

- I am not a developer.
- Not that there is anything wrong with that.
- Before I get to the Carol Taylor topic.
- I have a lot to tell you so I'll just dive in.
- I held up this same graph 4 or 5 years ago.
- And explained that even though I could show strength in the market and increase prices and absorption that we would continually become over confident and scared.
- I feel just like in November 2004, summer 2006 and today we are a little scared.
- Questioning is a good thing!
- Recent survey:
 - 52% of Vancouver residents would make a condo investment.
 - 48% are willing to raise a family in a condo.
 - 48% would also buy a condo as their principle residence.
 - 96% said that their top amenity is energy efficiency.
- Last year, I told you that GREEN was the new lemon fresh.
- Well now we have the consumer insisting on GREEN.
- Right behind energy efficiency is building "security".
- Let me read you a paragraph from this month's Vancouver Magazine.

"Downtown's long running euphoria was dented earlier this year when a downtown high-rise development did not proceed after selling out at presale".

The writer said: "It's like Stanley Park and the first Big Tree has fallen...if interest rates go up - a recession hits and other trees will fall."

This is writer "Trevor Boddy" referring to "The Sophia".

"The reason I point out this story is that it is again a sensational sound bite taken in complete isolation".

- Do you notice how many headlines are negative?
- **Headline: "Sales are down"**
- **Body of article... Prices are up!**
- **Yet when you read the story the story does not support the headline.**
- **I do not know anybody that feels that there is pressure on interest rates.**
- **The sensational project that grabbed so many head lines and affected all of us in this room and the way we do business is the 81 unit project called the "Sophia" in East Vancouver.**
- **The Sophia parallels the previous development that impacted us all "Riverbend".**

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- **Both relatively inexperienced developers.**
 - **These developers had no brand to protect.**
 - **Both blamed the high cost of construction for their actions and the media bought into the construction cost reasoning.**
 - **Both failed due to inexperience and more importantly...as with the Sophia**
 - **There was not enough equity and they could not build without the high cost of overly creative financing.**
 - **It wasn't just construction cost that put the Sophia in Receivership.**
 - **Here's the Sophia's impact on the consumer and our industry:**
 - **In the case of the Sophia, a JOE purchased a unit and then assigned that unit and made \$95,000**
 - **An original 10% deposit was replaced in trust**
 - **The \$95,000 profit was agreed to be paid at completion through a lawyer**
 - **Nobody is at risk.**
 - **The 10% deposit is in a trust account. No money traveled outside of the trust account.**
 - **Then JOE decides to go and purchases Gary's assignment in the Sophia.**
 - **JOE replaces a ridiculously low \$20,000 deposit on Gary's \$500 000 condo.**
 - **JOE then writes a cheque to Gary, not the lawyer, not the realtor, not the developer but to Gary the original buyer for \$115,000**
 - **When you purchase an assignment, all that we acquire from the original buyer is the benefits and the burdens of a contract**
 - **Gary is out buying a new car with his \$115 000.**
 - **The Receiver arrives and JOE's \$115,000 is gone.**
 - **From meeting with David Bowra - the receiver.**
 - **This is a guy that you really don't want to know! Although I think he is here today.**
 - **There was an equitable solution to all of the buyers in this currently 50% sold out development.**
 - **The only inequity was to those assignment buyers that paid the assignment profit outside of a lawyer's or realtor's trust...**

So what is the Potential Fallout to our industry?

- **I met with Diane Thorne, N.D.P. Housing critic.**
- **This is not a NDP problem.**
- **This is not a Liberal problem!**
- **This is a problem.**

