

# Pre-Sale Pulse Market Insights

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MLA ADVISORY | DECEMBER 2022

MLA



NOVEMBER 2022

# Pre-Sale Real Estate Insights

GREATER VANCOUVER & FRASER VALLEY PRE-SALE HOME SUMMARY | OCTOBER - DECEMBER 2022

OCTOBER 2022  
RELEASED\*

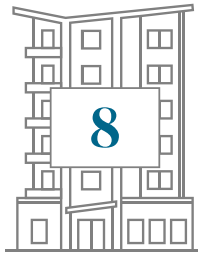


PROJECT LAUNCHES

**590**

APPROX.  
NO. PRE-SALE UNITS

NOVEMBER 2022  
RELEASED\*

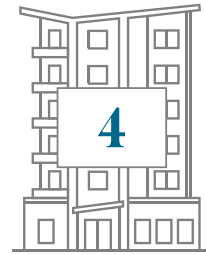


PROJECT LAUNCHES

**1,037**

APPROX.  
NO. PRE-SALE UNITS

DECEMBER 2022  
FORECAST\*



PROJECT LAUNCHES

**303**

APPROX.  
NO. PRE-SALE UNITS

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Programs with well positioned and adjusted pricing and offering terms for the current market landscape have continued to see decent sales absorptions. We can expect a typical seasonal decline in presale activity in December, but this provides presale launches that come to market over this period to receive significant attention as other programs either close their presentation centres or transition their sales strategy for a slower tempo and focus on 2023.

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**Suzana Goncalves**

EVP, SALES AND MARKETING; PARTNER, MLA CANADA

\* The data is provided through various sources such as Zonda Urban, Altus Data Studio, FVREB, and REBGV 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.

## NOVEMBERS MARKET SEES SEASONALLY HIGH PRESALE ACTIVITY

Presale activity in November was higher than expected – achieving above-average absorptions and exceeding the activity we saw in October. In total, eight presale launches brought 1,037 units to market. Of the product launched, 291 were sold – leading to a 28% same-month absorptions rate. The successful launch of major programs in Greater Vancouver and the Fraser Valley supported this month's absorptions. They include Soco Two by Anthem, which launched in early November and absorbed 155 (55%) of its product soon after. In the Fraser Valley, we saw the launch of Highstreet Village, a multi-phased development located off Mt. Lehman Rd and Highway 1. The condominium building that was part of this first release successfully targeted investors in Abbotsford's market and sold out its 77 units within two weeks.

## SETTING EXPECTATIONS WHEN YOU'RE EXPECTING (SHIFTS IN OUR MARKET)

After a rollercoaster of a year, many are looking to 2023 and asking, 'what's next?'. While there's no easy answer, we want to share our perspective on the key inflection points and what you can do to prepare for them. These critical periods include the Lunar New Year in January and the Bank of Canada rate announcements on January 25th and March 8th.

The Lunar New Year will be an exceptionally competitive period in our market as existing programs push incentives to meet financing requirements. Similarly, upcoming projects try to launch with solid absorptions early in their sales campaign. The Lunar New Year is essential because it will act as a litmus test that will help the industry re-examine the depth of the pool of purchasers active in the market. If these early launches achieve strong absorptions, they could encourage developers with an upcoming product to engage the market and launch in the late Spring or Fall.

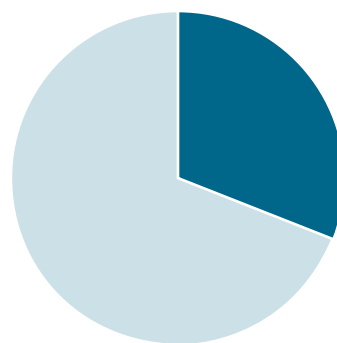
The January and March rate announcements will be significant for our market as it will likely mark the end of the Bank of Canada's aggressive rate hikes. While economists expect that we will remain at this heightened 'terminal rate' for 2023, with only some possibility of it beginning to lower at the end of the year, it will be vitally important in allowing homebuyers to get their bearings

and allow values to settle. Overall, while values will continue to fall into the new year, these shifts will help values stabilize by the late-Summer months.

## WHAT'S COOLER THAN THE NORTH POLE? DECEMBER'S MARKET

Colder weather and the holiday season transitioned our market into the slowest period of the year. However, while presale launch activity will be low, we expect a push in market activity. Specifically, we anticipate developers connecting with high-impact 'whale' realtors who will help them achieve necessary absorptions when the next wave of presale launches come to market in 2023. MLA Advisory forecasts four presale launches that will bring approximately 303 units to market. These programs include Italia by Solterra, which is currently touring realtors and expecting to quietly write deals in December before launching publicly in the new year.

### Pre-Sale Sold Rate In November 2022



**28%**  
**SOLD**

**1,037 UNITS  
RELEASED**

### Pre-Sale Units Forecasted for December 2022



**CONCRETE**

**46**



**WOODFRAME**

**217**



**TOWNHOME**

**40**



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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