

GREATER VANCOUVER HOUSING MARKET ACTIVITY

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Canada



DRIVERS OF MORTGAGE DEMAND

- Low Mortgage Rates
- Strong Economy
- Job Creation
- Lots of People Moving Here
- The Downside Risk...



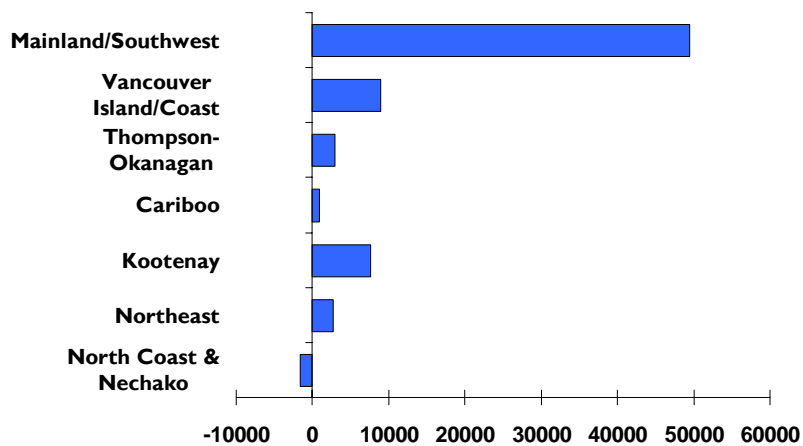
Interest and Mortgage Rate Outlook

- ✓ Interest rates will remain low in the US despite inflation concerns; US Federal Reserve will maintain liquidity in the banking system
- ✓ Inflation in Canada will remain within the Bank of Canada target range
- ✓ Short and long-term rates expected to stay within 25-100 basis points of their current levels in 2008 and 2009
- ✓ Key risks include US stagflation

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BC job growth 3.2% in 2007, Mainland SW 3.7%



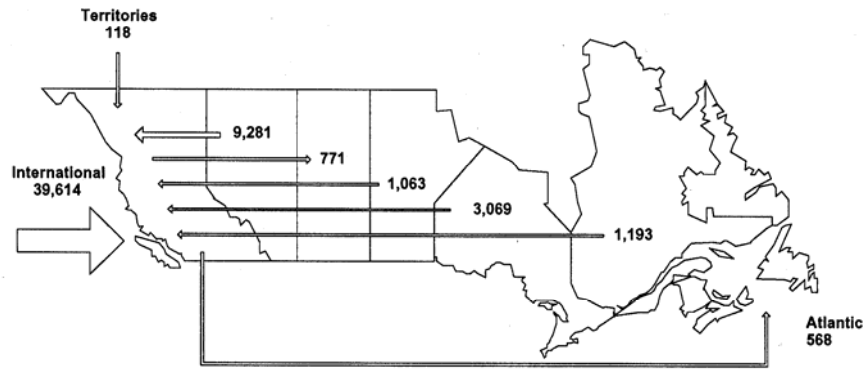
Statistics Canada Labour Force Survey - growth in number employed 2006 to 2007

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BC Net Population Flows - 2007

**Net Population Movement For British Columbia
Jan 2007 to Dec 2007
Net Inflow : 52,999 Persons**

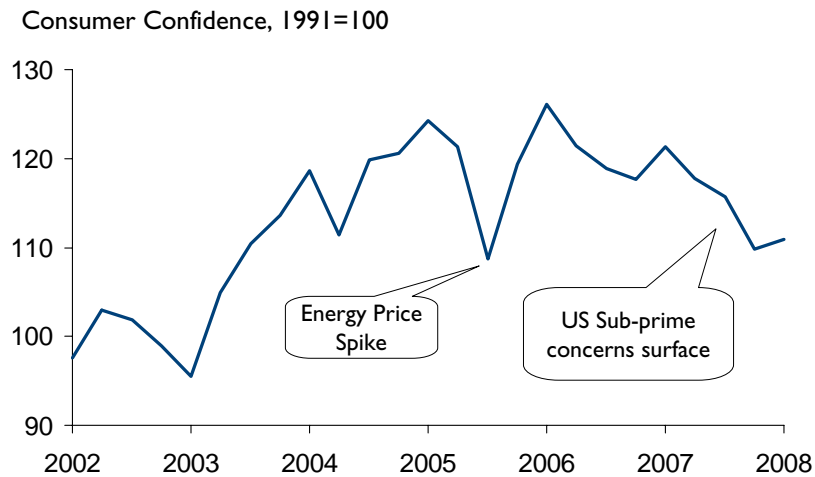


Source: BC Stats

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Downside Risk Consumer Confidence Lower