- For Richmond – that number is: 66%
- New Westminster: 77%
- And you get into an area like Maple Ridge; it is 39% where there still home building lots available.
- Port Coquitlam/Port Moody/Coquitlam: 56.5%
- Even North Vancouver has urbanized to: 58%
- These staggering numbers only reinforce that this is where the consumer wants to be and where there is any affordability.
- You know I went back and looked at my 2004 talk.
- Larry Beasley and I both predicted on Vancouver's moving EAST.
- Well, Vancouver really had nowhere else to go.
- Back in 2004, we spoke of Francesco Aquilini's upcoming release of King Edward Village.
- A new community just going through occupancy as I speak.
- We had just released Yaletown Park at approximately \$410 PSF
- King Edward Village advertising boasted \$100 psf less than downtown and 8 minutes to downtown.
- If you break down 2004.
- King Edward Village \$310 psf for Vancouver East and Downtown at \$410 psf
- That is approximately 66 cents on the dollar or 33% less to live in East Vancouver.
- Simon Lim's Holborn Development is currently in the pre registration stage.
- The Hills – 1 mile east of King Edward Village. The Eldorado Hotel site at Kingsway and Nanaimo.
- The Hills will be at \$575 psf
- Downtown "The Beasley" is at \$879 psf
- Same as 2004 – 66 cents the dollar or 33% less to live 9 minutes from downtown. (Your time may vary.)
- \$300 psf less than downtown. A new ad is coming.
- I see prices moving up in East Vancouver.
- April 24, 2004 – Vancouver Sun headline reads: "Beware of buying in a hot market". This was due to line ups at Yaletown Park.
- Last Thursday on May 8, exactly 1 week ago at 1212 Howe Street.
- Wall Financial sold 130 of 150 condos at \$680 psf at Davie and Howe Street with a completely new curtain wall and interiors.

- The ad read – 112 homes under \$400 000.
- There is an insatiable demand for affordability downtown. As we see these price levels and supply disappear.
- Brent Toderian and our planning department turned on a dime a couple of years ago and addressed our office density shortage both short term and long term.
- They recognized that we were really coming to a defined number of office sites in the C.B.D. and begin limiting residential development in the C.B.D.
- As we see an end to major residential developments in downtown Vancouver
- Downtown condos will be a serious investment given our future population and job growth.
- Population of metro Vancouver was 2 249 000 for 2007.
- Expected growth is 450 000 in the next 10 years.
- Vancouver itself for population density
- It is the 4th highest in North America.
- The other 3 cities are: New York, San Francisco and Mexico City.
- And by 2021 – it is predicted that we will be 2nd only to New York City in population density.
- 2nd to New York City!
- These numbers reinforce my bullish comments on condo prices and reinforce the need for office space.
- For now we have preserved office sites currently defined for the next 10 to 20 year office supply.
- The Aquilini’s site at GM Place currently on ICE – get it? “On ICE”.
- As lease rates are just not there today.
- Given the cost of building a “Net Zero” energy efficient tower at GM Place.
- Other office sites:
 - Bentall’s tower on Thurlow and Alberni across from the Shangri La Hotel, currently going through rezoning and a request for height.
 - The soon to be announced Telus site located at Richard’s and Robson.
 - Simon Lim and Holborn’s 500 000 sf of office at the Bay parkade and 500 000 sf of residential.
 - Did you ever notice how much Simon Lim looks like Robert Fung?
 - There is the eventual sale of the 600 000 sf - Canada Post office site...
 - Last year when I was here, there were numerous offers over \$100 million on the Post Office site
 - Then there is Larwell Park – the former Greyhound bus depot site.

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- **Currently under review: BC Place, Plaza of Nations and GM Place for office density.**
 - **And then there will be:**
 - **The False Creek Flats**
 - **Broadway corridor**
 - **And the future sky train sites.**
 - **Will Greg Kerfoot get office towers or condo towers to shadow his new stadium?**
 - **The UDI should really have a candid discussion with all the commercial stakeholders in our industry.**
 - **On what the true impact on rates and absorption will be if all this density is achieved over the next 20 years.**
 - **Now that we turned on a dime to solve office in Vancouver, similarly let's turn on a dime and solve affordability throughout the lower mainland.**
 - **Vancouver's Eco-density Charter from Tuesday, Section 4A reads "An increased and consistent supply to help moderate housing prices."**
 - **Not Social housing**
 - **Not non-market housing**
 - **Let's solve affordable housing**
 - **How do we deal with the fireman, policeman and nurses?**
 - **How do local incomes buy a house?**
 - **How will they buy in the city they work in?**
 - **I single out demographics...but where will your children live?**
 - **Not just for Vancouver but let's develop a model that will work in every city and municipality.**
 - **Let's get all of the stakeholders together – let's stop doing anything in isolation.**
 - **Is it the provincial government, and then get them to come to the table and if it is the local government, then let's get them to the table.**
 - **I see that Translink now has expropriation rights. Well our Province and Translink would be irresponsible to not address affordable housing solutions in Translink's visioning process.**
 - **As I grew up, I was told that 1 square mile of Vancouver's West end was the most densely populated 1 square mile of any major city on the planet.**
 - **Somebody planned on it and it worked... Where is that next model going to be?**
 - **Vancouver solved office space – it was bumpy, controversial and made some Developers happy, made some Landlord's upset – has the pendulum swung too far? It doesn't matter. Only time will tell.**

