

# Goodman

## R E P O R T



JULY 2006

GOODMAN TEAM SALES 2006 (FIRST SIX MONTHS)

### AVAILABLE



Downtown Vancouver  
750-780 Nelson St. &  
1020-1050 Howe St.  
8 Commercial Strata  
Ask \$2,250,000



Vancouver  
Mount Pleasant  
918 E 8th Ave.  
19 Units  
Ask \$2,425,000



Kitsilano  
1876 W. Broadway  
21 Units  
Ask \$3,195,000



Burnaby  
4232 Sardis St.  
68 Units  
Ask \$9,150,000



Downtown Vancouver  
Concrete strata high-rise  
1010 Howe Street  
130 units + 8 commercial  
Ask \$32,000,000

### SOLD



Vancouver  
Cambie  
3777 Cambie St.  
25 Units  
Ask \$3,850,000

### SOLD



Vancouver  
Mount Pleasant  
1016 E 8th Ave.  
35 Units  
Ask \$4,495,000

### SOLD



Vancouver  
South Granville  
2675 Alder St.  
17 Units  
Ask \$3,300,000

### SOLD



Vancouver  
South Granville  
1025 W. 13th Ave.  
10 Units  
Ask \$1,599,000

### SOLD



Vancouver  
Kitsilano  
2255 Cypress St.  
47 Units  
Ask \$7,995,000

### SOLD



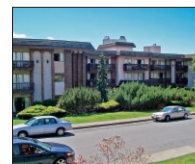
East Vancouver  
336 East 7th Ave.  
18 Units  
Ask \$2,300,000

### SOLD



Burnaby  
6663 Sussex Ave.  
10 Units  
Ask \$1,000,000

### SOLD



North Vancouver  
125 E. 5th St.  
53 Units  
Ask \$5,650,000

### SOLD



North Vancouver  
2125-35 Munster Ave.  
6 Unit Townhouse  
Ask 1,749,000

### SOLD



North Vancouver  
275 East 13th St.  
21 Units  
Ask \$2,795,000

### SOLD



New Westminister  
1002 Sixth Ave.  
21 Units  
Ask \$1,995,000

### SOLD



Richmond  
8351 Bennett Rd.  
38 Units  
Ask \$4,000,000

### SOLD



White Rock  
1497 Martin St.  
20 Units  
Ask \$2,150,000

### SOLD



Maple Ridge  
20620 114th Ave.  
16 Townhouses  
Ask \$2,195,000

### SOLD



Vancouver  
Westside  
Prime C-3A  
Development Site

**Buying or Selling?  
For results call:  
The Goodman Team.**

#### FACT:

The Goodman Team, BC's leading apartment specialist, is number 1 in buildings sold and \$ volume 2003, 2004, 2005 and 2006.

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# The Goodman Report FOR APARTMENT OWNERS

Greater Vancouver Multi-Family Sales and Statistics

## Activity Highlights: 1st 6 months 2006 compared to 1st 6 months 2005

**Total Buildings Sold 89** — up from 66 in 2005 +35%

**Vancouver Buildings Sold 47** — up from 36 in 2005 +30%

**Suburban Buildings Sold 42** — up from 30 in 2005 +40%

**Total Dollar Volume \$344,902,790** — up from \$260,569,500 in 2005 +32%

**Vancouver Dollar Volume \$208,030,338** — up from \$118,260,000 in 2005 +75%

**Suburban Dollar Volume \$136,872,452** — down from \$142,309,500 in 2005 -4%

**Total Suites Sold 2753** — up from 2512 in 2005 +10%

**Vancouver Suites Sold 1298** — up from 873 in 2005 +49%

**Suburban Suites Sold 1455** — down from 1639 in 2005 -12%

**Average \$ per suite in Vancouver \$160,269** — up from \$134,547 in 2005 +19%

**Average \$ per suite in Suburban communities \$94,070** — up from \$86,827 in 2005 +8%

Vancouver Eastside	15 buildings sold in the first 6 months compared to 9 in 2005. Average suite prices up to \$108,621 — 14% increase over 2005 (high demand for Eastside buildings).
Vancouver Kerrisdale (incl. Oakridge and UBC)	4 buildings sold in the first 6 months compared to 1 in 2005. Average price per suite is up 18% over 2005. Sale includes development site on West 39th Ave. Properties rarely available for sale.
Vancouver Kitsilano	Only 4 buildings sold in the first 6 months compared to 7 in 2005. Prices up 8% to \$177,727 per suite. Lack of offerings — demand strong.
Vancouver Marpole	5 buildings sold in the first 6 months — equal to 2005. Prices up 19% to \$111,500 per suite. Investors like location and affordability.
Vancouver South Granville	10 buildings sold in the first 6 months compared to 8 in 2005. Prices up 32% to \$182,633 per suite. Highly appealing RM-3 zoning/location.
Vancouver West End	9 buildings sold in the first 6 months compared to 7 in 2005. Average suite prices up 33% to \$180,419 — 4 of 9 buildings sold are high-rises.

