

## Demand strong for transit-friendly developments, report says

BY TRACY SHERLOCK, VANCOUVER    FEBRUARY 26, 2013

Transit-oriented developments will continue to be popular among Vancouver real estate buyers, including baby boomers who are downsizing, funding their first-time buyer children, or both, according to Colliers' fourth-quarter Marketshare report on multi-family residential real estate.

"Given the solid conclusion to 2012, we expect sustained levels of demand throughout 2013," Scott Brown, senior-vice president of Colliers International Residential Marketing, said in the report. "Of course, the first-time buyer in select areas in Metropolitan Vancouver will continue to be challenged by affordability."

Lofty prices in the city of Vancouver could mean more people will move to its more affordable suburbs, Brown said, adding it could also mean more developers build rentals versus for-sale condos in Vancouver.

Brown noted projects that sold well in 2012 included PCI's Marine Gateway, Intracorp's MC2, Appia's Solo District, Anthem Properties/Beedie Living's Station Square and Westbank's Telus Garden.

"What surprised me is that our demand can sustain itself relatively well without the whole perception of offshore buying - there is sustained local demand for real estate as well," Brown said in an interview.

"Investor demand, including Chinese investor demand, appears to have become very, very selective and concentrated in a couple of select areas, especially around transit.

"But our whole market's health is not dependent solely on that because the end user and the downsizer are actually becoming more active in the market."

The report notes that 2012 saw four per cent fewer new multifamily home sales, compared with 2011. People who plan to live in the units will be the dominant buyer in most markets, with investors only looking at units that are transit-oriented or priced below market averages, said Michael Ferreira, principal at Urban Analytics, a company that provides analytical interpretation of real estate market data, trend analyses and strategic recommendations.

"The big unknown is how much of an influence the new immigrant Chinese buyer will be," Ferreira said in the report. "It will be interesting to see if their participation in the new home market turns out to be as muted as it was in the latter half of 2012 or whether demand will return to the levels seen in late 2010 and 2011."

Ferreira said there are a few projects opening in the next few weeks that will indicate whether the new immigrant Chinese buyers are still hesitant. The Carrera by Polygon is opening on Minoru Boulevard across from Richmond Centre Mall and Concord Gardens by Concord Pacific is opening near the future Capstone Way Canada Line station.

Burnaby and New Westminster were cited as the strongest market in Metro Vancouver for multifamily sales at the moment.

"New Westminster is becoming one of those affordable pockets that attracting buyers," Brown said. "I think in Burnaby it's because of some of the developments - Wall is coming out and Wall has a strong following with lots of investors and people expect it to do very well."

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