

Warmer temperatures bring cooler market conditions to Lower Mainland

Why our market is more predictable than our weather

BY CAMERON MCNEILL



As we move into the first week of summer, the new housing market has cooled just slightly after a very active first half of 2011. Historically we have seen this trend in the Metro Vancouver market, as spring activity cools into summer, before heating up again in the fall.

It's estimated that since early May, there have been between 25 and 30 new developments (highrise, lowrise and townhomes) brought to market throughout the Lower Mainland. Some are selling quickly with line-up situations on opening day, while others are experiencing a longer sell-out period. **The difference between line-ups and more normalized selling often comes down to two key factors:**

BASIC SUPPLY AND DEMAND In some areas (submarkets), supply is currently low and new homes are quickly purchased. For example, in late April, MAC opened Union in Burnaby Heights, where 41 out of 46 homes were purchased on opening day. This beloved and established neighbourhood has not had small, concrete, affordable homes in some time and so they were purchased quickly. Earlier this month, Polygon also announced that over 70 per cent of homes at New Water in Southeast Vancouver sold on opening weekend – a brand new master-planned community giving people the chance to get in early as this neighbourhood develops.

In other submarkets, there is more supply to choose from which means purchasers take more time weighing their options, comparing value and price points, and deciding what is best. In these cases, you may be able to take advantage of getting more upgrades, purchase incentives or even price discounts. The

Guildford area of Surrey and the Southeast False Creek community in Vancouver both currently offer a lot of choice. As a buyer, shop around and choose a home that is right for you.

PRICING Affordability is an important word for many of us right now. Developers targeting entry-level price points in various housing types have been successfully creating more interest at opening (rather than pushing high-end materials which, in turn, increases prices). Although this is true throughout all areas, the Fraser Valley purchaser is strongly demonstrating that well-priced new homes consistently out-sell other options. Other areas that have demonstrated value include Richmond, Delta and parts of New Westminster and Coquitlam – all real estate “hot spots” this spring.

Although summer is often a cooler market, it can sometimes be a great time to get a deal before the fall market picks up. Keep reading *New Condo Guide* throughout the summer as more new projects are expected to come to market this year.



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