



UDI/FORTISBC Housing Affordability Index

POWERED BY URBAN ANALYTICS INC.

METRO AFFORDABILITY

An explanation of the definitions and assumptions used in the Index

DEFINITIONS

Inner Metro: West Vancouver, North Vancouver, Burnaby, New Westminster, Richmond, South Delta, Coquitlam, Port Moody and Port Coquitlam.

Outer Metro: Langley, North Delta, Surrey, White Rock, Pitt Meadows and Maple Ridge.

PRICES

Prices for the new home market were collected from actively selling, new multi-family projects in Metro Vancouver.

Resale prices were collected from the Real Estate Boards of Greater Vancouver and the Fraser Valley, with median sales for this index.

There is not enough data to track new single-family

home prices, so only MLS resale single family prices are used.

ASSUMED DOWN PAYMENTS

First-time buyers: **10%**

Wood frame and concrete condominiums: **20%**

Townhouses: **30%**

Single-family homes: **35%**

The reason for the differences is the assumption that townhouse and single-family buyers are more likely to be move-up buyers with equity built up in their existing property.

ANALYTICAL METHODS

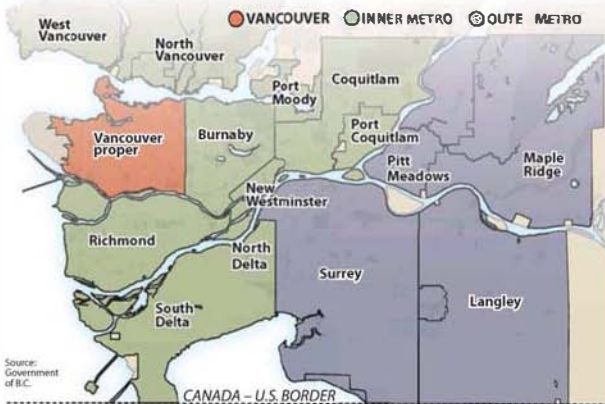
Five-year, fixed rate 30-year amortization mortgages were used, taking an average of the best rates at eight

banks at the time of analysis. For the first-time buyer, a 10 per cent down payment, which requires an insured mortgage and a 25-year amortization, was assumed.

OTHER ASSUMPTIONS

The affordability index assumes that a person can afford a maximum of 32 per cent of their gross family income to go toward mortgage payments. Transportation costs were also included, with estimates from a 2005 Greater Vancouver Regional District report, a Canadian Automobile Club survey from 2012 and a 2006 Metro estimate on commuter distances. Different amounts are used for each area.

TRACY SHERLOCK, VANCOUVER SUN



AFFORDABILITY INDEX (10% DOWNPAYMENT ONLY)

New wood frame condominiums

	Avg. price	Avg. size	Avg. \$/ft2	Est. Mortgage payment	Req. Income for 32%	Working Households at/ or above Req. Income
Outer Metro	\$283,797	852	\$333	\$1,298	\$48,692	65.3%
Inner Metro	\$363,499	808	\$450	\$1,663	\$62,367	52.5%
Vancouver	\$500,268	794	\$630	\$2,189	\$85,833	31.7%

December 2013 wood frame condominium re-sales

	Avg. price	Est. Mortgage payment	Req. Income for 32%	Working Households at/ or above Req. Income
Outer Metro	\$205,000	\$943	\$35,344	76.5%
Inner Metro	\$274,900	\$1,258	\$47,166	64.0%
Vancouver	\$365,000	\$1,670	\$62,624	45.5%

AFFORDABILITY INDEX (MLS RE-SALES DECEMBER 2013)

	Avg. price	Est. Mortgage payment	Req. Income for 32%	Working Households at/ or above Req. Income
Outer Metro				
MLS re-sale concrete condominiums	\$241,000	\$882	\$33,865	78.5%
MLS re-sale wood frame condominiums	\$205,000	\$754	\$28,263	82.3%
MLS re-sale townhomes	\$338,000	\$1,082	\$40,577	72.1%
MLS single family	\$580,000	\$1,724	\$64,655	53.0%
Estimated monthly transportation costs (All): \$498				

Inner Metro				
MLS re-sale concrete condominiums	\$405,000	\$1,482	\$55,566	57.4%
MLS re-sale wood frame condominiums	\$274,900	\$1,006	\$37,716	71.9%
MLS re-sale townhomes	\$475,000	\$1,521	\$57,023	56.3%
MLS single family	\$970,000	\$2,883	\$108,130	29.7%
Estimated monthly transportation costs (All): \$383				

Vancouver				
MLS re-sale concrete condominiums	\$459,900	\$1,683	\$63,098	45.2%
MLS re-sale wood frame condominiums	\$365,000	\$1,335	\$50,078	54.5%
MLS re-sale townhomes	\$700,000	\$2,241	\$84,034	32.5%
MLS single family	\$1,470,000	\$4,370	\$163,867	9.9%
Estimated monthly transportation costs (All): \$383				

AFFORDABILITY INDEX (NEW HOMES)

	Avg. price	Avg. size	Avg. \$/ft2	Est. Mortgage payment	Req. Income for 32%	Working Households at/ or above Req. Income
Outer Metro						
New concrete condominiums	\$303,479	680	\$446	\$1,110	\$41,637	71.2%
New wood frame condominiums	\$283,797	852	\$333	\$1,038	\$38,937	73.5%
New townhomes	\$385,126	1,606	\$240	\$1,233	\$46,234	67.4%
MLS single family	\$580,000			\$1,724	\$64,655	53.0%
Estimated Monthly Transportation Costs (All): \$498						

Inner Metro						
New concrete condominiums	\$439,345	819	\$537	\$1,607	\$60,278	53.9%
New wood frame condominiums	\$363,499	808	\$450	\$1,330	\$49,872	61.7%
New townhome	\$506,448	1,367	\$370	\$1,621	\$60,799	53.5%
MLS single family	\$970,000			\$2,883	\$108,130	26.7%
Estimated Monthly Transportation Costs (All): \$383						

Vancouver						
New concrete condominiums	\$517,163	732	\$706	\$1,892	\$70,954	40.2%
New wood frame condominiums	\$500,268	794	\$630	\$1,830	\$68,636	41.7%
New townhomes	\$896,022	1,463	\$613	\$2,868	\$107,566	22.4%
MLS single family	\$1,470,000			\$4,370	\$163,867	9.9%
Estimated Monthly Transportation Costs (All): \$383						

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