

# Presale Pulse Market Insights

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MLA ADVISORY | MAY 2024

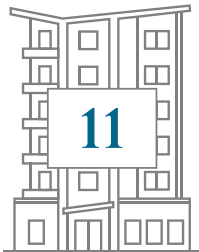
MLA

MAY 2024

# Presale Real Estate Insights

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

MAR 2024  
RELEASED

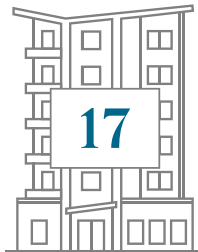


PROJECT LAUNCHES

**1,552**

APPROX.  
NO. PRESALE UNITS

APR 2024  
RELEASED

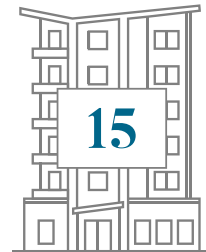


PROJECT LAUNCHES

**1,637**

APPROX.  
NO. PRESALE UNITS

MAY 2024  
FORECAST\*



PROJECT LAUNCHES

**2,501**

APPROX.  
NO. PRESALE UNITS

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Stronger Realtor and prospect engagement in the Spring market has led to increased presale activity in April. Notably, these projects are concentrated in the townhome and wood frame product types, catering to end-user buyers rather than investors. With today's prevailing conditions, a focus on entry-level pricing is supporting activity in the Fraser Valley and markets like Coquitlam. The substantial inventory released in April was well-received, achieving a 31% same-month absorption rate.

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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

## FRASER VALLEY HELPS KEEP PRESALE ACTIVITY HIGH IN THE LOWER MAINLAND

April saw robust presale launch activity, with 17 presale projects introducing 1,637 units—almost double the amount launched last April and marking the busiest April since before Covid. The majority of these, about 56%, were wood frame construction. The Fraser Valley was a major hub for these launches, hosting 13 of the projects that came to market. Price sensitivity is likely to remain a sticking point for buyers and the Fraser Valley's ability to offer exceptional value relative to offering has drawn both investors and end-users alike. This has been bolstered by the regions strong population growth and major infrastructure projects such as the Surrey-Langley Skytrain extension, supporting market optimism at a time when surrounding regions are experiencing heightened uncertainty.

## CANADIAN REAL ESTATE IN 2024: A LOOK AT GOVERNMENT POLICIES AND MARKET IMPACTS

In 2024, Canada's government is intensifying efforts to address the critical issue of housing affordability, an especially pressing concern in an election year. The federal government has notably expanded the Apartment Construction Loan Program with an additional \$15 billion injection, aiming to facilitate cheaper financing for new rental developments. Simultaneously, the establishment of the Canada Rental Protection Fund, allocating over \$1.4 billion, supports the preservation of below-market rental units, designed to increase housing supply and stabilize market rents.

Provincially, the introduction of a flipping tax is targeting speculative real estate activities by imposing penalties on properties resold within two years of purchase. This policy aims to moderate the frenetic pace of real estate transactions that often inflates market prices. Moreover, adjustments to Property Transfer Tax (PTT) exemptions are significantly aiding first-time homebuyers, with raised exemption caps reflecting current market values, thereby enhancing market entry opportunities.

At the local level, initiatives such as increased development cost charges in cities like Surrey illustrate the delicate balance between funding necessary infrastructure and encouraging new housing developments.

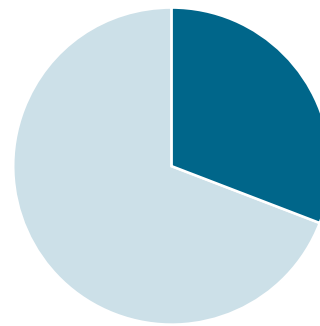
As the 2024 elections approach, these measures collectively represent a concerted effort to alleviate the housing crisis. However, it remains unclear whether these policies will sufficiently shift the market dynamics. Governments face the challenge of threading the needle—creating much-needed housing while protecting long-term tenants and not alienating existing homeowners. Only time will tell if these strategies effectively balance these competing interests

and make substantial inroads into the housing affordability issue.

## MAY TO SEE CONTINUED RELEASE OF NEW PRESALE PRODUCT

The real estate market is poised to maintain a steady pace in presale launch activity in May, with 15 new launches forecasted by MLA Advisory that are expected to bring 2,501 units to market. Although typical for the Spring market, this marks the most significant release of inventory since October of last year, which saw a surge in concrete towers that launched in Burnaby. We anticipate that May could represent the peak of activity for the season before a slowdown in the summer months. The future trajectory of presale launches largely hinge on the Bank of Canada's June 5 policy rate decision. Noteworthy upcoming launches include the inaugural tower at Bassano in Brentwood, Ironwood in West Coquitlam, and Pine & Glen in Coquitlam Centre.

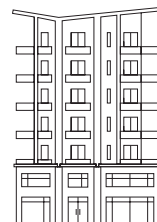
## Presale Sold Rate | April 2024



**31%**  
**SOLD**

**1,637 UNITS  
RELEASED**

## Presale Units Forecasted for May 2024



**CONCRETE**

**1,447**



**WOODFRAME**

**866**



**TOWNHOME**

**188**



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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