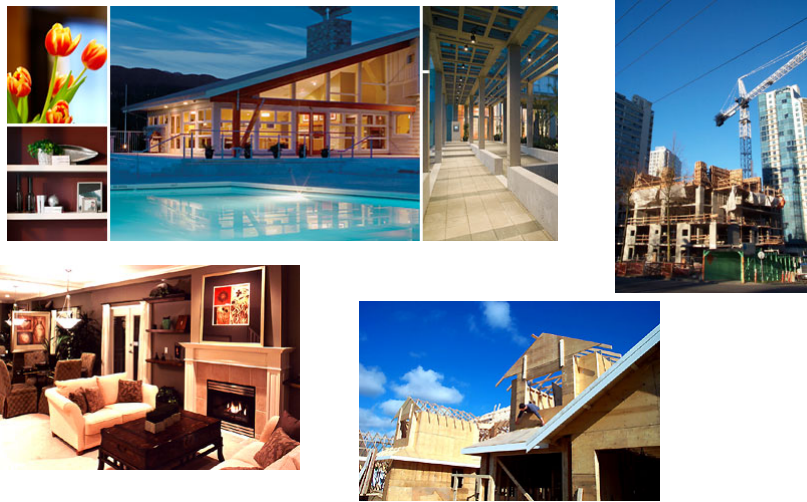


Source: Conference Board of Canada

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VANCOUVER Housing Market

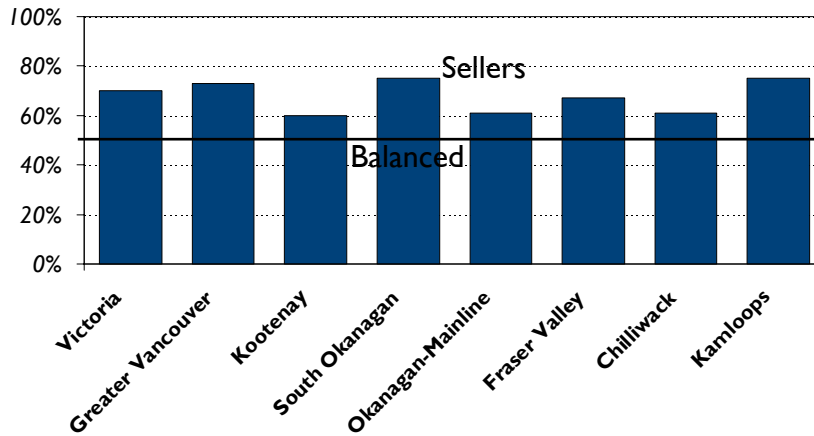


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Supply – Demand Conditions Favour Price Gains

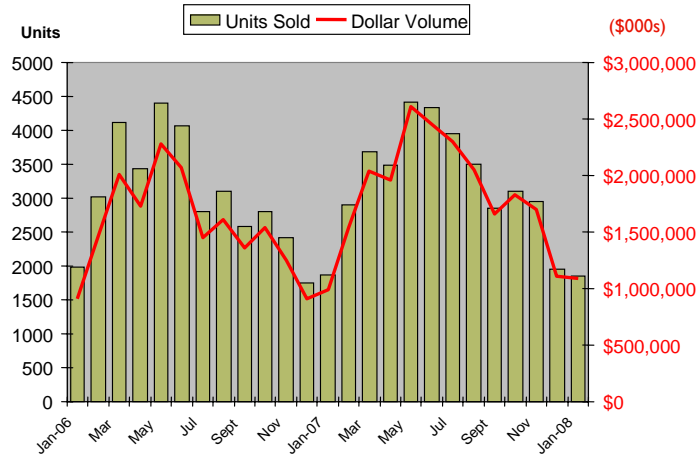
Sales to New Listings Ratio



Source: CREA, CMHC calculation CANADA MORTGAGE AND HOUSING CORPORATION

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Greater Vancouver – MLS Activity



