local real estate requirements and environmental issues.

Tammy Dunn, co-ordinator of the REBGV's commercial division, said the program differs in being open to all projects in the board's area, rather than being restricted to association members. REBGV Commercial has 650 members, but it's properties rather than board members' accomplishments that the awards highlight. The awards in Vancouver join the long-standing program the **Victoria Real Estate Board** hosts, as well as similar award programs elsewhere in the province.

NAIOP runs its awards program every two years; the UDI is accepting submissions for its annual program until July 16, 2010. It's scheduled to honour award recipients in a special gala on November 24, 2010. ■ pmitham@telus.net

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Mayor Peter Fassbender (right) with Gerald Minchuk (left), Director of Development Services & Economic Development
PHOTO BY NATASHA JONES, LANGLEY TIMES

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