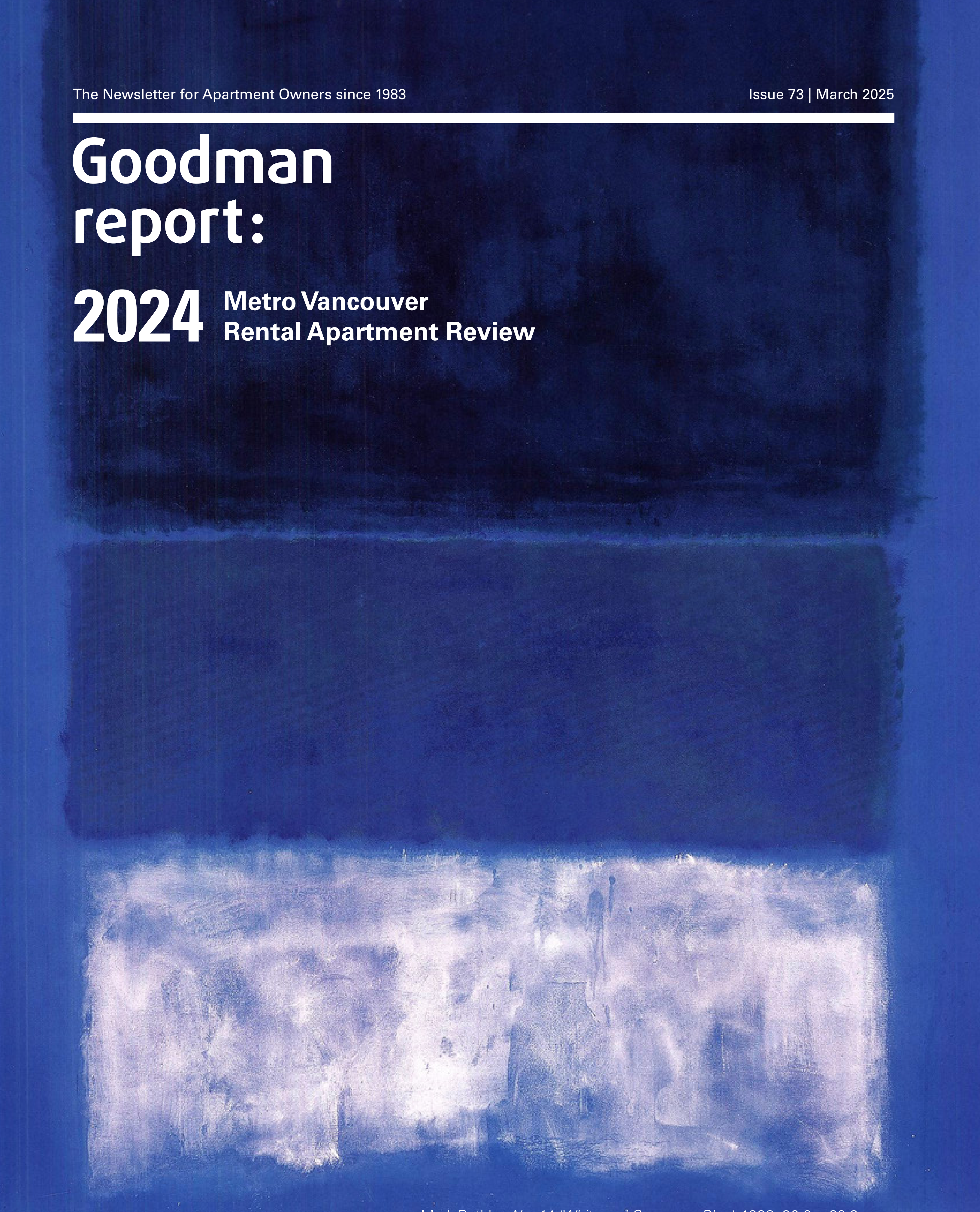
The Newsletter for Apartment Owners since 1983 Issue 73 | March 2025

Goodman report:

2024 Metro Vancouver Rental Apartment Review



Mark Rothko, *No. 14 (White and Greens on Blue)*, 1998, 90.2 × 69.9 cm, oil on canvas, Goodman Collection, Vancouver (just kidding)

2024 YEAR-END REPORT

Market turbulence kept us busy in 2024, and 2025 looks to be no different

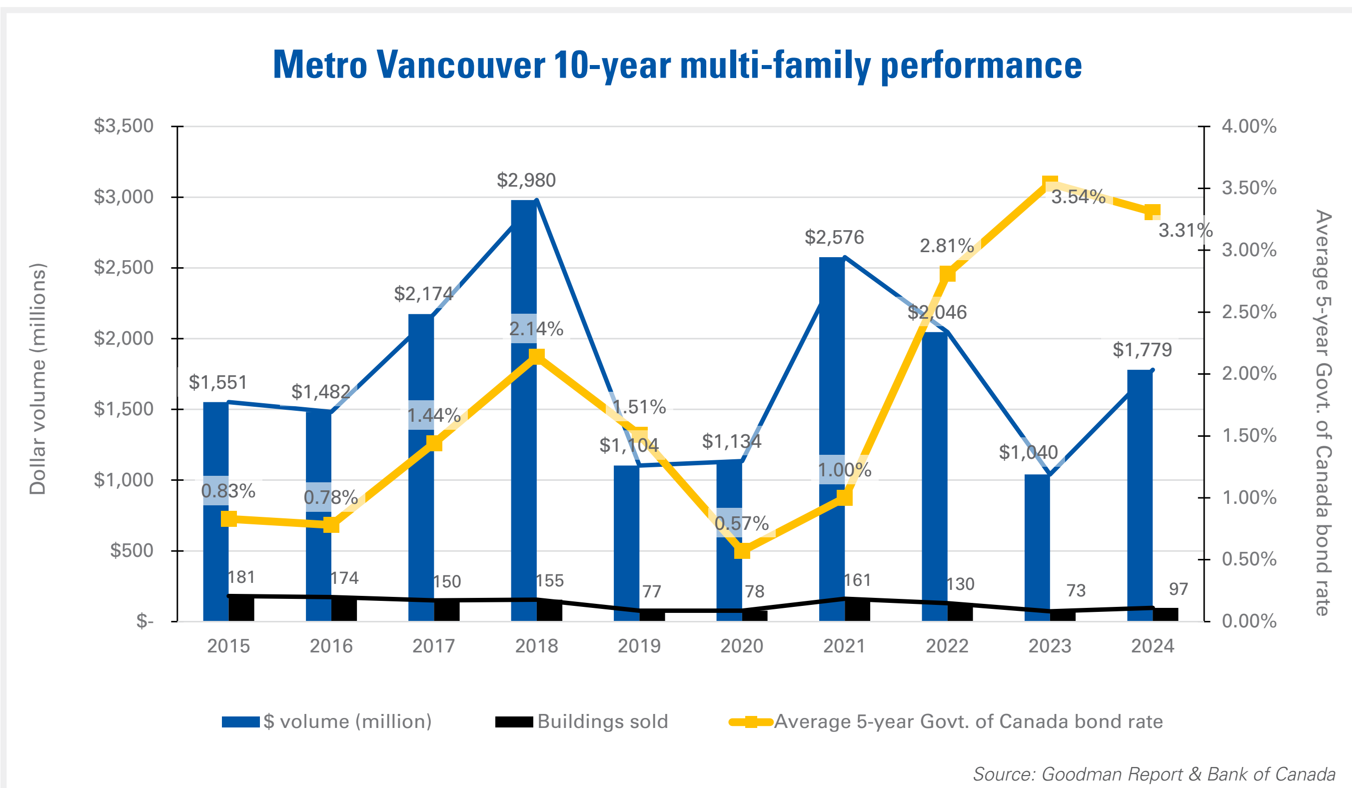
After two years of declines, the still-challenging Metro Vancouver multi-family market moved into transition in 2024, with transactions up 33% to 97 and dollar volume up 71% to a respectable $1.78 billion.

Alert buyers capitalized as some rarely available assets were shaken loose in a shifting market. We saw three transactions over $100 million in a market where, even in the frothy post-Covid years, only one deal of this scale is the norm.

Non-profit buyers, funded by the provincial NDP, dominated the first half of 2024, especially in the vote-rich suburbs where they closed on 14 transactions. This group lost steam in the second half of the year, but ended up acquiring $366 million in multi-family real estate, 19% of all transactions for the year. Our always-popular Story Behind the Stats presents all the numbers, with these and many more insights into the trends shaping our market.