Source: British Columbia Real Estate Association (BCREA)

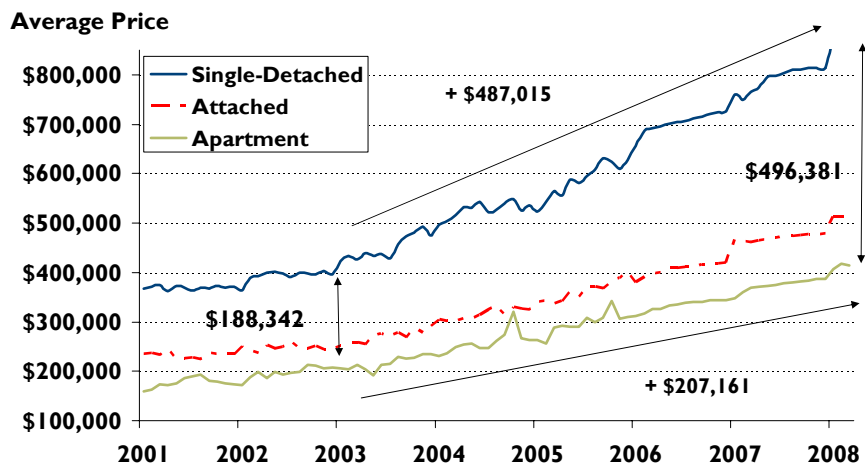
Avg. Home Price: \$623,517

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Apartments Least Expensive .. Gap Widens

Greater Vancouver Resale Prices



Source: REBGV, CMHC Calculation

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The Reality of Owning an Apartment Condo



Lifestyle

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Greater Vancouver

The Residences at the Ritz-Carlton Vancouver



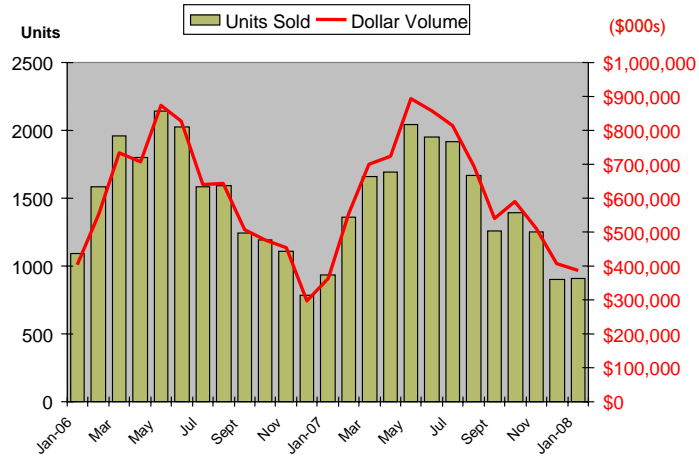
- 123 luxurious private residences
- Size from 1,000 to 4,000 sq. ft.
- Priced between \$1.5 million to \$13 million



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Fraser Valley – MLS Activity



Source: British Columbia Real Estate Association (BCREA)

Avg. Home Price: \$436,824

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Fraser Valley

Solaris – Pitt Meadows

SOLARIS
MEADOWS GATE

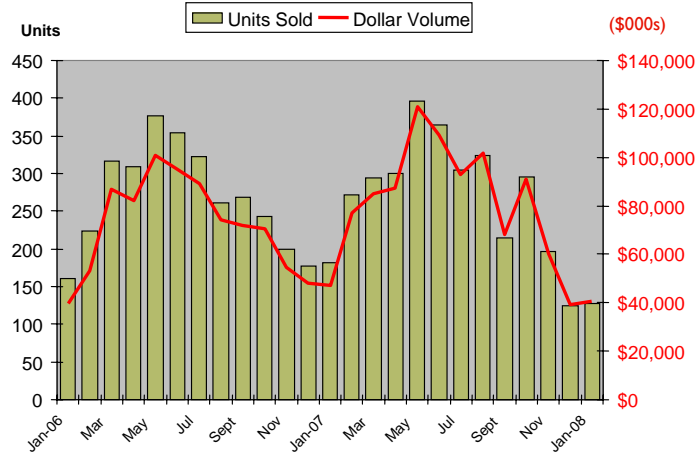


- The first of three towers at Meadows Gate in Pitt Meadows
- 567sq.ft. One bedroom from \$250's to 1000 sq.ft. 2 or 3 bedroom+den from \$390's
- Improved access from Gateway Project;
 - New seven lane Pitt Meadows Bridge
 - New six lane Golden Ears Bridge