- So let's let the pendulum swing too far again. Where will our next Westend be? With the impact of fuel costs and keeping jobs in our city, where will it be? False Creek? Clark and Hastings? Boundary and Grandview Highway?
- Should we add more density to the Westend?
- Don't just replace any demolished rental
- We can double replace any demolished rental.
- Then add density.
- Do we take advantage of EcoDensity and up zone the Westend for more density? It's GREEN, the infrastructure of streets and retail is already there.
- Gas at \$1.34 per litre.
- Help wanted (referring to the photo).... This was taken last weekend and in West Vancouver.
- GREEN – we are going to drive less because you can't afford to drive anymore.
- You are going to hear your friends say "I love not having a car!"
- Do any of us really think wages are going down and it's going to be cheaper to build condos?
- Is there an affordability solution out there because we have all figured out the luxury market for high net worth individuals, China, Korea, Iran and money from Europe.
- We have proven out that mixed use sites like the Woodward's development with 2 demographics on 1 site; Woodward's proved that the fortunate will live with the less fortunate and vice versa. There was a reason we called it an intellectual property: There was a reason we said, "Be Bold or Move to Suburbia".
- Millennium's L'Hermitage at Richards and Robson with 236 luxury condos and 47 non-market homes is another good example.
- An affordable density model could add:
 - 1 times, 2 times or even 3 times the density to a site.
 - A Developer could elect to or
 - Elect not to participate.
 - If a Developer elects to incorporate an affordability component:
 - Stay with me here.
 - Then the land value could be added to a site at zero value.
 - The condo would be reduced by the value of the density.
 - The City granting the density would register on title this value to prevent wind fall profiting.
 - The fit and finish would be at an IKEA like grade, again reducing the purchase price.

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- The developer would be capped to a 10% profit on the affordable portion of the development.
 - To purchase...
 - There will have to be an income test.
 - I could see a 1000 sf market condo at \$550 000 reduced to \$400 000.
- Let's just get somebody interested in doing this.
 - The Developer, city and buyer will all protect.
 - As an aside, do you notice local developers always go to other Canadian and American cities while developers seldom come from other cities to develop in Vancouver. Due to our already abnormally low profit expectations... Maybe our Development industry is a little like the Airline industry... We have become overly competitive.
 - My goal today was to just get us thinking about some real solutions... Really soon!
 - See Lena Sin's article in today's Province newspaper.
 - So why am I worried about establishing an affordability model?
 - I believe that my business model and your business model are dependent on it.
 - If we leave the first time buyer or local income earner behind... We won't need these meetings.
 - I had breakfast with Bob Ackles of the BC Lions.
 - Bob told me a story that sums it all up.
 - A great employee of his with a child and very proud of his BC Lions position announced that his wife is pregnant again.
 - The employee announced that he will have to give up his job. He can no longer proudly boast that he is a BC Lions employee because with a 2nd child and the cost of transportation from their Langley home, he has to find a job closer to Langley and moving closer to work is out of the question.
 - Where will the affordability be?
 - Let's understand Vancouver... Let's look at Canada...
 - Toronto is arguably Canada's business address.
 - Hell, when free trade came in, Toronto and Ontario suffered... They lost jobs! Vancouver and BC had very little manufacturing to lose. We had no jobs to lose...
 - I would say Toronto is absolutely less insular from the American sub prime disaster than Vancouver.
 - Calgary is arguably the most America city in Canada. Why? Because it is all about oil. Again, I would say that Calgary is less insular from the American sub prime disaster than Vancouver.
 - Is it safe to say that Vancouver is Canada's world address...? Canada's resort city.... Canada's world class city.

