

# Presale Pulse Market Insights

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MLA ADVISORY | JULY 2024

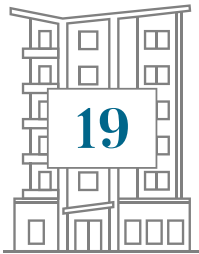
MLA

JULY 2024

# Presale Real Estate Insights

GREATER VANCOUVER & FRASER VALLEY PRESALE HOME SUMMARY | MAY 2024 TO JULY 2024

MAY 2024  
RELEASED

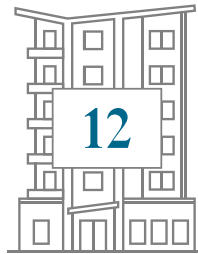


PROJECT LAUNCHES

**2,228**

APPROX.  
NO. PRESALE UNITS

JUN 2024  
RELEASED

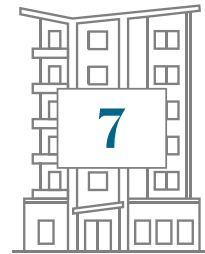


PROJECT LAUNCHES

**1,810**

APPROX.  
NO. PRESALE UNITS

JUL 2024  
FORECAST\*



PROJECT LAUNCHES

**950**

APPROX.  
NO. PRESALE UNITS

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With market headwinds persisting, abnormally soft (sub 20%) presale absorption has occurred for two consecutive months within new project launches; this is the first time that we have seen this level of activity since summer 2020. Presale investors remain on the sidelines with no clear path forward – prices remain sticky due to underlying costs and buyers have ample choice, leading to the utmost patience in many instances.

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**Garde MacDonald**

DIRECTOR OF ADVISORY, MLA CANADA

\* The data is provided through various sources such as Zonda Urban and is analyzed and interpreted by MLA Advisory. The information, analysis and opinions are compiled through various sources thought to be extremely reliable, although accuracy cannot be guaranteed. MLA Canada or its employees will not be held liable for the information, analysis and opinions herein.

Source: MLA Advisory, Zonda Urban and MLA Sales Force

## PRESALE LAUNCHES REMAIN STEADY WHILE SALES CONTINUE TO DIP

June saw twelve presale launches, releasing 1,810 units into the market, with notable projects such as Ironwood in Coquitlam and Ksana in Port Moody seeing steady demand. Despite challenging headwinds, presale launch activity has surprisingly remained stable, matching levels of released inventory in 2023. The Fraser Valley, particularly Surrey and Langley, continues to be a hotspot with eight new launches. However, same-month absorption rates were around 16%, consistent with May's figures but marking the slowest early absorption since early 2020.

The market faces ongoing challenges, and with homebuyers grappling with high prices and investors uncertain about the long-term growth potential in less active markets, market activity is likely to remain low.

## MLA BLACKBOOK: REFLECTING ON THE FIRST HALF OF 2024 AND THE DIRECTION FOR H2

In the first half of 2024, 68 presale projects launched across the Lower Mainland, introducing nearly 8,600 units and achieving a sales rate of approximately 33% with 2,824 homes sold.

The market shift towards end-users, due to a decline in presale investors, has increased demand for well-amenitized, well-located homes larger than one-bedroom units. Surrey, Langley, and Coquitlam led the market, accounting for over half of the launches during this period.

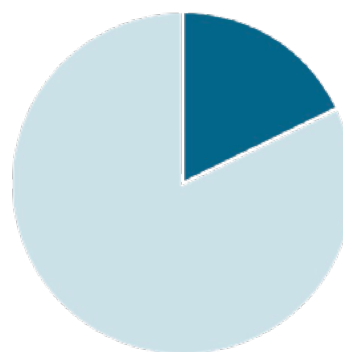
As the year progresses, MLA Advisory maintains its forecast from the 2024 MLA Intel publication, predicting about 42 more project launches in the second half, totalling 110 for the year. While this reflects a 17% increase from 2023, it remains 15-25% below the activity seen in 2021 and 2022. Sales velocities are slow, and sales campaigns are longer, suggesting increased market competition and inventory accumulation until broader recovery is expected with rate improvements by late 2025 to 2026.

## JULY PRESALE LAUNCHES FLATTEN

MLA Advisory is forecasting seven presale launches in July, bringing 950 units to the market. This number still exceeds the six launches that came to market in July 2023.

Major launches include Bridge City in Surrey Centre, which began writing at the beginning of the month, and The Three Summits by Polygon in Squamish. Additionally, M6 by Jim Pattison is expected to be the latest concrete development on Vancouver's east side of Main and West 6th.

## Presale Sold Rate | June 2024



**16%**  
**SOLD**

**1,810 UNITS  
RELEASED**

## Presale Units Forecasted for July 2024



**CONCRETE**

**401**



**WOODFRAME**

**379**



**TOWNHOME**

**170**

MLA Canada's dedicated Advisory team maintains an exhaustive understanding of market intelligence. We offer the development industry market intelligence, product design and price analysis services leveraging our in-depth investigation to assist in strategy, acquisition, and feasibility.

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CONTACT FOR MORE INFORMATION

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