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Chilliwack – MLS Activity



Source: British Columbia Real Estate Association (BCREA)

Avg. Home Price: \$319,503

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Chilliwack



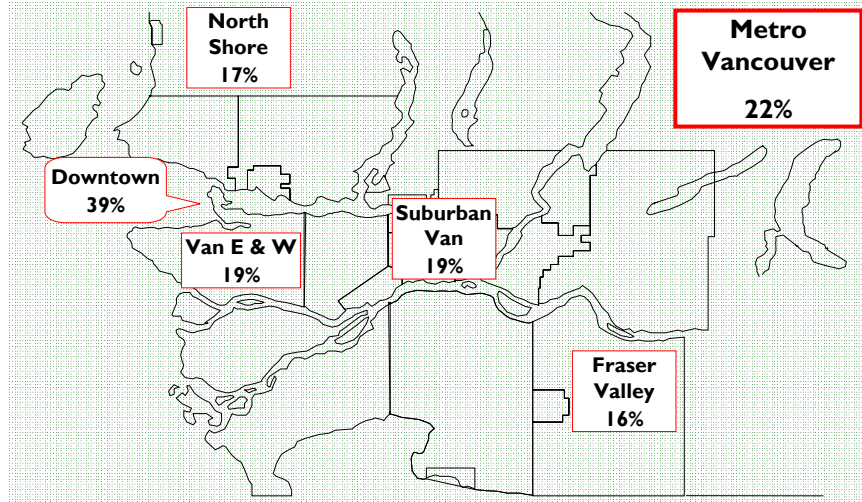
- Located within the Garrison Crossing development in Chilliwack
- Over 200 homes already sold at Garrison Crossing
- 61 town homes priced from \$299,900 with 1,800 Sq. Ft.

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More Condos Rented Out in Urban Core

% of Condo Stock Rented Out

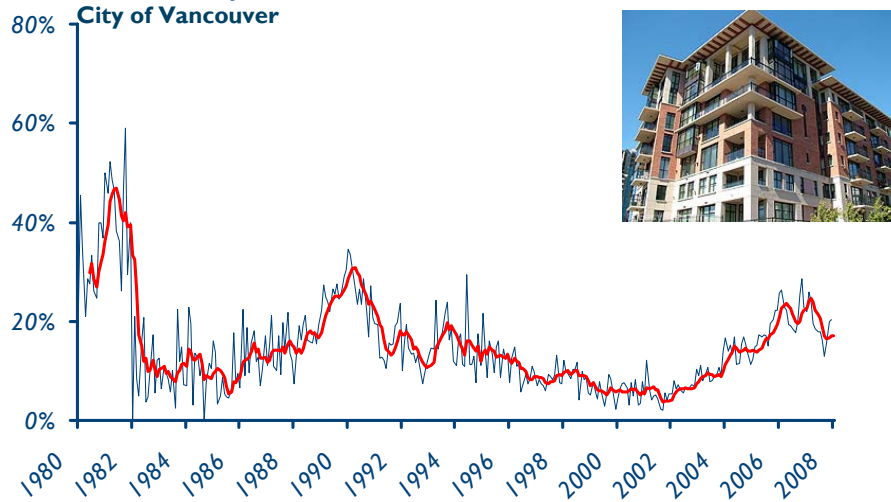


Source: CMHC, Rental Market Survey, 2007

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Speculative Activity Trending Down