While the numbers paint a rosy picture, it still felt like a tough year. Amid unending uncertainty – a rollercoaster of ups and down – it was challenging to bring sellers and buyers together. Some themes stood out:

- Inflation finally under control – but interest rates up … and then down … and then up
- Capital Gains tax increase – sparking a flurry of sales down to the wire
- Residential Tenancy Act changes – further eroding property rights in B.C.
- Astronomical development cost charge increases – approved for 2025
- Court ordered sales / receiverships continue to grow
- Land-use policy flux – TOA deadlines, Broadway Plan revisions
- Softening rental rates (it's pretty significant)




Ian Brackett and Mark Goodman, brokers at Goodman Commercial and authors of the Goodman Report

But we at Goodman Commercial are proud – and thankful – to have enjoyed a rewarding year. We listed and sold a ton of property, advocated hard for the industry and, most importantly, we never gave up for clients. Here are the highlights:

- Sold 17 properties worth $231 million
- Expanded Goodman Commercial with 4 additional power brokers increasing our footprint in Fraser Valley land
- Increased our inventory to 31 properties totalling $475 million (land, multi-family and mixed-use investment)
- Wrote multiple op-eds on ever-changing land-use policies – TOA, Broadway Plan – and earned press coverage from *The Vancouver Sun, Globe and Mail, Daily Hive, BC Business, Real Estate News Exchange, Connect CRE, Storeys, Business in Vancouver, CBC* and *Western Investor*
- Gave interviews on *CKNW* and various podcasts (Commercial Real Estate Podcast + addy) on the state of Metro Vancouver's investment market
- Launched the Goodman Report podcast (with a line up of interesting guests)
- Mark Goodman recognized as one of the most influential people in BC real estate (*Storeys*)
- Spoke to 1,000+ at the Canadian Apartment Investment Conference in Toronto, and became a member and spoke at the Phoenix Group
- Briefed B.C. Conservative Party leader John Rustad on rental housing
- Nominated to advisory council for the 2025 Western Canada Apartment Investment Conference
- Goodman Commercial's Broadway Plan April Fool's joke went viral on social media

Thank you for your continued support. We receive so many thoughtful responses to our articles, the statistics we offer, and the listings and sales we are privileged to facilitate. We are always happy to hear your feedback, as well as any suggestions for what you'd like to see in our ongoing coverage of the commercial real estate world and the policy environment.

All the best,

Mark Goodman and Ian Brackett

THE STORY BEHIND THE STATS

Despite the often gloomy headlines, 2024 turned out to be a solid year for the multi-family market in Metro Vancouver. After two years of declines, dollar volumes were up 71%, to $1.78 billion from $1.04 billion in 2023. The number of transactions followed a similar trajectory, rising 33% to 97 from 73 in 2023 .

Historically, 2024 dollar volume came in right at the 10-year average, though the number of transactions was lower than all but three of the past 10 years.

Looking closer, a handful of large transactions drove the dollar volumes, unusual for the Metro Vancouver market where properties of scale can be hard to pry loose. Across the region, there were eight transactions of $50 million or more, three of which broke the $100 million mark. The last time we saw three sales over $100 million was 2018, which set an all-time high with $2.98 billion in total volume. In the West End alone, five high-rise buildings changed hands totaling $434 million – 39% of the total volume in the city.

In our mid-year report, we noted non-profit and government buyers stepped into the market in a big way, doing 14 deals in the first half of the year, but they closed only four transactions in the second half. At final tally, the non-profit and government sector acquired 18 properties (19% of total transactions) for $366 million (21% of total dollar volume). Even with the second-half decline, the final numbers are remarkable when considering non-profit/government buyers accounted for only two transactions in 2023, and four in 2022. The voter-rich suburbs were the main beneficiary of all this taxpayer-funded buying, accounting for 14 of the 18 transactions.

While the number of transactions involving institutional groups has been declining for the past three years, they went big in 2024, with $563 million spent on just seven properties. Overall, institutional buyers accounted for 7% of total transactions, down from 11% in 2023 and 12% in 2022.

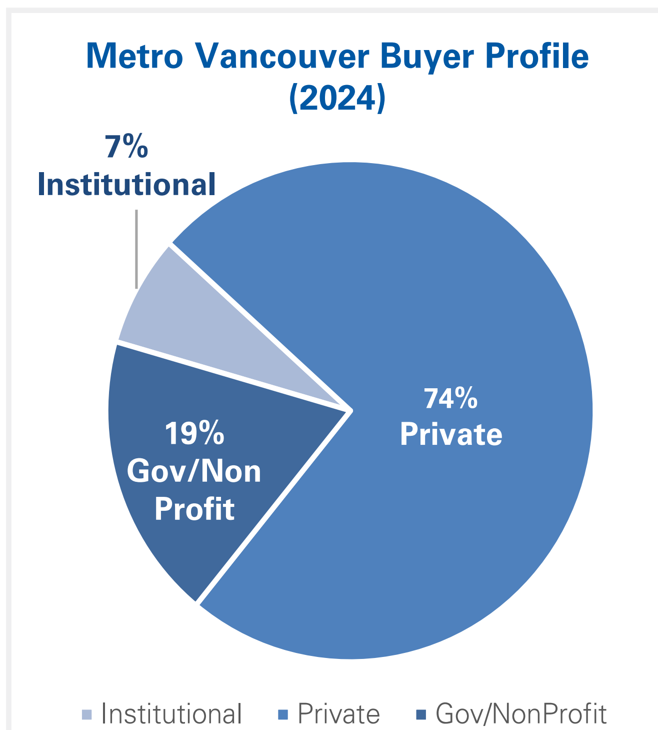
The Federal Government's ill-considered decision to increase the capital gains tax inclusion rate as of June 25 created what looked like a market bubble, with $324 million in sales closing in just one month. Dollar volume did drop off significantly in the suburbs in the second half, but this was offset by an increase in Vancouver. Overall, sales ended up almost even, with $889 million in the second half of the year compared to $890 million in the first half.

Regionally, the City of Vancouver accounted for 52 transactions (up 8% from 2023) and $1.11 billion in dollar volume (up 89%). Over half the dollar volume ($601 million) was concentrated in the downtown West End neighbourhood, a stunning 335% increase over 2023. South Granville and East Vancouver dollar volumes decreased (-43% and -20%), while Kitsilano (up 261%), Marpole (up 39%) and Kerrisdale (up 9%) all increased.

While sales spiked in both the West End and Kitsilano, the investment rationale differed starkly. In Kits, 79% of the dollar volume was for properties with redevelopment potential, mostly within the Broadway Plan area. In the West End, 72% of dollar volume was for high-rise properties with no redevelopment play; three of these, totaling $395 million, were newly constructed high-rise towers.

In the suburbs, dollar volumes increased 48% from $452 million in 2023 to $669 million in 2024. Transactions shot up 80% from 25 in 2023 to 45 in 2024.

Burnaby and New Westminster both rebounded in a big way. After only four transactions and $16 million in volume in 2023, these two markets accounted for 22 transactions and $270 million in 2024. North Vancouver (up 271%) and Richmond (up 100%) also saw major dollar volume increases, while Coquitlam (-30%), Surrey (-93%), White Rock (-56%) and Langley (-56%) all fell out of favour.



ACTIVITY HIGHLIGHTS: 2024 COMPARED TO 2023

Dollar volume ($)

City	2024 $ volume	2023 $ volume	% change
Vancouver areas			
Eastside	$208,447,000	$260,846,141	- 20%
Kerrisdale	14,690,000	13,500,000	+9%
Kitsilano	182,838,580	50,605,000	+261%
Marpole	54,348,000	39,101,500	+39%
South Granville	48,677,750	85,444,500	- 43%
UBC	0	0	0%
West End	601,485,000	138,365,000	+335%
Vancouver	**$1,110,486,330**	**$587,862,141**	**+89%**
Suburban areas			
Burnaby	$139,690,000	$5,100,000	+2639%
Coquitlam	124,050,000	178,121,000	- 30%
Delta	0	23,683,074	- 100%
Langley	50,000,000	113,315,000	- 56%
Maple Ridge	22,249,975	25,700,000	- 13%
Mission	8,143,000	2,640,000	+208%
New Westminster	130,180,000	10,980,000	+1086%
North Vancouver	144,420,000	38,888,000	+271%
Port Coquitlam	0	6,487,867	- 100%
Port Moody	3,810,000	0	+100%
Pitt Meadows	0	0	0%
Richmond	36,800,000	0	+100%
Surrey	2,115,000	30,400,000	- 93%
West Vancouver	0	0	0%
White Rock	7,500,000	17,025,000	- 56%
Suburbs	**$668,957,975**	**$452,339,941**	**+48%**
Metro Vancouver			
Total	**$1,779,444,305**	**$1,040,202,082**	**+71%**

