

Goodman
report:

Special Edition
Multi-Family Values

MULTI-FAMILY VALUES

BY KEEPING A WATCHFUL
EYE ON THE MARKET FOR
OVER 30 YEARS, WE'VE
ASSISTED OUR CLIENTS IN
MAKING BETTER INFORMED
INVESTMENT DECISIONS.



THE ORIGINS OF OUR BUSINESS WERE THE LOWRISE 10, 20 AND 30-UNIT BUILDINGS. THEY'RE STILL A MAIN FOCUS.

— David Goodman

THAT FIRST 20-SUITER BACK IN 1978 STARTED US OFF IN THE RIGHT DIRECTION.

In 1978, David Goodman sold his first rental apartment building—a 20-suiter owned by Nelson Skalbania—in Vancouver's West End for \$460,000.

The seeds of the Goodman Report extend back to the early 1970s when Goodman Report founder David Goodman became active in the Vancouver real estate market. Consistently operating as a top sales performer, David pioneered the practice of the industry newsletter for multi-family building owners and investors. Then a simple way of keeping in touch with his client base and key industry stakeholders, the first Goodman Report was published in 1983. The newsletter has now evolved into a fully integrated email and print commercial real estate and apartment news marketing platform, placing David and his son Mark at the pinnacle of apartment sales professionals in British Columbia and across Canada.

From these relatively humble beginnings, our team has steadily climbed towards a 25% market share in the area of apartment building sales. With the addition of Mark Goodman in 2002, we have continued to strive towards providing the best service and advice to our clients. As the market landscape changes over time, we have been deliberate in leveraging new methods and technology to broaden the scope of our reach with the goal of gathering and disseminating the highest quality information, perspective and marketing tools.

These values, along with our ongoing commitment and passion for real estate, are centered in our focus and drive to be the industry leader in apartment building and development site sales. And we understand that our success depends wholly on the success of our clients.

A quick anecdote from David Goodman:

31 years ago, when I first started selling apartment buildings, a very successful owner gave me some advice (this after I had peppered him with a series of questions about the market). "Son," he said—that part I really enjoyed—"Let me sum up this business for you in just a few words...either the tenants kiss our ass or we kiss theirs." For this greenhorn, it was a rather graphic summation, but perhaps a truism nevertheless. Essentially he was saying that the market's direction (the rental market being no different) is a function of supply and demand. At present, the pendulum has swung in favour of the landlords and will probably continue that trend for years to come.



**WE'RE A FAMILY BUSINESS WITH A HISTORY
OF SUCCESS BUILT ON MARKETING
LOWRISE RENTAL APARTMENT BUILDINGS.
WE APPRECIATE THE VALUE THAT THEY
HOLD FOR US AND OUR CLIENTS.**

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Mark and David's depth of experience and complementary skill sets are a key factor in their success. Developing their position in this market has required a mixture of instinct, resilience and strong communication. In short, it is all about the ability to build and maintain trust and rapport with their clients.



It was the late 70s in Vancouver's West End neighbourhood where David Goodman cut his teeth in the rental apartment market and made his inaugural sale.

"When I began handling apartment buildings, the industry was as it is today: easily the most scrutinized and politicized asset class out there. It was during this time that I decided that market intelligence should be shared with owners. Or, as I like to call it, 'unfiltered feedback from the street.' Supplied by a realtor, no less."

THE DIVERSE CHARACTER OF VANCOUVER'S MULTI-FAMILY APARTMENTS AND THEIR OWNERS



"I believe that Greater Vancouver's apartment owners are probably the sharpest and most knowledgeable group of owners in Canada. I believed that when I started, as I do today, that knowledge empowers and market transparency helps owners better manage and operate their apartment assets in a profitable manner. This is the foundation of *The Goodman Report*."