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- I think so...
 - Our limited land supply combined with the immigration of money and people from China.
 - “Korea”, “Iran” and all of Europe and now the “Russians” are coming. I believe that Vancouver is much more insulated from the American sub prime disaster due to its world address and world class attraction.
 - Admit Toronto = Business, Calgary = Oil, Seattle = High tech.
 - Remember.....Vancouver = Real Estate.
 - The American sub prime disaster had to happen.
 - I believe it was George Soro’s that said “the economy is global, yet the US continues to act in isolation.”
 - When we talk about a buying frenzy in greater Vancouver, we are talking about:
 - Buyers with pre-approved mortgages for 24, 30 and 36 month delivery.
 - This mortgage product not available in America.
 - Vancouver’s buyer’s have 10, 15 and 25% deposits.
 - Avg. deposit for over 700 sales at Yaletown Park was 18.5%. The Fairmont is sitting with over \$88 million on deposit. The buyer isn’t defaulting.
 - America’s credit crunch is that you now require a job and a down payment.
 - You could purchase with no dec and no docs. No declarations and no documentation.
 - A 6 year old could buy. A 6 year old cat could buy!
 - What will turn America around?
 - Confidence
 - Dinner with friend’s story - I bought a condo story.
 - I went to Los Angeles and drove to Long Beach, Irvine and San Diego.
 - When a friend tells you that they are dying, that is not time to explain to them how healthy you are.
 - I could not tell anybody what’s going on in Vancouver, they wouldn’t believe it.
 - In conversations with my clients, Hedge Fund Managers, Deutsche Bank, Broad Reach and Fortress in America and my Seattle clients:
 - In May 2007, we said look for opportunities in September 2007.
 - In July 2007, we said wait for 1st quarter of 2008.
 - By October 2007, we were already saying - let’s wait until summer of 2008.
 - By January 2008, we said lets look at mid 2009 for real blood and hardship.

- **My personal view...Housing got the US into this mess and housing will lead the US out of this mess.**
- **If we are sensitive to America's negative news, let's ask ourselves how we will react in 2010 to America's positive news.**
- **I suggest you put your pens down and you can get all these numbers from the UDI website after 12pm tomorrow.**
- **I was going to hand them out but that is not GREEN.**
- **And I told the UDI that this would help get more of our industry relying on UDI's website.**
- **Personally, the numbers are shocking. You can form your own opinions.**
- **First let's make sure we understand our investor market.**
- **Remember, the investor buys knowing that he has 2 choices:**
 - **Purchase to rent. He is our only rental supplier of consequence or the investor can:**
 - **Place a 20% deposit in real dollars of \$50 000 to \$150 000 on a pre-sale and see a potentially very high return on his deposit.**
 - **Whether on paper or realized by selling the condo.**
- **It is human nature, once we have a paper profit; we are all less likely to sell as we have a cushion.**
- **The investor disappears as a demographic as we near completion or with completed product as the investor's only options is to rent.**
- **Finished product probably loses 50% of its buying audience with the loss of the investor.**
- **We all need the investor to keep the rents down.**
- **To put this in perspective**
- **Between 2001 and 2006:**
 - **We saw a net drop in tenant occupied dwellings in Greater Vancouver of over 10 000 fewer rental units than the previous 5 years.**
 - **Before we all point to condo conversions and rental demolition. The entire decline was found in the ground oriented rental stock.**
 - **Rental condos/apartments because of our investor units actually grew by 6000.**
 - **While ground oriented those "offshore" Westside homes, those Burnaby tear downs declined by almost 17000 units.**
 - **So when we all think we will see things back to where they were; Never.**
 - **Yesterday is gone, that little bungalow for your kids and the grandchildren to rent while they get on their feet will never be seen again.**

- Frances Bula (Vancouver Sun writer) told me yesterday that a Strathcona house that has been a rental for 20 years currently housing her son and friends just got notice – it is no longer a rental.
- Nobody is holding single family as rental anymore.
- Before I give you the Vancouver stats...
- Ask any commercial broker how much money is chasing so few deals.
- Has real estate gone up or is our money worth nothing?

Vancouver - DOWNTOWN

- I worry when I see that our downtown was:
 - Hovering around a population of 40 000 in during Expo 86.
 - Today, we are now at a population of over 85 000.
 - I see population projections at 120 000 by 2020.
 - And the following numbers should make all of us worry especially when we are about to go into a \$5 billion branding campaign showing off Vancouver.
 - That branding campaign is called “OLYMPICS”.
 - Have you ever heard me say this before?
- For last year 2007...of 3353 condos for delivery 98% were sold.