Average price

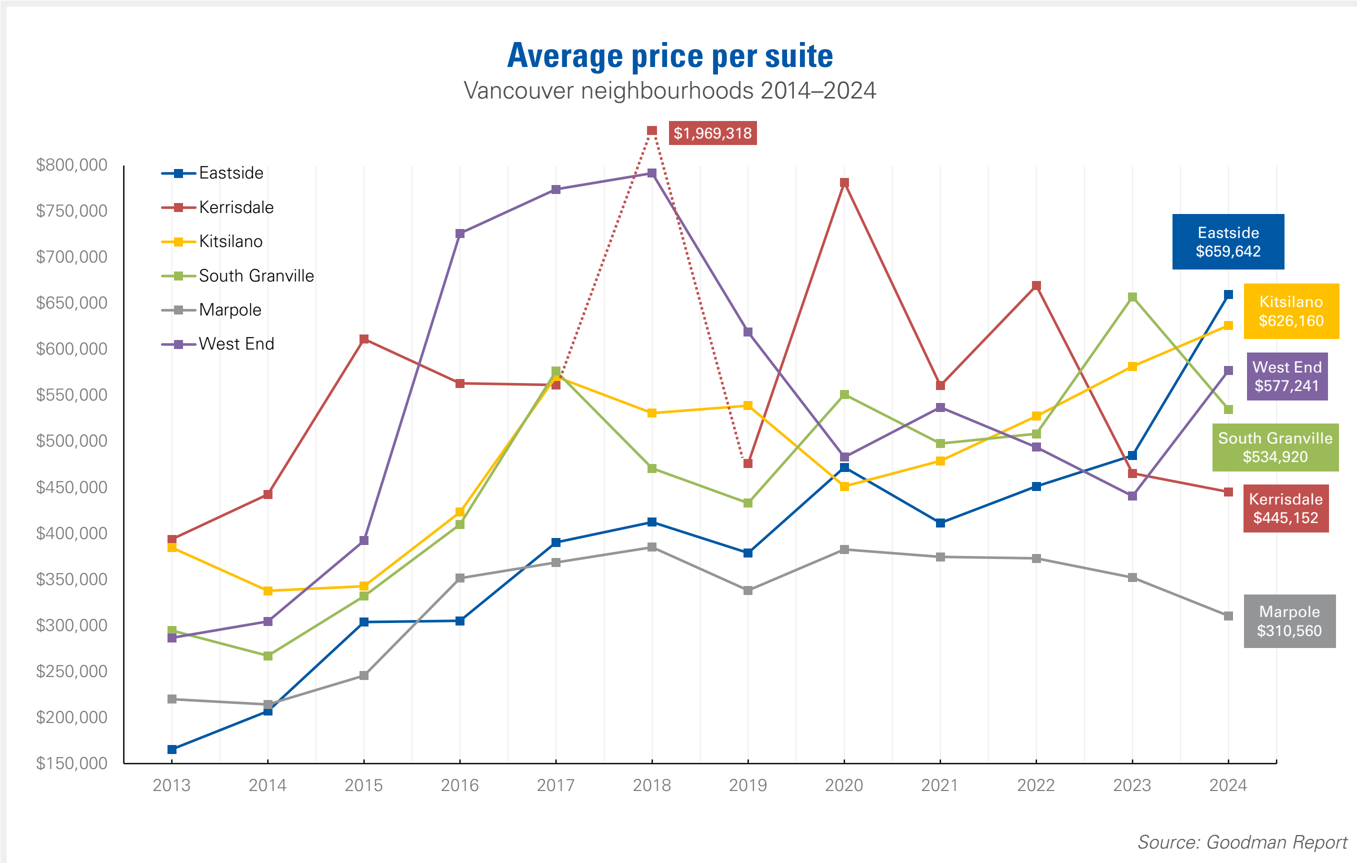
City	2024 $ per suite	2023 $ per suite	% change
Vancouver areas			
Eastside	$659,642	$484,844	+36%
Kerrisdale	445,152	465,517	- 4%
Kitsilano	626,160	581,667	+8%
Marpole	310,560	352,266	- 12%
South Granville	534,920	657,265	- 19%
UBC	n/a	n/a	n/a
West End	577,241	440,653	+31%
Vancouver	**$569,772**	**$486,238**	**+17%**
Suburban areas			
Burnaby	$403,728	$300,000	+35%
Coquitlam	294,656	533,296	- 45%
Delta	n/a	696,561	N/A
Langley	370,370	517,420	- 28%
Maple Ridge	322,463	194,697	+66%
Mission	110,041	176,000	- 37%
New Westminster	307,754	274,500	+12%
North Vancouver	459,936	452,186	+2%
Port Coquitlam	n/a	341,467	n/a
Port Moody	544,286	n/a	n/a
Pitt Meadows	n/a	n/a	n/a
Richmond	427,907	n/a	n/a
Surrey	264,375	330,435	- 20%
West Vancouver	n/a	n/a	n/a
White Rock	468,750	250,368	+87%
Suburbs	**$352,269**	**$428,352**	**- 18%**
Metro Vancouver			
Total	**$462,434**	**$459,250**	**+1%**

Building transactions

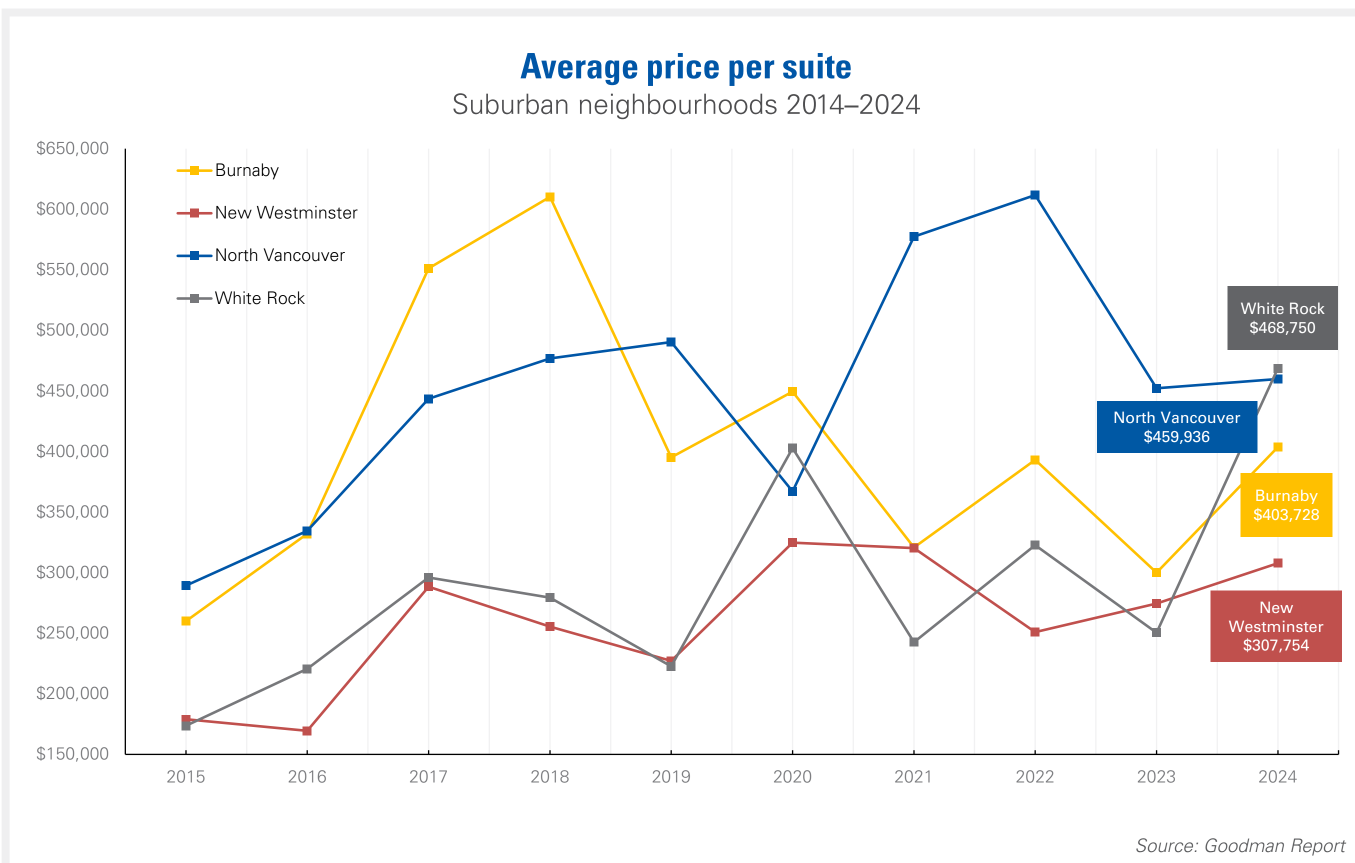
City	2024 buildings sold	2023 buildings sold	% change
Vancouver areas			
Eastside	11	15	- 27%
Kerrisdale	1	2	- 50%
Kitsilano	13	9	+44%
Marpole	11	8	+38%
South Granville	7	8	- 13%
UBC	0	0	0%
West End	9	6	+50%
Vancouver	**52**	**48**	**+8%**
Suburban areas			
Burnaby	10	1	+900%
Coquitlam	4	4	0%
Delta	0	1	- 100%
Langley	3	3	0%
Maple Ridge	2	2	0%
Mission	2	1	+100%
New Westminster	12	3	+300%
North Vancouver	6	3	+100%
Port Coquitlam	0	2	- 100%
Port Moody	1	0	n/a
Pitt Meadows	0	0	0%
Richmond	2	0	n/a
Surrey	1	2	- 50%
West Vancouver	0	0	0%
White Rock	2	3	- 33%
Suburbs	**45**	**25**	**+80%**
Metro Vancouver			
Total	**97**	**73**	**+33%**

Number of suites sold

City	2024 suites sold	2023 suites sold	% change
Vancouver areas			
Eastside	316	538	- 41%
Kerrisdale	33	29	+14%
Kitsilano	292	87	+236%
Marpole	175	111	+58%
South Granville	91	130	- 30%
UBC	0	0	0%
West End	1,042	314	+232%
Vancouver	**1,949**	**1,209**	**+61%**
Suburban areas			
Burnaby	346	17	+1935%
Coquitlam	421	334	+26%
Delta	0	34	- 100%
Langley	135	219	- 38%
Maple Ridge	69	132	- 48%
Mission	74	15	+393%
New Westminster	423	40	+958%
North Vancouver	314	86	+265%
Port Coquitlam	0	19	- 100%
Port Moody	7	0	n/a
Pitt Meadows	0	0	0%
Richmond	86	0	0%
Surrey	8	92	- 91%
West Vancouver	0	0	0%
White Rock	16	68	- 76%
Suburbs	**1,899**	**1,056**	**+80%**
Metro Vancouver			
Total	**3,848**	**2,265**	**+70%**



Average price per suite
Vancouver neighbourhoods 2014–2024
$1,969,318
$800,000
$750,000
$700,000
$650,000
$600,000
$550,000
$500,000
$450,000
$400,000
$350,000
$300,000
$250,000
$200,000
$150,000
Eastside
Kerrisdale
Kitsilano
South Granville
Marpole
West End
Eastside $659,642
Kitsilano $626,160
West End $577,241
South Granville $534,920
Kerrisdale $445,152
Marpole $310,560
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Source: Goodman Report



Average price per suite
Suburban neighbourhoods 2014–2024
$650,000
$600,000
$550,000
$500,000
$450,000
$400,000
$350,000
$300,000
$250,000
$200,000
$150,000
Burnaby
New Westminster
North Vancouver
White Rock
White Rock $468,750
North Vancouver $459,936
Burnaby $403,728
New Westminster $307,754
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Source: Goodman Report

WESTERN CANADA APARTMENT INVESTMENT CONFERENCE

Mark Goodman, principal at Goodman Commercial Inc., is honoured to have been invited again to speak at the annual Western Canada Apartment Investment Conference, in a main stage event: ***Bridging the bid-ask spread: How are transactions getting done in 2025?***

The Western Canada Apartment Investment Conference, at the Vancouver Convention Centre (West) on Tuesday, April 22, is the premier annual conference on multi-family real estate investment in Western Canada. It's the place where industry leaders at every level – more than 1,100 last year – gather to catch up on the latest trends and intelligence in the national multi-family investment market.

