

HOLIDAY EDITION

THE GOODMAN REPORT

FOR APARTMENT OWNERS

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Market Update: Multifamily Website Sparks Surge in Sales Activity



Vancouver, B.C., December 18, 2002 — Not since 1991 has Macdonald Commercial's David Goodman experienced the level of multifamily market interest as in recent months. In fact, Goodman has been averaging the sale of one Lower Mainland apartment building per week over the past seven

weeks and has several additional properties, including multifamily development sites, under contract. Aside from apartment sales, Goodman also sold the Middlegate shopping center to Bosa Ventures as a development site.

Sales are varied in size and location: for example, Goodman has sold a 12-suite apartment in Vancouver's up-scale Kerrisdale neighborhood at a record breaking low 4.6 CAP rate; and a 16-suite, 75-year old frame apartment building in the downtown West End for an astonishing \$121,875 per suite, comprised mainly of bachelor suites, and a 30 year old North Vancouver building at \$88,000 per unit.

When asked to explain the recent significant increase in multi-family activity (up 50% over last year's volumes), Goodman points to a variety of combining factors that have simultaneously created conditions extremely conducive for apartment investment in the Lower Mainland. Some of these factors include historically low interest rates, a volatile stock market, lower provincial and federal taxes, continuing low vacancy rates, and the new Residential Tenancy Act, which permits an increase of 5-6% in rent increases.

Goodman discusses current market conditions and more in his consummate industry newsletter, The Goodman Report, which he has published for owners and investors alike and an internationally growing subscriber list for the past twenty years. It's likely that Goodman's recent online extension of his publication could partially explain a substantial degree of his recent success as well.

Developed a short seven months ago by Goodman's son and now partner, Mark, the site www.goodmanreport.com, was initially developed to provide a convenient method for downloading David's longstanding newsletter. However, the site quickly evolved to become the key industry portal for the British Columbia multi-family real estate market and now boasts a staggering average of over 18,000 hits per day. Online users can examine detailed snapshots of available multi-family and development site investment opportunities and subscribe to receive updates on market activity and new listings. A recent addition to the site offers daily news headlines pertaining to the Canadian commercial real estate industry.

Why the sudden popularity? Mark Goodman explains, "The site is absolutely unique: it's the first of its kind in an otherwise traditional segment of the commercial real estate market. Agents and buyers have now begun to embrace the Internet as a valid method of collecting information and conducting business and as a result the site has become a popular information source. I have also observed a dramatic increase in site activity in the past month due to search engine registration and additional applied online marketing techniques.

David Goodman now realizes the potential the site has in efficiently pairing sellers with buyers: "The website has certainly exceeded my expectations. We now have over 50% of our inquiries originating from it and receive enthusiastic feedback from our clients who rave about the excellent exposure their properties receive as a result of our aggressive online marketing campaign."



The Goodman Team is excited

about the forecasted continued growth of the site and mention that eight new apartment buildings will be listed on the site in the next month.

The Goodman Report website can be accessed online at www.goodmanreport.com.

Since 1983, David has specialized in the marketing and sale of over 135 apartment buildings and has also sold a number of multifamily development sites and hotels on behalf of his clients.

Macdonald Commercial is a subsidiary of Macdonald Realty, the largest British Columbia owned, full-service real estate group in the province with over 500 realtors. David Goodman can be reached at 604.714.4778 or david@goodmanreport.com.

P.S. If you have subscribed to the website in the last 2 months, please do so again! Unfortunately we had a malicious computer virus that wiped out part of our database.

VANCOUVER LOWER MAINLAND

Average Price/Suite by Area 2001-2002

	2001 Avg. \$/Suite	2002 Avg. \$/Suite	2001 vs 2002 # of Sales	Variance
EASTSIDE	58,007	60,937	15/18	5%
KERRISDALE	146,043	187,369 ¹	6/7	28.3%
KITSILANO	119,050	114,610	12/11	-3.7%
MARPOLE	74,161	81,208	8/12	9.5%
SOUTH GRANVILLE	105,828	108,918	10/12	2.9%
WEST VANCOUVER	148,837	114,286	1/1	-23.2%
WEST END	80,851	152,904 ²	12/9	89.1%
BURNABY	74,371	77,499	12/19	4.2%
NEW WESTMINSTER	47,519	67,485	7/14	42%
NORTH VANCOUVER	78,071	88,821	9/14	13.8%
WHITE ROCK	68,285	88,210	4/8	29.2%
COQUITLAM	No sales	65,686	0/2	N/A
SURREY	55,842	101,067 ³	2/2	55.3%

Note: 2002 sales reflect 10 months of activity
For a more detailed analysis, please visit www.goodmanreport.com

¹ This average includes Polygon's newly constructed rental building: 4750 Arbutus; \$222,772/suite.

² Includes 430-suite sale of new high-rise rental on Seymour St. built by Wall.

³ Includes sale of new strata building at \$109,000/suite.

Prepared by David Goodman