Currently under construction & expected for 2008:

1. Of the 2743 -- there are only 313 unsold.
2. We are at 89% sold when you include the 130 sold at 1212 Howe.
3. When I was here in 2004, I said that there would not be another rental tower built in Vancouver for the next 10 years other than Frieze at 1082 Seymour Street. Well, that went condo!
4. If Onni's 1022 Seymour actually remains rental, then we are already at 96% sold out for 2008 delivery.

As Vancouver condo's become out of reach for local wages and no supply... Here comes the increase in rents.

5. Ironically, rental increases keep the investor and rental supply in the market.

For 2009 of 2997 scheduled completions

- 2925 are already sold which is 98% (When I was here last year, we were only at 71 %.)

For 2010

- There are only 714 scheduled completions for downtown.
- If you take out Francesco Aquilini's “Richards on Richard's” site of 228 units currently in the pre-registration stage with sales in September.
- Then sold for 2010 delivery is already at 83%.

For 2011

- There are only 279 units slated for completion.
- Simon Lim's - Ritz Carlton (is it just me or does Simon Lim look like Robert Fung.) and Delta Land's – Hotel Georgia.
- So, I guess we all solved the affordability question.
- 123 units are at the Ritz Carlton which is 60% sold and breaking \$2300 psf average. Ritz will break ground by month's end. I am receiving a call a day telling me that it was not going ahead.
- My answer is – it is 60% sold, go search the title. It is clear title and why can't a Developer stabilize 75% to 80% of their costs before starting?
- A few years ago, my joke was \$2010 psf by 2010...It's here and gone!
- Shangri La story. A call a week.
- Is it over budget? Like any project in our city.
- Then there is 156 luxury condos at Delta Land's – Georgia Hotel.
- I am using 46% sold and \$1500 psf.
- Just look at the celebrity product.
- The Ritz penthouse after the recent amalgamations to a larger unit is asking for \$29 million.
- The Hotel Georgia penthouse sold for \$18 million.
- The Fairmont PH sold for over \$16 million.
- Shangri La penthouse sold just 2 weeks ago for \$16 million.
- The condo above a hotel model is simple.
- We have all sat on the end of the bed waiting for the valet and said "I could live like this forever" as we wait for our luggage to be picked up.
- My beliefs that there will not be another 5 star hotel built in America without the condo profit to subsidize the underlying hotel asset.
- Ok - thinking Bob has to be positive... Bob's in the condo marketing business... It's a very fair question but the stats are not mine. All inventory statistics were accumulated for RMS by Sandra Cawley, Ryan Wong and their team over at Burgess Austin Sullivan.
- My business model is we are fine...
- Continuing with downtown
- When we take all developments in the Development Permit stage for 2010 and later delivery.
- There are 2028 condos in the development permitting stage for 2010 delivery and beyond in 14 developments
- 64% are on 2 of Terry Hui's development sites.

- That leaves us with only 730 condos coming outside of Terry Hui's.
- Listen, it can't be a bubble when there is no supply.
- What I find really interesting is that 9 of 14 sites average 33.5 units per site.
- That is a lot of very expensive to build small developments coming. They are not all Rick Illich's or Robert Fung's.
- Did anybody read the Vancouver Sun on May 7th?
- I called Robert and said "you look a lot richer, Robert" and I called Simon and said "You are looking good!"
- We took all projects and identified every site for 2011 forward.
- 35% are on Terry Hui's Concord Pacific site.
- Only 3139 condos TOTAL!

D.T.E.S.

- We cannot talk about Vancouver without mentioning the D.T.E.S.
- Last year, I scolded us all for driving past the homeless and opening up our wallets to save the trees fallen in Stanley Park.
- Well, the Province and Rich Coleman have really stepped up.
- They recently purchased 19 S.R.A. hotels and not just in the D.T.E.S.
- That's 1122 rooms
- Spending \$69 million
- And already spending some \$30 million on upgrades.
- These are real gestures that are solving real problems.
- With discussions around Riverview and dealing with mental health, real issues are being dealt with.
- With Woodward's and the success of Woodward's, buyers understand that this is an area of diversity and don't want or expect another Yaletown.
- Don't move the fabric of the neighborhood out. Add balance and density by moving homeowners in and that will animate the street and use the neighborhood's retail and services.
- Watch the Pantages Theatre project and Rob McDonald's - BC Electric Building adding balance to the neighborhood.
- Rich Coleman – Woodward's story.