As such, it's gratifying that conference organizers once again recognized Goodman Commercial's west coast market leadership and have tapped Mark for his insights on the Metro Vancouver rental apartment scene. In this investment environment, the question on everyone's lips is "who is buying and how?"

This session will examine multi-family investment activity over the past year; financing sources and challenges; who the leading buyers and sellers are; primary factors responsible for investor confidence; what valuations will look like; and where cap rates are heading over the next 12 months.

Mark will also provide an overview of notable transactions across Metro Vancouver, while his colleagues will speak to other markets across Western Canada.

For more information and to register for this event, please visit: https://bit.ly/3Q91WFS

METRO VANCOUVER FACTS

*Total completed rental apartment units in Metro Vancouver for 2024
7,366

Number of building transactions in Metro Vancouver for 2024
97

Total sales volume in Metro Vancouver for 2024
$1.78B

*Average Metro Vancouver vacancy rate of rental apartments in 2024
1.6%

Average Metro Vancouver cap rate 2024 year-to-date
3.63%

*Average rate of monthly rent in Metro Vancouver for 2024
$1,929

Average price per suite in Metro Vancouver for 2024
$462,434

Total number of apartment owners in Metro Vancouver
2,301

Total number of rental apartment buildings in Metro Vancouver
3,414

*as per CMHC
Source: Goodman Report

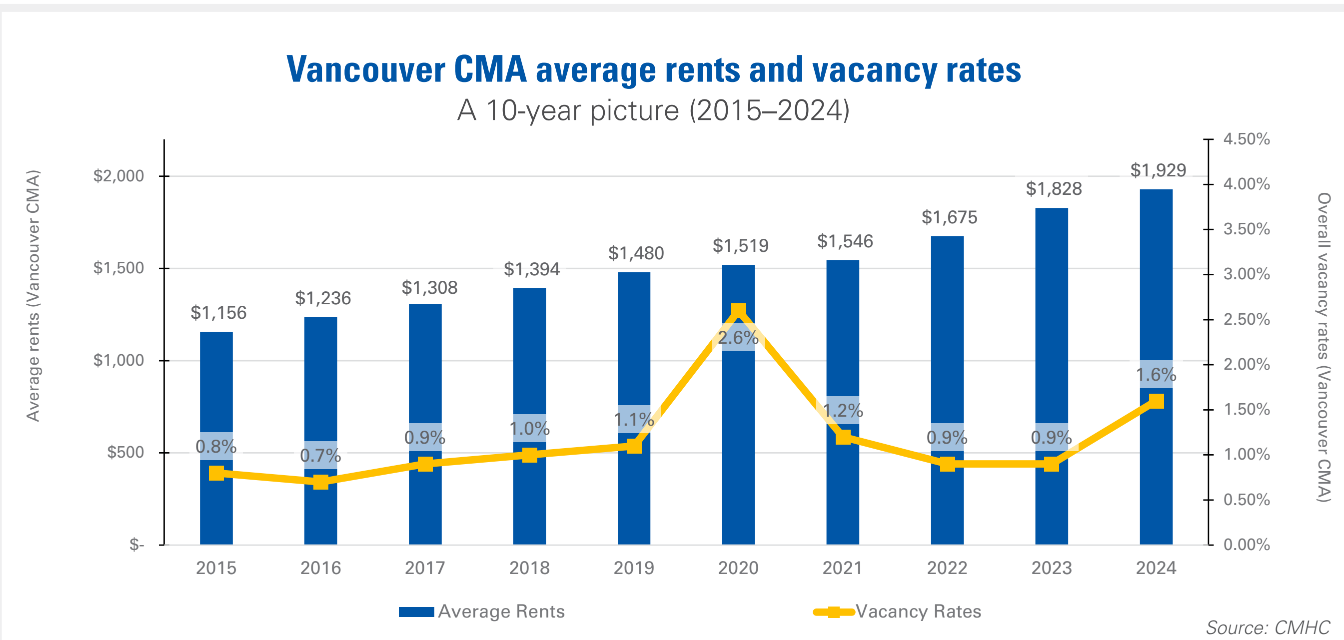
2024 APARTMENT BUILDING SALES: CITY OF VANCOUVER

	ADDRESS	SUITES	PRICE ($)	AVG $/UNIT
	Vancouver (Eastside)			
	2325 Glen Dr (SP)	12	$5,600,000	$466,667
	3333 Commercial Dr	20	7,375,000	368,750
	2164 Wall St	8	2,800,000	350,000
*	2275 Oxford St	42	12,000,000	285,714
	188 E Woodstock Ave (NC)	47	38,500,000	819,149
	2224 Trinity St	10	3,100,000	310,000
	342 N Garden Dr	12	3,680,000	306,667
	3603-3611 Commercial St (MU, DS)	13	7,412,000	570,154
	388 Slocan St (NC, MU, AP)	70	54,600,000	780,000
	3588 Hull St (NC, TH)	68	65,000,000	955,882
	354 E 10th (MU, DS)	14	8,380,000	598,571
		316	**$208,447,000**	**$659,642**
	Vancouver (Kerrisdale)			
	5454 Balsam St	**33**	**$14,690,000**	**$445,152**
	Vancouver (Kitsilano)			
	2110 W 5th Ave (DS)	28	$20,000,000	$714,286
	1960 W 7th Ave (DS)	35	23,000,000	657,143
	2175 W 7th Ave (DS)	35	26,000,000	742,857
	2011 York Ave	10	4,900,000	490,000
*	1000 Cypress St (DS, TH)	8	12,800,000	1,600,000
	1987 Cornwall Ave	7	4,300,000	614,286
	2260 W 2nd Ave (DS)	29	21,000,000	724,138
	2070 Cornwall Ave	35	14,000,000	400,000
	2170 W 1st Ave (DS)	30	22,500,000	750,000
	2230 W 3rd Ave (SP)	14	5,400,000	385,714
	2226 W 8th Ave (DS)	35	19,088,580	545,388
	3805 W 4th (AP)	6	2,350,000	391,667
	1919 W 8th Ave	20	7,500,000	375,000
		292	**$182,838,580**	**$626,160**

	ADDRESS	SUITES	PRICE ($)	AVG $/UNIT
	Vancouver (South Granville)			
	2772 Spruce St (DS)	19	$9,800,000	$515,789
	1065 West 12th Ave (DS)	20	14,797,750	739,888
	1465 W 14th Ave	14	6,100,000	435,714
	2664 Birch St	8	4,125,000	515,625
	1055 W 10th Ave	12	4,500,000	375,000
*	1076 W 11th Ave (ST)	10	5,300,000	530,000
	2812 Yukon St	8	4,055,000	506,875
		91	**$48,677,750**	**$534,920**
	Vancouver (Marpole)			
	1350 W 70th Ave (ST)	21	$6,900,000	$328,571
	8725 Oak St (DS)	29	6,350,000	218,966
	8820 Cartier St	24	7,488,000	312,000
	911 W 71st Ave	8	2,735,000	341,875
	8732 Granville St	10	2,800,000	280,000
	8588 Cornish (AP)	23	9,375,000	407,609
	8475 Granville (AP)	8	3,125,000	390,625
	8690 Montcalm St (St)	12	3,975,000	331,250
	1125 W 71st Ave (SP)	8	5,600,000	294,737
	1157 W 71st Ave (SP)	11		
*	8630 Osler St	21	6,000,000	285,714
		175	**$54,348,000**	**$310,560**
	Vancouver (West End)			
*	1925 Nelson St	21	$8,100,000	$385,714
	1235 Nelson St	42	17,435,000	415,119
*	1846 Nelson St (HR)	43	20,450,000	475,581
	1754-1770 Pendrell St (NC, HR, SP)	173	137,000,000	791,908
*	2060 Comox St (HR)	41	18,500,000	451,220
	1051 Broughton St (NC, HR, SP, EST)	186	125,000,000	672,043
	1045 Haro St (MU, MR, DS, SP)	165	85,000,000	515,152
**	1661 Davie St (NC, HR, AP, SP)	330	133,000,000	806,061
	1068 Burnaby St (DS, SP)	41	57,000,000	1,390,244
		1042	**$601,485,000**	**$685,844**