—David Goodman



APARTMENT MARKET FACTS

- 1 The Greater Vancouver rental apartment market has a total of 2,061 owners who hold 3,100 purpose-built rental buildings, providing approximately 110,000 suites. The City of Vancouver has approximately 1,780 rental properties, of which 280 are mid or highrises.
- 2 In the last 10 years, there have been 1,125 buildings sold. Buyers include REITs, family operations expanding their portfolios, as well as a new breed of owner who are upgrading and repositioning the dated and inefficient rental stock. These figures represent an annual turnover of approximately 3.6% of the total building inventory.
- 3 The owners of the remaining 1,975 buildings, averaging 58 years old, are being faced with increased competition from new investors who are extensively and aggressively renovating buildings upon acquisition. These professionals are delivering high-quality, functional rental suites with high-end finishes and amenities such as dishwashers and in-suite laundry.

OUR FAMILY BUSINESS
HAS COME A LONG WAY.
WE HAVE EXPERIENCE
ACROSS THE FULL
SPECTRUM OF THE
MARKET — FROM THE
SMALL WOOD-FRAME
LOWRISE TO THE LARGE
CONCRETE HIGHRISE
TOWER.



Working throughout the city has lent the Goodmans a keen understanding of the nuances, values and character of Greater Vancouver’s diverse neighbourhoods. We look at our clients as our neighbours, sharing our deep roots and care for the community. We see our listings as more than just suites and square feet—they are part of the community that we love.



RECENTLY SOLD

WHETHER 8 OR 88 SUITES, WE BRING THE
SAME LEVEL OF PROFESSIONALISM TO
EACH AND EVERY SALE.



PARKLEA APARTMENTS

Prime Concrete Rental Tower
151 East Keith Road, North Vancouver

Sale price	\$25,500,000
Number of stories	15
Number of suites	88
Price per unit	\$289,772
Net rentable area in sq. ft.	57,537
Price per sq. ft.	\$443
Net operating income	\$828,338
Cap rate	3.3%

ACCORDING TO GOODMAN: THE WORLD OF VANCOUVER APARTMENTS

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INFORMED INVESTMENT ADVICE IS THE PRODUCT OF KEEPING A WATCHFUL EYE ON THE MARKET. BY DOING JUST THAT, WE'VE HELPED OUR CLIENTS MAKE BETTER INVESTMENT DECISIONS FOR OVER 30 YEARS.

GREATER VANCOUVER FACTS

Average age of purpose-built rental apartments

58

Number of building transactions in Greater Vancouver for 2013

94

Total sales volume in Greater Vancouver for 2013

\$587M

Avg Greater Vancouver vacancy rate of purpose-built rental apartments in 2013

1.7%*

Average Greater Vancouver cap rate in 2013

3.8%

Average rate of monthly rent in Greater Vancouver for 2013

\$1,067*

Total number of apartment owners in Greater Vancouver

2,061

Total number of rental apartment buildings in Greater Vancouver

3,100

GOODMAN FACTS

Number of unique visitors to goodmanreport.com per month

9,000

Total historical Goodman sales volume

\$2B+

Years of combined experience

54

Number of Goodman transactions since 1983

500+

Years of publishing *The Goodman Report*

31

Number of media articles featuring *The Goodman Report*

300+

Number of newsletter subscribers

50,000

Goodman sales volume per year for 2011, 2012 and 2013

\$100M+

Vancouver, and its surrounding areas, have the distinction and notoriety of having some of the highest condo and single family housing prices in Canada, as well as the lowest cap rates for apartment buildings. This has led to the multi-family rental sector being further solidified in its ranking as one of the leading 'go-to' real estate asset classes in Greater Vancouver.

Vancouver has garnered a reputation throughout North America, if not internationally, as a veritable oasis that

has been scarcely affected by the economic downturn and political turmoil currently being experienced in other parts of the world. Canada's stable democratic government, secure banking sector, historically low mortgage rates and solid economy contributes to this. So too does Greater Vancouver's traditionally low vacancy rates, strong immigration and limited supply opportunities. All of these factors add up to strong investor demand.

*as per the CMHC

WE'VE BEEN DOING THIS THE LONGEST. LET THE GOODMANS MAKE YOUR NEXT SALE A SUCCESS.

Call us today.

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www.goodmanreport.com

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Investment Resource**

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