Surrey/White Rock

For 2008:

- Scheduled for completion & delivery this year: **3281 condominiums**

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- Sold to date: 1370 condominiums or 42%

For 2009/2010:

- Scheduled for completion & delivery: 4517 condominiums
- Sold to date: 1898 condominiums or 42%
- Approximately 60% are already under construction or in pre-registration stage.
- My guess is that the 4517 number will drop as some developments postpone their openings.
- For 2010/11 and beyond for Surrey/White Rock
- Either under development permit application
- Or issued a development permit when we attempted to identify all sites, there is another 8900 potential condominiums.
- Surrey's population is up 20% in past 10 years.
- That is an increase of 10 000 per year.
- Bosa's "Miramar" in White Rock
- Is sitting at 190 of 225 in their first phase at \$685 psf.
- Then you look at Whalley... Quattro sold out 109 units in 4 hours a couple of weeks ago...
- Is this the new Yaletown?
- What we have to remember is:
 - Vancouver wanted New York's "Soho, Chelsea, Greenwich, Tribeca and we got Yaletown".
 - Surrey will get their version of our version of New York's version.
 - What we have to realize is that communities are not one size fits all.
 - We have to regionalize our product, build unique identities and unique communities.
 - Yaletown has Cioppiono's restaurant at \$100 to \$200 per person and that is just for lunch.
 - Yaletown is a true walk to work location and a walk to life and lifestyle location.
 - It will be a while before Whalley has this demographic in a real sustainable numbers.
- Demographics will be defined by lifestyle, not age.
- I don't care about your age; it is your lifestyle that I am watching!

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- It worked last year doesn't mean it will work this year.
 - The consumer is smarter than you think; they have real access to real information.
 - I believe that we can not look at the market as a whole anymore.
 - There is downtown Vancouver, there is Vancouver, and there is greater Vancouver
 - Now Vancouver is fueled by external dollars and high net worth individuals
 - And Vancouver's surrounding cities
 - Fueled by local incomes will travel as different market places and what happens in one sector do not necessarily speak for the other.
 - Downtown Vancouver and Vancouver are becoming exactly what I said in Vancouver Magazine in 1988.
 - One day it won't be "the Eastside of Vancouver" or "the Westside of Vancouver".
 - One day it would be: "Do you live in Vancouver?"
 - Well, that day is here....
 - For our Industry & Media, I suggest that we start to really watch markets fueled by local incomes.
 - And separate the World Class effect influencing our markets
 - A household income of \$50,000 can support only a \$235,000 mortgage at 4.75% - 25 year amortization.
 - Or as 40 is the new 25?
 - Move the amortization to 40 years and \$50 000 can support a \$290,000 mortgage.
 - Or a \$100,000 household income supports:
 - \$470,000 at 25 years
 - \$580,000 at 40 years
 - Between 2001 and 2006:
 - Greater Vancouver had 151,700 foreign born new comers
 - 57% of Richmond is foreign born new comers.
 - Surrey rose 30.9%
 - Burnaby rose 12.5%
 - The metropolitan Vancouver area grew by 12.6% which is 5 times the national average of foreign born new comers.
 - Peter Wall said to me the other day..."You know why the Seattle market has slowed down?"
 - "They have jobs"

- They have jobs... The man's brilliant!
- Scratch the surface and you will find
- The Seattle market can not increase too much beyond local incomes as they have no visible foreign immigration.
- Vancouver's downtown due to limited supply and our "resort appeal" is not totally reliant on local incomes for the prices being achieved.
- Downtown is being driven by local high net worth individuals and children spending their parent's money.
- Here's some numbers that will hit close to home – in 1981:
 - 7% of 25 to 29 year olds lived at home with their parents.
 - Today 24% of 25 to 29 year olds live at home with their parents.
 - Age 20 to 24 in 1981 → 32% lived with their parents.
 - Today that number is 58%.
- Coincidentally, the most noticeable increase in home owners with a mortgage is in the 55yr to 75yr old category.
- Look who is going into debt to help get the kids out of the house!
- I also thought that we should really look at Vancouver East and South East False Creek this year.