* Sold by Goodman Commercial Inc

** 50% interest sale. Price per unit is adjusted based on a 100% interest.



2024 APARTMENT BUILDING SALES: SUBURBS

ADDRESS	SUITES	PRICE ($)	AVG $/UNIT
Burnaby			
* 6677 Silver Ave (DS)	27	22,000,000	814,815
7268 Balmoral St	56	16,240,000	290,000
* 3940 Pender St	41	11,950,000	291,463
6730 Sussex	10	2,850,000	285,000
5777 Willingdon Ave (SP, DS)	65	38,000,000	441,860
4475 Grange St (SP, DS)	21		
6435 Royal Oak Ave	47	15,650,000	332,979
8357 10th Ave (SP)			
8350 11th Ave (SP)	79	33,000,000	417,722
8353 11th Ave (SP)			
	346	**$139,690,000**	**$403,728**
Coquitlam			
2860-80 Packard Ave	169	$37,985,915	$224,769
2865-85 Packard Ave	121	49,014,085	405,075
201 Laval St	25	7,050,000	282,000
1180 Lansdowne Dr	106	30,000,000	283,019
	421	**$124,050,000**	**$294,656**
Langley			
5374 203rd St (ST)	54	$16,465,000	$304,907
5375 204th St (ST)	54	18,535,000	343,241
5440 201A St (ST, TH, DS)	27	15,000,000	555,556
	135	**$50,000,000**	**$370,370**
Maple Ridge			
22422 North Ave	25	$3,749,975	$149,999
20834 Dewdney Trunk Rd (TH)	44	18,500,000	420,455
	69	**$22,249,975**	**$322,463**
Mission			
33333 12th Ave (DS)	59	$6,958,000	$117,932
32995 1st Ave	15	1,185,000	79,000
	74	**$8,143,000**	**$110,041**

ADDRESS	SUITES	PRICE ($)	AVG $/UNIT
New Westminster			
102/120 Agnes St (HR)	161	$50,000,000	$310,559
228 Manitoba St	9	2,530,000	281,111
115 Second St	10	3,400,000	340,000
* 408 E Columbia St (NC, AP)	72	29,500,000	409,722
629 Twelfth St	14	2,650,000	189,286
608 Tenth St	11	3,300,000	300,000
815 Fifth Ave	61	17,000,000	278,689
610 Blackford St (SP)	29	7,770,000	267,931
220 Manitoba St	18	3,820,000	212,222
634 Twelfth St	14	3,610,000	257,857
411 Third Ave, New Westminster	11	4,300,000	390,909
540 Thirteenth St	13	2,300,000	176,923
	423	**$130,180,000**	**$307,754**
North Vancouver			
1923 Purcell Way (SP)	90	45,000,000	500,000
255 W 2nd St (DS)	35	11,000,000	314,286
165 W 6th St	35	13,000,000	371,429
115 E 18th St	11	4,220,000	383,636
2540-2590 Lonsdale Ave (NC, SP)	64	42,200,000	659,375
** 65 Chesterfield Ave (SP, NC, MU, MR)	79	29,000,000	734,177
	314	**$144,420,000**	**$526,120**
Port Moody			
2513 St. Johns St (MU)	**7**	**$3,810,000**	**$544,286**
Richmond			
10020 Dunoon Dr (ST)	68	$30,000,000	$441,176
3891 Chatham St (MU)	18	6,800,000	377,778
	86	**$36,800,000**	**$427,907**
Surrey			
5733 176 St (MU)	**8**	**$2,115,000**	**$264,375**
White Rock			
15791 Marine Drive (MU)	9	$4,940,000	$548,889
15474 Victoria Ave	7	2,560,000	365,714
	16	**$7,500,000**	**$468,750**

* Sold by Goodman Commercial Inc

** 50% interest sale. Price per unit is adjusted based on a 100% interest.

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

1. Suite mix
2. Rent/SF
3. Rent leaseable area
4. Buildings' age and condition
5. Location
6. Frame or highrise
7. Strata vs. non-strata
8. Land value development site)
9. Special financing

(HR) Highrise
(MR) Midrise
(TH) Townhouse
(ST) Strata
(DS) Development site
(EST) Estimated price
(SP) Share purchase
(NC) New construction
(MU) Mixed-use
(CO) Co-op
(TR) Trade
(RH) Rooming house
(IF) Infill
(AP) Airspace parcel

MUNICIPAL POLICIES SLAM BRAKES ON HOUSING DEVELOPMENT

Creating regulations which don't make building new homes economically feasible: "What's the point?"

When a local government adopts a new land use policy, it would be reasonable to think it has been financially tested and, on some level, offers a viable path to creating the type of housing it purports to allow.

After all, what would be the point of spending time and scarce staff resources on plans that are unlikely to work, or will ultimately hinder progress?

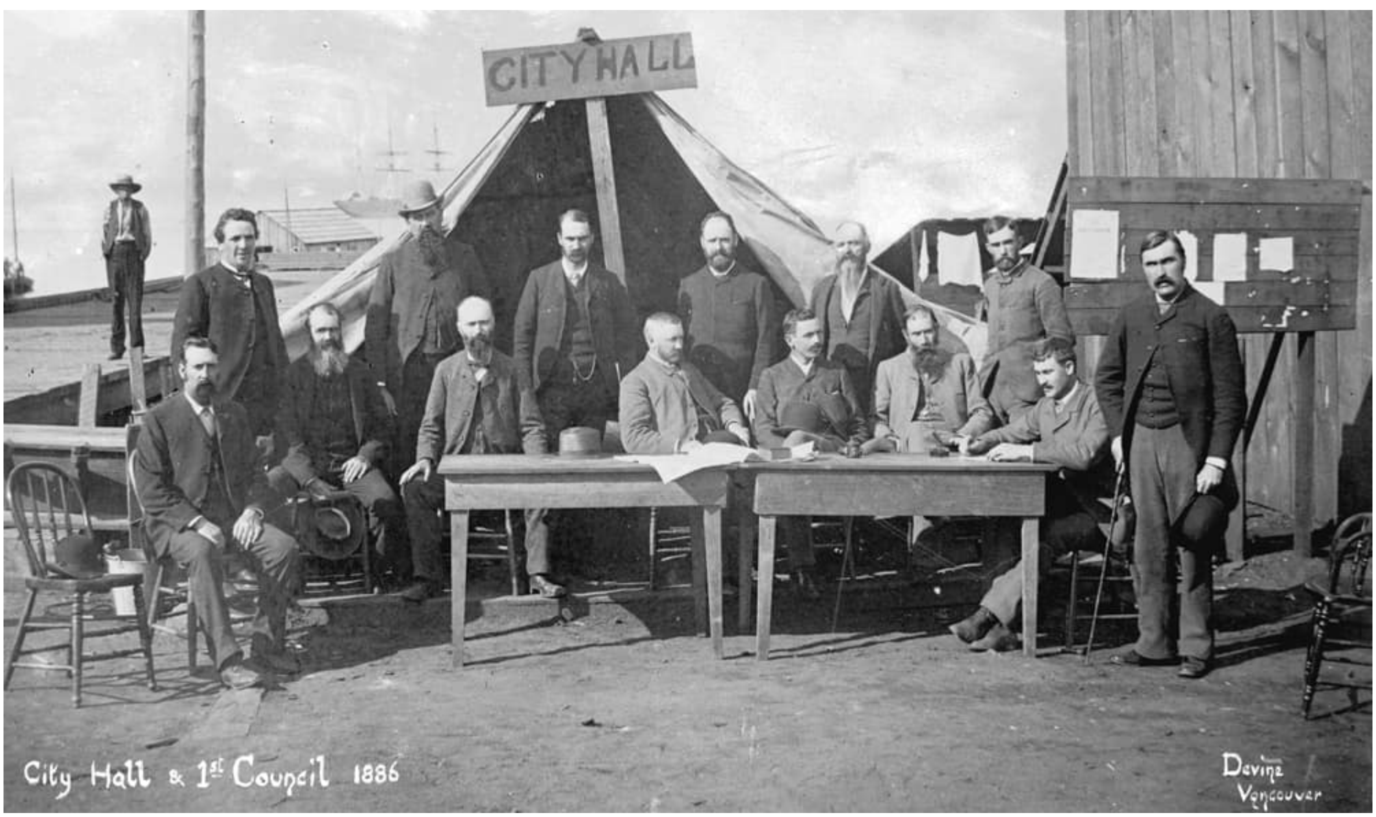
Unfortunately, this logic doesn't prevail in Metro Vancouver. Too often we find ourselves gifted with new policies that are entirely unfeasible, or that actually reduce the viability of building in areas that were previously designated for growth.

Consider, for example, the City of Vancouver's response to B.C.'s new Transit-Oriented Development Areas (TOA) legislation. To their credit, the planners in B.C.'s largest and most complex city responded to the province's tight timeline with what is so far the most comprehensive[1] – if necessarily broad – set of TOA rezoning guidelines.

However, when councillors probed further, the city's planning department admitted that the proposed policies were too restrictive to make development feasible outside of a few select locations. By their own analysis, making development viable in the rest of the TOA-designated areas would require "significant height and density" beyond what was being proposed.

Essentially, the new rules were nothing more than window dressing. As we have seen over and over across the region, simply designating a property for higher density does not automatically make it a viable development site. Details matter.