Burnaby	7 buildings sold in the first 6 months compared to 9 in 2005. Average suite prices up to \$117,211, a 19% increase over 2005. Heavy interest in Metrotown area.
Coquitlam	2 buildings sold in the first 6 months compared to 0 in 2005. Average suite prices at \$96,732 compared to \$94,071 for 2005. Lack of offerings.
Maple Ridge	4 buildings sold in the first 6 months compared to 2 in 2005. Average suite price \$83,395, up 104% from 2005's \$40,727 per suite. Strong investor interest with new bridge planned.
New Westminster	11 buildings sold in the first 6 months compared to 10 in 2005. Average suite prices at \$95,919, a 20% increase over 2005. Affordability factor attracts investors.
North Vancouver	7 buildings sold in the first 6 months compared to 2 in 2005. Average suite prices show no change year to year. High demand — little product available.
Surrey	4 buildings sold in the first 6 months — same as 2005. \$ volume and suites sold off by 50% year to year.
White Rock	2 buildings sold in the first 6 months versus 0 in 2005. Strong demand, no product available.

FOR FURTHER INFORMATION PLEASE CONTACT

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## 2006 — 6 MONTH REVIEW

For the first 6 months of 2006, the level of interest expressed by investors in the Greater Vancouver rental market continues unabated with dollar volumes, buildings sold and average prices per suite surpassing an already strong showing for the first 6 months of 2005. The suburban areas have also seen a strong increase overall in buildings sold with average prices up in Coquitlam, Port Coquitlam, Burnaby, New Westminster and Maple Ridge (see details regarding 6-month comparison 2005 versus 2006).

As prices continue to forge ahead coupled with a drop in cap rates (yields), it has become a challenge for buyers to find the right investment "fit". As a result, price point and futures are playing an important role in today's multi-family acquisitions.

While the old standby, Vancouver's Westside, remains ever sought after with South Granville leading the way, the new popular areas of interest are New Westminister, Surrey and Vancouver's Eastside. These areas, because of their relative affordability and marginally higher cap rates, have become viable options. As well, Maple Ridge, by virtue of a proposed major bridge development across the Fraser River, has become the new investor darling.

As investors target potential acquisition candidates, various issues are at play. With the recent spate of small but relentless mortgage rate increases being imposed by the central banks in their attempts to quell inflation, we are witnessing the end of an era enjoyed by investors over the last 3 — 4 years. Buyers had been able to secure buildings realizing immediate positive cash flow. However, with cap rates in the Greater Vancouver area now hovering at 3.75% — 5.75% and with 5 year CMHC or conventional fixed rate first mortgages at approximately the 5.0 — 5.5% range, up from 4 — 4.5% a year ago, we are slowly returning to a monetary climate not unfamiliar to the Greater Vancouver apartment scene where it's becoming increasingly difficult to leverage.

Offsetting the higher financing costs is the realization by owners and prospective buyers alike that rent levels, particularly on suites subject to 'turnover', should increase at a level in excess of inflation, and necessarily, over the posted 2005 CMHC suite averages.

Over the past year we have repeatedly urged owners and property managers to reconsider the traditional

practice of little or no rent increase on suite turnover. Instead we recommend that management take rent levels to fair market value. In some instances these increases can range from 10 — 35% thus enabling owners to optimize the return of their valuable real estate asset. Needless to say, the opportunities for significant increases are enhanced for those well-managed and cared-for properties.

On a personal note, the Goodman Team is pleased to report for the first 6 months of 2006 that they have participated in 15 of the total 89 apartment sales in Vancouver's Lower Mainland (16.8% market share) while having sold \$62,300,000 in dollar volume (18% market share).

Finally, a tip of the hat and thanks to the many owners who informed us of their successes in achieving greater than anticipated rental increases. Your feedback and support has proven most heartening.

