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Canadians driving market

By JOHN PIGEON, 24 HOURS

An ever-changing market was the hot topic at the 2006 Forecast Presentation, where Vancouver's real estate leaders emphasized the importance of maintaining low property costs and the effects of working in a globally accessible real estate market.

Avtar Bains, executive vice-president for Colliers International, said progress in the Vancouver real estate market has been exciting to see in

"The land for real estate and what it has done to the liquidity of the market and the value of the market and the wealth of Canada; we have just never seen anything like that before," Bains said.

"Nowadays you can go to that Vancouver ethnic family, you can go to private equity in Vancouver and say be careful, this is aggressive, what you are about to do is setting a new high tide mark in Vancouver."

Bains also said that as much as offshore investments are welcome in Vancouver local investors need not worry about a foreign takeover.

"The fact is that in downtown Vancouver right now, of our top 65 buildings, 13.5 per cent are owned by offshore entities," Bain said. "The market across Canada is being driven by Canadians."

David Podmore, president and CEO of Concert Properties Ltd., said that although the Vancouver market has been looking up, there are quite a few factors determining which way the market will go over the next year.

"It is really easy to look good in the market that we've had. In a more difficult market, it is difficult to look good," Podmore said.

"If you accept the theory that there was a lot of equity that was in the market that drove pricing and that is now gone, it is going to be a challenge to be able to develop product cost effectively and still make it affordable to a large cross-section of the community."

Podmore also said consumer demand could contribute to a market peak.

"The ability to increase the price that we sell it at, to cover our costs for the higher costs of land acquisition and construction is being limited by the ability of customers to pay," Podmore said.