Councillor Lenny Zhou summed it up succinctly: "What about those areas that are not very viable? Basically there will be no applications, no development. So what's the point?"



City of Vancouver archives: First City Hall meeting following the Great Fire of 1886. Mayor, Council and City officials assembled in front of a tent.

Burnaby's below-market housing requirements

In Burnaby, a similar issue unfolded, but this time the roles of councillors and planners were reversed, when staff recommended reducing a below-market housing requirement that has become a barrier to new supply. Staff pointed out that while the requirement had worked in a hot market, changes were necessary to keep up with Burnaby's housing needs and allow developers to continue to deliver below-market homes in current conditions.

Councillors apparently knew better. Without any financial analysis of their own, they amended the motion to push the below-market requirements back up, a result that Burnaby's general manager of planning and development described as "creating a bylaw which does not have financial viability."

While these inclusionary housing policies are well-meaning, for any of the desired housing to be built, the overall development must be profitable. When the required percentage of below-market units is set too high, the project as a whole becomes unfeasible. The simple truth remains: 20 percent of zero is – as it's always been – zero.

Again – what's the point?

Development cost charge increases loom

These examples highlight ineffective decisions arrived at when sound analysis is ignored – a waste of staff time and resources on policies that are likely to see few projects move forward.

Metro Vancouver's development cost charge (DCC) increase that is set to take effect on January 1, 2025 and ratchet up over the next two years, on the other hand, is punishingly destructive.

The regional government's own third-party analysis concluded "the financial viability of market rental apartment development is marginal under current market conditions in most locations throughout Metro Vancouver at the current DCC." Increasing DCCs, the analysis showed, is likely to reduce the number of projects that are viable, slow the delivery of new rental supply, and trigger higher rents for projects that do make it to occupancy.

These are crippling outcomes for a region already facing a severe rental housing shortage.

Yet, even knowing the negative effects of their intervention, a disturbing number of planners and politicians seem happy to rationalize regulations that work counter to the stated goal.

As *Storeys* reported recently[2], a high-ranking official within Metro Vancouver's Policy and Planning department explained that the negative outcomes of the DCC financial analysis applies only to a specific point in time. As we know, the market can change – what is not profitable today, *may* at some point become viable – presumably after rents rise and affordability worsens.

It's a baffling response in a crisis, where all three levels of government espouse their desire to see more rental housing get built.

Deja vu, all over again

We have learned these lessons before. Numerous community plans across the region—such as Grandview-Woodland and Marpole—have failed to deliver anywhere near the level of housing originally anticipated, even decades after their introduction.

Still, instead of adopting policies that work – today – and adjusting in the future as conditions change, this group of politicians and bureaucrats are knowingly creating unviable programs and hoping at some point, possibly years down the road, market conditions will turn in their favour.

So ... what's the point?

This article was featured in *The Vancouver Sun* on November 20, 2024, and in *Real Estate News Exchange* on November 18, 2024.

[1] Goodman Report. (2023, March 1). *TOA implementation report card: Fireworks resistance and a chaotic regulatory patchwork.* https://goodmanreport.com/market-insights/toa-implementation-report-card-fireworks-resistance-and-a-chaotic-regulatory-patchwork/

[2] Storeys. (2023, March 3). *Metro Vancouver DCCs and housing prices: What you need to know.* https://storeys.com/metro-vancouver-dccs-housing-prices/

REFINED BROADWAY PLAN SETS THE STAGE FOR VANCOUVER'S HISTORIC TRANSFORMATION

After two nights and a marathon public hearing in which 139 speakers registered to voice their opinion, on December 12, the City of Vancouver approved a number of amendments to the two-and-a-half-year-old Broadway Plan.

The changes were triggered by provincial Transit-Oriented Area (TOA) legislation, the removal of some view cones, and learnings from the first two years of implementation.

While opposition was at times intense and often full of misinformation and fear mongering, none of the changes rise to the level of "supercharging" the plan, or fundamentally shifting the economics of delivering new rental housing. We are hopeful, however, that the revisions will allow for the incremental delivery of more new homes, both market and below-market.

What are the notable modifications?

Elimination of the towers-per-block limit in areas closest to SkyTrain stations

This amendment is likely to have the greatest impact, allowing more homes within the blocks immediately surrounding transit stations. It is also positive that, by removing this arbitrary and inflexible limit, the City can now judge new proposals on the basis of built-form guidelines.

In the "Centres" – primarily the commercial areas along Broadway and closest to future SkyTrain stations – the tower limits have been removed entirely. These areas already permitted three towers per block face, and because of other restrictions, it's unlikely that many blocks will be able to accommodate more than three towers regardless.

Tower limits were also removed in residential areas within 400 metres from a SkyTrain station and in the half blocks directly off Broadway.

Where the tower limits were removed, constraints such as frontage requirements, tower separation and setback rules, highest and best use calculations, and the presence of heritage buildings, will continue to limit the number of towers per block.

It is important to note the two-towers-per-block limit remains in approximately 100 blocks in high-density residential areas that are outside the 400-metre radius.

City of Vancouver: Tower limit policies – removing tower limit policies in several locations

This article was featured in *BIV* on December 17, 2024, and in *Real Estate News Exchange* on November 18, 2024.

More flexibility for tower heights

Up to six additional storeys can now be considered to allow for greater variety of building forms, design flexibility, and to enable more public open space. The change will allow developers in certain circumstances to reduce the massing of podiums and instead move the floorspace into slightly taller towers, which are less imposing in lower-density areas and allow for larger setbacks and more green space at street level. The additional six storeys will not be permitted in all cases; developers will have to offer a valid rationale to vary from the original height guideline.

Increased density for low-density residential areas

Properties in residential areas within 800 metres of a SkyTrain station, previously limited to six storeys and 2.4 to 2.7 FSR, will now have the option to rezone for up to eight storeys and 3.0 FSR, as either secured rental or social housing. It's unclear whether the new 3.0 FSR option requires 20% below-market to align with the City of Vancouver TOA policy. While eight storeys are now permitted, it's anticipated most developers would opt for six because of the lower cost of wood-frame construction.

Especially if below-market housing is required, the viability of medium-density housing is marginal at best in most areas of the plan. Underlying property values are too high – and densities still too low – to incentivize developers to undertake assemblies in these areas.

Increased density for commercial corridors

In commercial "Villages," such as Main Street and South Granville, the provincial TOA legislation stated that the City could no longer limit heights and density to six storeys and 3.0 to 3.7 FSR. Towers up to 12 to 20 storeys and 4.0 to 5.0 FSR are now permitted.

Development in these areas require commercial on grade, and residential uses are limited to rental tenure with 20% below market. High existing property values in these neighbourhoods are expected to limit the viability of rezoning for rental towers.

Increased density for Centres

Maximum height and densities were also increased for properties within the Centres where view cones were removed. Areas previously limited to 10 storeys and 4.5 FSR will now be allowed up to 25 storeys and 8.0 FSR – with rental or strata tenures.

These are significant changes but affect relatively few properties.

Estimated capacity impact

Based on changes to the plan and the greater-than-expected number of applications so far, staff now estimate room for 14,000 additional residents (11,500 new households) and 3,000 more jobs than forecast when the plan was first adopted, to be delivered incrementally over the next 30 years.

WHAT'S HOT 🔥

- Purpose-built rentals – will we see a condo renaissance anytime soon?
- Interest rate relief – fingers crossed for more on the way
- Increased inventory – great buying opportunities abound
- End of an era – Justin Trudeau triggers change in the Liberal guard
- End of the Eras tour – we might miss Taylor Swift more
- Goodman Report launches a podcast!
- Celine Dion stages an emotional come back at the Paris Olympics!
- Goodman Commercial's stellar performance – we continued to deliver for our clients in a tough market, with 17 transactions totaling $231 million
- AI Ascendance: It's not just ChatGPT – AI is everywhere
- Elections – two big votes down, one more to go

WHAT'S NOT 🥶

- Affordability/deliverability crisis – hard to see a path to affordability when costs remain so high
- Entitlement process – more complex and less certain after the Province steps in to "fix" things
- Development land market
- Capital Gains inclusion rate flip-flop
- Tariffs – trade war is bad for business on both sides of the border
- Earthquakes – two in one week?!?
- Softening rental market
- Even more insolvencies / foreclosure sales

CITY SEEKS TO GENERATE PROFITS FROM A MARKET IT IS ACTIVELY OBSTRUCTING

The City of Vancouver should focus on creating conditions to allow the private sector to build market-rate housing, rather than using its resources and regulatory weapons to compete for profits

Mayor Ken Sim and his ABC collaborators promised to bring a businesslike ethos to the management of the City's affairs. Perhaps it should be no surprise, then, that they are taking steps to turn the City of Vancouver into a profit-seeking corporation, in direct competition with the private-sector developers over whom the City holds so much power.

Those developers are currently knocking on the door at City Hall, with proposals to build more than 15,000 much-needed market-rental units in the Broadway Plan area alone. Yet, so many of these projects are rendered unfeasible in the face of ever-increasing municipal fees, lengthy approval delays and the onerous requirement to include below-market housing – policies that are under the direct control of this Mayor and Council.

