



## 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 interest 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% DOWN-PAYMENT ONLY)

New wood frame condominiums

	Avg. price	Avg. size	Avg. \$/ft <sup>2</sup>	Est. Mortgage payment	Req. Income for 32%	Working Households at/ or above Req. Income
<b>Outer Metro</b>	\$285,260	852	\$335	\$1,346	\$50,472	63.9%
<b>Inner Metro</b>	\$76,323	822	\$458	\$1,776	\$66,584	49.6%
<b>Vancouver</b>	\$556,037	827	\$672	\$2,623	\$98,381	26.6%

March 2014 wood frame condominium re-sales

	Avg. price	Est. Mortgage payment	Req. Income for 32%	Working Households at/ or above Req. Income
<b>Outer Metro</b>	\$210,000	\$991	\$37,156	75.0%
<b>Inner Metro</b>	\$287,000	\$1,354	\$50,779	61.0%
<b>Vancouver</b>	\$415,000	\$1,958	\$73,427	38.7%

#### AFFORDABILITY INDEX (MLS RE-SALES MARCH 2014)

	Avg. price	Est. Mortgage payment	Req. Income for 32%	Working Households at/ or above Req. Income
<b>Outer Metro</b>				
MLS re-sale concrete condominiums	\$254,900	\$966	\$36,240	75.7%
MLS re-sale wood frame condominiums	\$210,000	\$796	\$29,856	81.1%
MLS re-sale townhomes	\$328,000	\$1,088	\$40,803	71.9%
MLS single family	\$590,000	\$1,817	\$68,154	50.4%

Estimated monthly transportation costs (All): \$498

#### Inner Metro

MLS Re-Sale concrete condominiums	\$388,400	\$1,473	\$55,219	57.7%
MLS Re-sale wood frame condominiums	\$287,000	\$1,088	\$40,803	69.3%
MLS re-sale townhomes	\$500,000	\$1,659	\$62,200	52.5%
MLS single family	\$920,560	\$2,836	\$106,338	27.4%

Estimated monthly transportation costs (All): \$383

#### Vancouver

MLS re-sale concrete condominiums	\$474,000	\$1,797	\$67,389	45.2%
MLS re-sale wood frame condominiums	\$415,000	\$1,573	\$59,001	48.0%
MLS Re-Sale townhomes	\$695,000	\$2,306	\$86,458	31.4%
MLS single family	\$1,265,500	\$3,898	\$146,183	12.2%

Estimated monthly transportation costs (All): \$383

#### AFFORDABILITY INDEX (NEW HOMES)

	Avg. price	Avg. size	Avg. \$/ft <sup>2</sup>	Est. Mortgage payment	Req. Income for 32%	Working Households at/ or above Req. Income
<b>Outer Metro</b>						
New concrete condominiums	\$295,450	654	\$451	\$1,120	\$42,005	70.9%
New wood frame condominiums	\$285,260	852	\$335	\$1,081	\$40,556	72.1%
New townhomes	\$392,860	1,622	\$242	\$1,303	\$48,872	65.2%
MLS single family	\$590,000			\$1,817	\$68,154	50.4%

Estimated Monthly Transportation Costs (All): \$498

#### Inner Metro

New concrete condominiums	\$432,718	800	\$541	\$1,641	\$61,520	53.0%
New wood frame condominiums	\$376,323	822	\$458	\$1,427	\$53,502	60.0%
New townhome	\$529,193	1,390	\$381	\$1,756	\$65,832	50.1%
MLS single family	\$920,560			\$2,836	\$106,338	27.4%

Estimated Monthly Transportation Costs (All): \$383

#### Vancouver

New concrete condominiums	\$509,726	739	\$690	\$1,932	\$72,469	39.3%
New wood frame condominiums	\$556,037	827	\$672	\$2,108	\$79,053	35.0%
New townhomes	\$960,965	1,415	\$679	\$2,188	\$119,544	18.5%
MLS single family	\$1,265,500			\$3,898	\$146,183	12.2%

Estimated Monthly Transportation Costs (All): \$383

GRAPHIC BY MAGGIE WONG/VANCOUVER SUN