% of Condo Apartments Resold within One Year City of Vancouver

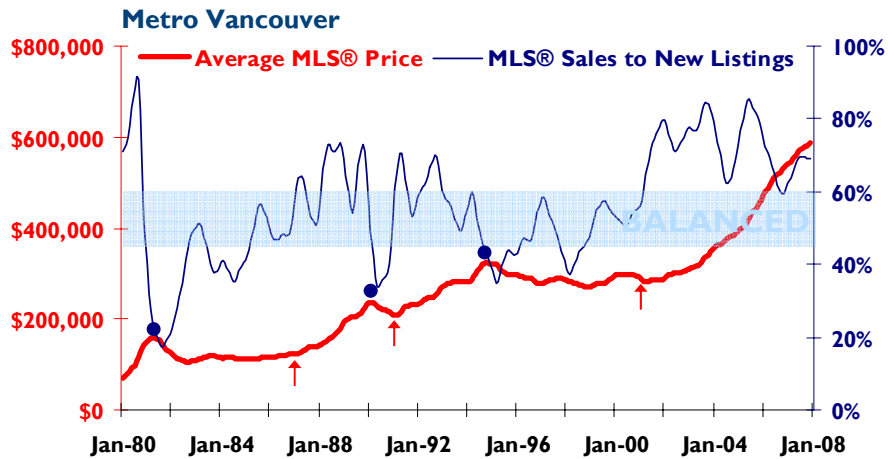


Source: Landcor

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Are Prices Going to Fall?

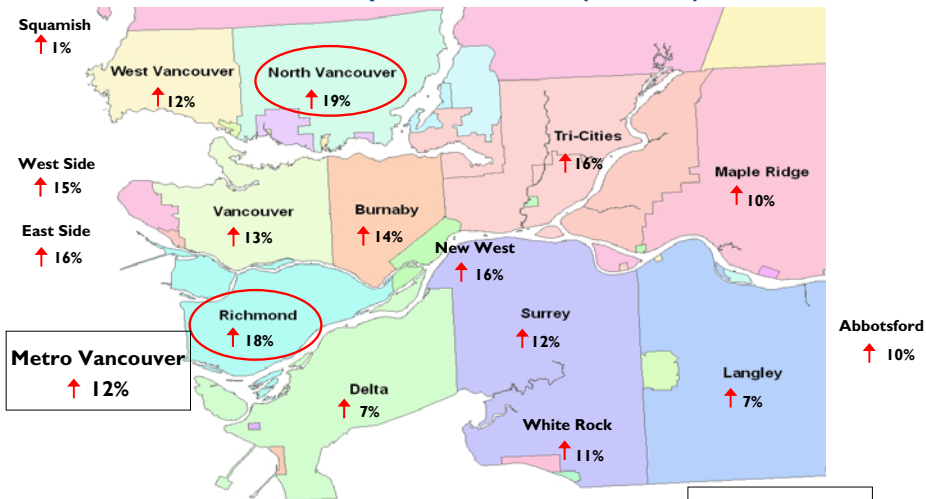


Source: CREA, S:NL ratio – CMHC calculation
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 Average MLS® Price, Sales & Listings – all residential, trend cycles generated by CMHC

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Condo Prices up in All Lower Mainland Centres

MLS® Apt Price Growth (Q1 2008)



Source: REBGV, FVREB, CMHC calculations
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 Average MLS® Apartment Price

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Solid Gains in Downtown MLS® Condo Prices

Apartment

2008 Q1  13%
\$595,283

Coal Harbour \$1,122,726
Downtown \$436,103
False Creek N \$966,052
West End \$516,862



Source: REBGV, Photo courtesy of Tourism Vancouver CANADA MORTGAGE AND HOUSING CORPORATION

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Metro Vancouver Condo Price Growth to Slow



2007
\$387,967  12%

2008F
\$415,000  8%

2009F
\$436,000  5%



Source: REBGV, CMHC Forecast CANADA MORTGAGE AND HOUSING CORPORATION

Women in the Housing Market

- Among Women, 1st time buyers lead the way (parents often helping out younger women).
- Women in housing driven by the philosophy that homeownership provides optimal financial security.
- Women understand the basics of housing economics, rental vacancies and rents.

Women in the Housing Market

- In Vancouver women look for value, but not cheap properties (\$300,000 - \$400,000 for condos and houses or townhouses \$700,000 - \$1,000,000).
- Women more than men will look to a mortgage specialist for professional advice.
- Couples understand that 70% of working income is not enough to retire (closer to 85%) and homeownership is key.

Canadian Mortgage Market

- Continued growth
- Diverse mortgage products
- Changing mortgage environment
- Positive messages from the Canadian mortgage consumer

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THANK YOU

Canada