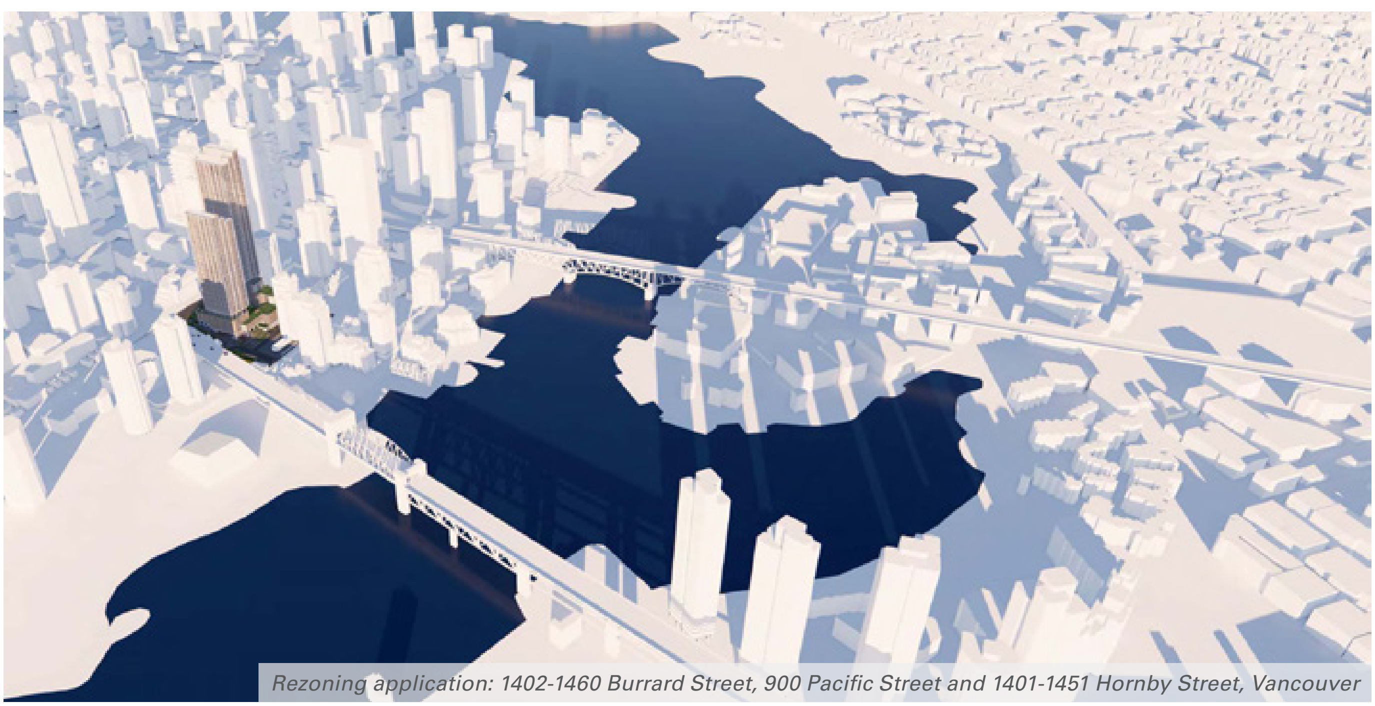
The City faces no such roadblocks in the market-rental project at Pacific and Hornby (https://www.shapeyourcity.ca/1402-1460-burrard-st) that it announced last week – 1,136 units in two towers, 40 and 54 storeys tall, on a landmark 1.8-acre site at the north end of the bustling Burrard Bridge.

The market for these suites? "Middle income" earners – those making between $90,000 and $194,000. Which is to say, people who have the resources to compete, even in Vancouver's brutal and inappropriately compressed housing market.

And the purpose of the project? To make money. Or, per the City's news release, to "generate financial returns and non-tax revenues."

So, the City of Vancouver is elbowing its way to the front of the line, intent upon creaming profit from one of the most desirable sites in the downtown core without having to fuss with any of the inclusionary housing or other bureaucratic obstructions facing every other developer.

Rather than dive into the for-profit development game (in a massive way!), the City of Vancouver should focus on providing core services and setting conditions that allow Vancouver's world-renowned developers to do what they do best.



Rezoning application: 1402-1460 Burrard Street, 900 Pacific Street and 1401-1451 Hornby Street, Vancouver

Mark Goodman recognized as one of the most influential people in BC real estate

"Mark Goodman has been selling apartment buildings in BC for a while, when he's not collecting art, but the commercial broker is increasingly on everyone's radar when it comes to criticizing government policies that inhibit development.

A regular in mainstream media, Goodman also publishes the Goodman Report and a regular newsletter about the market, makes speeches at real estate conferences, and writes opinion pieces on everything from the inability of the Rental Protection Fund to generate affordable housing, to calling politicians out for short-sighted policies.

His brokerage punches above their weight, in terms of the amount of deals they're involved in, and they expanded this year with a new Fraser Valley team."

Thank you to *Storeys* for this recognition. Sincere congratulations to all recipients!

To see the full list, please visit: https://storeys.com/most-influential-bc-real-estate-2024/

In defence of the City's proposed project, it is quite beautiful, featuring thoughtful design by a world-class Canadian architectural firm, on an underutilized site that badly needs revitalization. But, even aside from the City's regulatory self-dealing, its business case rests on artificially high returns propped up by what is practically speaking a land cost near zero. The site is a gem among the 440 parcels in the City's $6-billion Property Endowment Fund.

But what of the opportunity costs for that piece of property? This highly coveted, high-density site, zoned for 942,000 square feet of development could easily fetch $200 million. Given the prime location, you might even get more if you added in some market-strata units.

Even without land costs, the budget for such a project easily hits $700 million, likely more; building tall towers in the downtown core is notoriously expensive. Projects like this are often more about the prestige of owning a shiny new building in a high-profile location than the financial returns, which take decades to realize.

How much good could be done, instead, by selling this trophy site and investing the $200 million (plus the construction costs!) in services that residents of Vancouver actually want, like a new aquatic centre? Better yet, rather than competing with developers building market-rate housing, the City could be doing a job not suited to private industry: investing in non-market housing where the need is most desperate.

If the City truly wants to expand housing availability, the proceeds from selling this one trophy property could pay for 10 perfectly serviceable sites outside the downtown core.

By building below-market housing on these lots, the City could lift the inclusionary-housing burden from private-sector projects – spurring the construction of many times the 1,100 units planned for this expensive city-led project.

In addition to taking appropriate responsibility for non-market housing, the City could also make less prominent properties available as swing sites, where tenants temporarily displaced by new development could be housed until replacement units are completed. Such safe and modern government-operated housing would relieve a massive obstacle to new development, and remove the uncertainty and disruption these tenants endure.

We're all in favour of the City managing its affairs in a businesslike way. But it should stick to its own job, rather than using its resources and regulatory weapons to take unfair advantage in a market that, right now, it is actively obstructing.

This article was featured in *BIV*, *Storeys*, and *Daily Hive* on February 10, 2025, and in the *Vancouver Sun* on February 12, 2025.

THE GOODMAN REPORT PODCAST

Building on the 42-year-old foundation of the Goodman Report, we are delighted this year to have launched the Goodman Report Podcast, a periodic plunge deep into the issues that illuminate all that is happening in commercial real estate and, sometimes, in our political lives just generally.

Since 1983, the Goodman Report has earned trust as a source of excellent data, analysis and insight into issues affecting the rental apartment, development land, and commercial investment markets. The podcast allows us to go further, exploring emerging trends and tapping into the voices behind the deals: investors, politicians, architects, developers, mortgage brokers, and thought leaders who are shaping the housing and commercial real estate landscape.

And, of course, you get to hear from me, Mark Goodman, as I pull back the curtain on the deals we're making, the challenges we face, and everything in between. Get ready for the good, the bad, and the gossip, as we look behind the scenes of Metro Vancouver's real estate investment market.

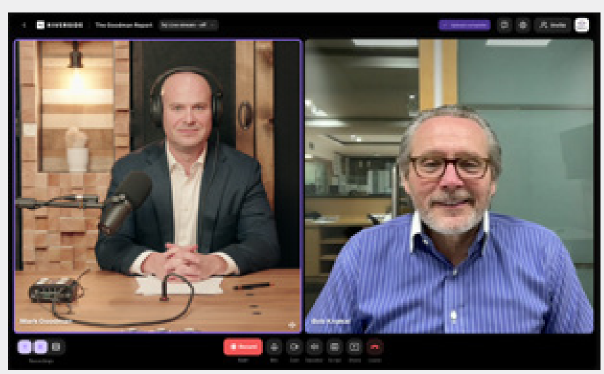
So, be sure to follow the Goodman Report Podcast on your favorite platform and subscribe to get the latest episodes. Here's a taste of the guests we have interviewed so far:

Subscribe to the Goodman Report Podcast on Apple Podcasts, Spotify, Amazon Music, or YouTube **@goodmanreport** to stay up-to-date with the latest episodes!

Listen on Apple Podcasts | LISTEN ON Spotify | Listen on amazon music | Available on YouTube

December 10, 2024

Goodman Report Podcast with New York City Powerhouse Broker Bob Knakal

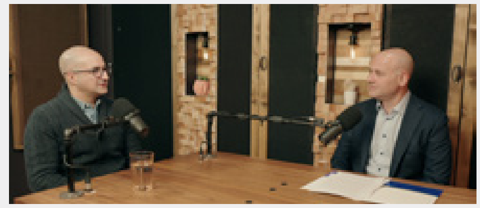


Bob Knakal knows it's true: if you can make it in New York City, you can make it anywhere. The founder of BKRE, Knakal has spent 40 years leading some of Manhattan's largest transactions and personally selling billions of dollars' worth of properties. His expertise is unmatched.