## FORECAST FOR NEXT 6 MONTHS OF 2006

- Vacancies will continue to decline.
- Mortgage rates could rise another 1/2 % by year end.
- Gold and oil prices to remain volatile — American dollar to decline further.
- Cap rates for sought after West End / Westside high-rises to remain in the 3.75 — 4.25% range.
- Owners of older strata rental buildings increasingly motivated to selling off suites to capitalize on buoyant resale market.
- Construction costs to continue increasing at a rate 1.5 — 1.75% a month.
- Growing trend of VTB as mortgage rates increase.
- Older, well maintained but marginally efficient rental buildings in established areas to fall increasingly under the wrecker's ball as developers seek infill opportunities.
- More dialogue on densification as Mayor Sullivan wants to see the city increase the density of housing in neighbourhoods outside the downtown while protecting the environment and encouraging sustainability.



**Reported Apartment Sales**  
**Vancouver Lower Mainland**  
**Sales January 1 to June 30, 2006**

ADDRESS	SUITES	\$ PRICE	\$ PER/UNIT	ADDRESS	SUITES	\$ PRICE	\$ PER/UNIT
<b>Vancouver (East Side)</b>				<b>Burnaby</b>			
2026 Franklin	8	680,000	85,000	3526 Smith	34	4,533,000	133,424
★ 336 East 7th Ave	18	2,200,000	122,222	7057 Salsbury	44	4,550,000	103,409
612 E 7th Ave	41	4,250,000	103,569	4305 Maywood	15	1,450,000	96,667
1551 E 4th Ave	14	1,800,000	128,571	6557 Burlington	31	3,900,000	125,806
252 E 12th Ave	35	3,430,000	98,000	★ 6663 Sussex	10	1,050,000	105,000
1707 E 4th Ave	20	1,900,000	95,000	6729 Marlborough	8	1,050,000	131,250
4956 Duchess	28	2,906,000	103,786	6665 Royal Oak	19	2,288,000	120,421
7916 Knight	12	1,135,000	94,583	<b>Total</b>	<b>161</b>	<b>\$ 18,821,000</b>	<b>\$ 116,901</b>
1374 E 7th Ave	11	1,300,000	118,182	<b>Surrey</b>			
942 E Broadway (ST)	10	1,450,000	145,000	13929 104 Ave	44	3,750,000	85,227
33 Templeton (ST)	27	2,620,000	97,037	14910/921 104th Ave }	150	10,050,000	67,000
★ 1016 E 8th Ave	35	4,180,000	119,429	14950 105th Ave }			
2416 Fraser	11	1,310,000	119,091	10965-75 136 Street }	133	7,442,840	55,961
2144 Oxford	18	1,760,000	97,778	11024-30 136 Street }			
44 E 11th Ave	11	1,700,000	154,545	13448 Hilton	6	625,000	104,166
<b>Total</b>	<b>299</b>	<b>\$ 32,621,000</b>	<b>\$ 109,100</b>	<b>Total</b>	<b>333</b>	<b>\$ 21,867,840</b>	<b>\$ 65,669</b>
<b>Vancouver (Kerrisdale &amp; UBC)</b>				<b>North Vancouver</b>			
2260/86 W 39th Ave (DS)	23	5,400,000	234,783	220 E 12th St.	11	1,515,000	137,727
5516 Dalhousie Rd	11	2,775,000	252,273	362 E 10th St.	7	929,000	132,714
5850 Vine	21	4,200,000	200,000	★ 275 E 13th St.	21	2,750,000	130,952
<b>Total</b>	<b>55</b>	<b>\$ 12,375,000</b>	<b>\$ 225,000</b>	155 W 13th St.	32	4,200,000	131,250
<b>Vancouver (Kitsilano)</b>				★ 2125 Munster (TH)	6	1,650,000	275,000
★ 2255 Cypress	47	7,500,000	159,574	2931 Mtn Hwy	18	2,650,000	147,222
2220 W 2nd Ave	10	2,350,000	235,000	★ 125 E 5th St.	53	4,800,000	90,566
2166 W 8th Ave	32	5,700,000	178,125	<b>Total</b>	<b>148</b>	<b>\$ 18,494,000</b>	<b>\$ 124,959</b>
1817 Yew	21	4,000,000	190,476	<b>Richmond</b>			
<b>Total</b>	<b>110</b>	<b>\$ 19,550,000</b>	<b>\$ 177,727</b>	★ 8351 Bennett	38	3,885,000	102,237