For 2008:

- Only 674 condos will be completed for delivery in East Vancouver.
- Already 94% sold
- This includes King Edward Village, 383 condos. (Was 100% sold out.)
- Now are 8 homes available as the Developer added an extra floor

For 2009 delivery:

- Scheduled for completion: 432 condominiums
- Sold: 57%
- Currently 28% are in pre-registration stage

For 2009 (Southeast False Creek):

- Scheduled for completion 09 only: 173 condominiums
- Sold: 141 or 82%

For 2010 and onwards:

- Scheduled for completion in East Vancouver: 899 condominiums

For 2010 and onwards (Southeast False Creek):

- There is a total of 1,318 condominiums which includes the Olympic Village and
- Peter Wall's - Wall Centre False Creek
 - Total of 414 homes
 - Phase I – 3 of the 4 towers
 - Opened May 3rd and we are now at 145 of 300 sold at \$840 psf
- Olympic Village is on track for 2010 delivery
- Well, it has to be on track...
- Of 733 homes with Urban Fare and London Drugs
- Phase I released last October. 302 homes in Phase 1 sold out with a handful of rescissions available at just under \$868 psf
- In Phase II, 165 homes released at the end of April. Currently at just approaching 50% sold...as the Phases get closer to the water an amazing consumer is emerging that values the view of the City...similar to what fueled the development of the Fairview slopes and Point Grey Road looking at the City rather than away from the City.
- Additional phases will be released this Fall and Spring of next year.
- The Arthur Erikson designed "Canada House" will see 60 terraced homes breaking \$2,000 PSF with previews this summer. As you drive over the Cambie Street bridge, it is the one in the middle of the water.
- For 2011 forward, there are another 1700 plus in SEFC either identified as development site or permitting stage.
- We then identified all future developments for East Vancouver and the supply will be 90% from 2 master planned communities

Parklane Homes/Wesgroups

- South Fraser lands of over 7,000 homes over some 10 years

Holborn's Little Mountain site

- One of the last major sites in our city consisting of 16 acres on a park.
- Little Mountain will capitalize on what single family on Main street has been doing for years where Main is the new Cambie attracting westsiders.
- I can still remember when Cambie was the new Granville.
- Little Mountain will replace the current 224 non-market homes and is currently in the community consultation process and I would think that we will see either side of 2,000 homes on the Little Mountain site.
- Rather than go through Burnaby and Richmond here today as you all have lives... This will be on the UDI website tomorrow.

IN CLOSING

- You are all going to walk away with your own opinions on our market place.
- When I sit down to put a talk like this together.
- I am really taking time to audit the direction that my company will take in advising my friends and clients with housing.
- Contrary per popular perception, Metro Vancouver Housing stock:
 - Grew more slowly between 01 and 06 than any other 5 year period over the last 35 years.
 - We grew by over 58 000 homes.
 - Compared to over 80 000 for each 5 year period (1986 to 1991 and 1991 to 1996)
 - Slowest growth in 35 years.
- There are real reasons for our activity.
- On affordability, it is time to think outside the box.
- You want lower prices – increase density.
- It's no deeper than that!
- Watch the markets separate out into local income driven markets and markets driven by external forces.
- With pressure on housing from:
 - Tighter lending policies
 - Tighter pre-sale demand from our lenders
 - Continued high construction costs
 - Higher wages coming as a result of fuel and food costs.
 - Tougher zoning and entitlement processes
- I just don't see any easing of prices.
- As the cost of entry becomes onerous for the developer, there is less supply for the consumer.
- It is happening right now.
- And a number of us in this room still think that it is over after the Olympics.
- Well, I believe that the results of a Olympic \$5 billion dollar marketing branding program will knock your socks off. Think of the guaranteed increases in tourism forever.
- We are not Lillehammer or Salt Lake City; we are a world class city already!
- I do not think we are ready.
- Premier Gordon Campbell has already announced \$14 billion on infrastructure and transportation spending after 2010.
- We are obviously building these office towers for anticipated growth.

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- **Watch Vancouver light up after the Beijing games because the spotlight will be on us.**
 - **I suggest that we run out and buy an Olympic pin because whether you wear one or not... We are all going to wear the results and just hang on!**