Bob joined us to discuss everything from business strategy to his rigorous daily routine, and to explore the differences between the Vancouver and Manhattan markets, the impact of technology, and the challenges of housing affordability. Whether you're a seasoned pro or just starting out, this episode is packed with insights from one of the best in the business.

January 14, 2025

The Greatest Challenges Facing Vancouver's Housing Sector with Cressey's Hani Lammam



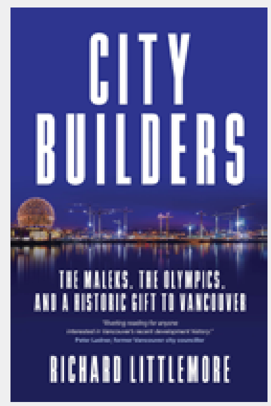
Hani Lammam, Executive VP of Cressey Development Group, rose from being a high-school-educated laborer to leading one of Vancouver's top development firms.

Drawing on more than 25 years of experience in the real estate industry, Hani joined the podcast to share insights on a range of topics, including housing affordability, the important role of foreign buyers and large corporations, the inefficiency of the Rental Protection Fund, the flaws in the provincial Transit-Oriented Area initiative, and the reasons he remains optimistic about 2025. Despite market challenges, Hani's team stays nimble, deeply involved in project details, and focused on sustainable growth. You can only benefit from what he knows.

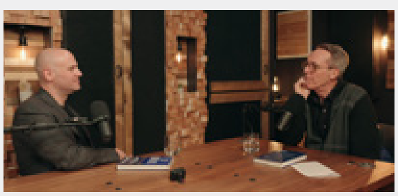
February 26, 2025

City Builders: How Vancouver punished the Maleks for building Olympic Village

Richard Littlemore is a journalist and the author of the hot new book *City Builders: The Maleks, the Olympics, and a Historic Gift to Vancouver*.



Littlemore spent four years uncovering and understanding the details behind one of Vancouver's largest—and fastest—development projects: the 30-month construction of a 12-square-block South False Creek neighborhood, completed in time to serve



as the athletes' village for the 2010 Olympics. But the most interesting—and previously underreported—aspect of the story was the City of Vancouver's subsequent attack on the developers, Peter and Shahram Malek. It's an infuriating, but gripping, story—finally well told.

March 17, 2025

Kerry Gold: The Trusted Voice of The Globe and Mail

Kerry Gold has been a full-time professional journalist for the past 30 years, and for more than half of that time, she has been covering the real estate and housing beat for *The Globe and Mail*.

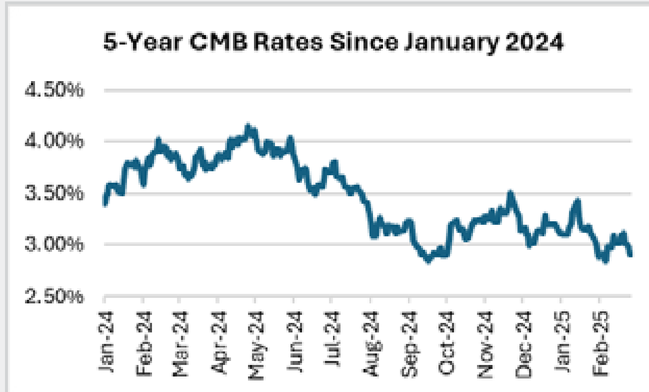
In our recent episode, we discussed why she called Vancouver a "freak show" in 2016, what keeps her up at night, the Broadway Plan, why she started writing about foreign buying, how the market has changed, the ongoing supply debate, the challenges of building rental housing, the difficulty of working with a one-week lag time, the ugliness of social media, and why you should never read the comments section. We also dive into an interesting discussion about media bias and agenda-driven journalism, and what it's like to be in the public eye.

INDUSTRY EXPERTS SPEAK

2024 CMHC Mortgage Recap and 2025 Outlook

2024 was a volatile year in the world of CMHC Mortgage Loan Insurance (MLI) financing, with borrowers navigating bond rate fluctuations alongside significant policy changes.

Interest rates for CMHC-insured mortgages are typically based on Canada Mortgage Bond (CMB) rates. In 2024, 5-Year CMB rates generally hovered between 3% and 4%, noticeably decreasing in the latter half of 2024. This trend has continued into 2025 with the current 5-Year CMB rate moving below 3% (as at Feb 26, 2025).



Including a lender spread, current all-in fixed rates are somewhere around 3.4% to 3.6% for a 5-year CMHC-insured mortgage — lower than 2024 but still above pre-COVID lows (<2%) and pandemic-era rates (<1.5%). Rate volatility is expected to continue in 2025, making early rate locking a prudent strategy for borrowers.

Key CMHC Guideline Changes in 2024:

- Equity Takeout Flexibility: Borrowers no longer need to reinvest equity takeout proceeds into multifamily properties, offering greater financial flexibility.
- Energy Efficiency Scoring: Energy efficiency now contributes a maximum of 50 points toward MLI Select's point system (previously up to 100), reducing eligible amortization and premium discounts for borrowers.
- Approved Lender and Broker Roles: Only CMHC Approved Lenders, like KingSett Capital, can submit applications and negotiate directly with CMHC. Mortgage brokers continue to offer advisory services, package applications, and source market quotes.
- Construction Loan Rental Achievement Holdbacks & Bonding: CMHC offers up to 95% loan-to-cost (LTC) financing on eligible new construction projects, but some files are now capped at 75% LTC during construction, with the remaining loan proceeds released once full lease-up is achieved. Bonding requirements for trades are also more common, increasing upfront costs for borrowers.

Amidst these changes, we remain bullish on CMHC's fundamental MLI offerings:

- Higher Proceeds & Low Rates: MLI Select offers up to 95% LTC and 50-year amortizations with lower rates than non-insured alternatives, maximizing available loan proceeds.
- Optionality: CMHC's MLI products cover construction, purchase & improvements, retirement housing, co-living / single room occupancy, and student housing – allowing borrowers to secure insured financing across their portfolio.

KingSett Capital is a CMHC Approved Lender for insured term and construction financing, alongside conventional bridge and mezzanine loans. For inquiries related to CMHC financing or other matters, feel free to reach out to Naser Sultani at (604) 655-9262 or NSultani@kingsettcapital.com

Goodman:

PRINCE RUPERT VILLA
727 East 7th Avenue, Vancouver
38-suite Mount Pleasant apartment building. 145.5′ × 122′ Broadway Plan site.
List $13,500,000 (3.9% cap)

GRANVILLE TOWERS
8770 Granville Street, Vancouver
48-suite Marpole apartment building. Massive 26,692 SF corner lot (250′ × 107′)
List $12,700,000 (265k/unit)

VACANT BROADWAY PLAN SITE
414 E 10th Avenue, Vancouver
Build up to 6.5 FSR / 20 storeys. Vacant 18,284 SF (150′ × 122′) development site.
List $18,000,000 ($151/SF buildable)

1209 WOODLAND DRIVE
Vancouver
Fully rebuilt apartment building just off Commercial Drive with massive 2-br units.
List $4,350,000 (3.9% cap)

YORKSHIRE APARTMENTS
2336 York Avenue, Vancouver
35-suite apartment building – steps to Kitsilano Beach. Major upgrades. Views.
List $19,800,000 (4.0% cap)

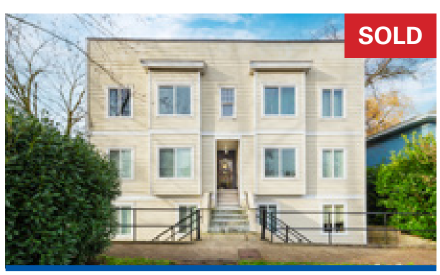
5190 HASTINGS STREET
Burnaby
13-suite apartment building in the Capitol Hill neighbourhood on a large 12,768 SF lot.
List $4,000,000

CORONA APARTMENTS
1847 Barclay street, vancouver
Boutique 24-suite apartment building in the "West of Denman" neighbourhood.
List $10,500,000

MISSION INDUSTRIAL LANDS
7011 Herman S. Braich Blvd., Mission
87-acre large-scale industrial site – 1 km stretch of land adjacent to the Fraser River.
Call for price

STRATIFIED INVESTMENT PROPERTY
2928 Commercial Drive, Vancouver
Stratified 30-unit residential investment – all large 2-bedroom units (817 SF average).
List $16,500,000 ($674/SF)

WINDSOR APARTMENTS
2575 Windsor Street, Vancouver
20-suite Mount Pleasant apartment building. Potential for up to 6.5 FSR.
List $7,100,000



FINDLAY GARDEN APARTMENTS
3223 Findlay Street, Vancouver
12-suite apartment building with 11 two-bedrooms & 1 one-bedroom.
List $4,000,000

CREST PLAZA
8833 Montcalm St, Vancouver
33-suite Marpole apartment building on a large 20,949 SF corner lot.
List $9,200,000 (279k/unit)

Goodman report:

Mark Goodman
Personal Real Estate Corporation
Direct 604 714 4790
mark@goodmanreport.com

Ian Brackett
Direct 604 714 4778
ian@goodmanreport.com

Megan Johal
Personal Real Estate Corporation
megan@goodmanreport.com
(604) 634 1833

Goodman Commercial Inc.
560–2608 Granville St
Vancouver, BC V6H 3V3

www.goodmanreport.com

SILENCE IS SO ACCURATE

— MARK ROTHKO