<b>Vancouver (Marpole)</b>				<b>Total</b>	<b>38</b>	<b>\$ 3,885,000</b>	<b>\$ 102,237</b>
1198 W 70th Ave	9	1,472,000	163,556	<b>Delta</b>			
1067 W 70th Ave	8	1,050,000	131,250	5557 14B	17	2,000,000	117,647
1436 W 71st Ave	11	1,330,000	120,909	<b>Total</b>	<b>17</b>	<b>\$ 2,000,000</b>	<b>\$ 117,647</b>
8675 French	72	7,200,000	100,000	<b>White Rock</b>			
8626 Fremlin	8	990,000	123,750	1331 Merklin	20	1,640,000	82,000
<b>Total</b>	<b>108</b>	<b>\$ 12,042,000</b>	<b>\$ 111,500</b>	★ 1497 Martin	20	2,115,000	105,750
<b>Vancouver (South Granville)</b>				<b>Total</b>	<b>40</b>	<b>\$ 3,755,000</b>	<b>\$ 93,875</b>
★ 1025 West 13th Ave	9	1,590,000	176,667	<b>Coquitlam</b>			
★ 3777 Cambie	25	3,675,000	147,000	1124 - 1214 King Albert	66	6,567,000	99,500
1020 W 12th Ave	27	5,200,000	192,593	600 Smith	105	9,977,612	95,025
1245 W 10th Ave	11	1,850,000	168,182	<b>Total</b>	<b>171</b>	<b>\$ 16,544,612</b>	<b>\$ 96,752</b>
1570 W 15th Ave	27	5,300,000	196,296	<b>Port Coquitlam</b>			
1675 W 12th Ave	10	1,850,000	185,000	2232 Atkins	12	1,175,000	97,917
1107 W 14th Ave	32	5,900,000	184,375	2209 Atkins	9	642,000	71,333
1364 W 11th Ave	30	5,600,000	186,667	2334-8 Marpole (ST)	12	1,400,000	116,667
1430 W 13th Ave	19	3,750,000	197,368	<b>Total</b>	<b>33</b>	<b>\$ 3,217,000</b>	<b>\$ 97,485</b>
★ 2675 Alder	17	3,090,000	179,418	<b>Maple Ridge</b>			
<b>Total</b>	<b>207</b>	<b>\$ 37,805,000</b>	<b>\$ 182,633</b>	★ 20320 114th Ave (TH)	16	2,050,000	128,125
<b>Vancouver (West End)</b>				11895 Laity St	36	2,275,000	63,194
★ 1010 Howe St (HR) (ST)	138	30,000,000	217,391	21537 Mayo Pl (ST)	8	1,030,000	128,750
1872 Barclay	21	3,391,338	161,492	22355 McIntosh (incl com)	21	1,400,000	66,667
840 Broughton (HR)	103	16,000,000	155,340	<b>Total</b>	<b>81</b>	<b>\$ 6,755,000</b>	<b>\$ 83,395</b>
1435 Pendrell	21	2,850,000	135,714	<b>New Westminister</b>			
1945 Barclay (HR)	95	16,100,000	169,474	515 9th Street	47	4,000,000	85,166
1050 Harwood (HR)	81	16,000,000	197,531	301 Carnovan	16	1,535,000	95,937
1125/1155 Haro (DS)	38	5,996,000	157,789	420 Ash	41	3,485,000	85,000
1451 Burnaby	22	3,300,000	150,000	727 Fourth Ave	10	720,000	72,000
<b>Total</b>	<b>519</b>	<b>\$ 93,637,338</b>	<b>\$ 180,419</b>	125 8th	11	1,005,000	91,364
★ SOLD BY THE GOODMAN TEAM				810 St Andrews (HR)	117	14,000,000	119,658
				711 5th (HR)	125	11,000,000	88,000
				★ 1002 6th Ave	21	1,935,000	92,143
				441 9th Ave	12	1,300,000	108,333
				111 Agnes	17	1,153,000	67,824
				522 Ash	16	1,400,000	87,500
				<b>Total</b>	<b>433</b>	<b>\$ 41,533,000</b>	<b>\$ 95,919</b>

(HR) highrise, (TH) townhouse, (ST) strata, (DS) development site

The sale information provided is a general guide only.  
 There are numerous variables to be considered such as:

- 1) Suite Mix; 2) Rents/ft.; 3) Net leasable feet; 4) Buildings' age and condition;
- 5) Location 6) Frame or High Rise; 7) Strata vs. Non-Strata;

8) Land Value (Dev. Site); 9) Special financing; 10) Asset vs. Share Purchase.

The information contained herein was obtained from sources which we deem reliable, and while thought to be correct, is not guaranteed by Macdonald Commercial Real Estate Services Ltd.

This is not intended to solicit properties already listed for sale with another agent.