NATIONAL APARTMENT GROUP
BRITISH COLUMBIA

LOCAL KNOWLEDGE. GLOBALLY CONNECTED.

2019
YEAR END MULTI-FAMILY MARKET REPORT
METRO VANCOUVER & GREATER VICTORIA

CBRE

PREFACE

CBRE is pleased to release the 2019 Year End Multi-Family Market Report, the most current and comprehensive Multi-Family data available for the Metro Vancouver & Victoria markets. Produced by Lance Coulson and Greg Ambrose of the National Apartment Group - BC, this report has been assembled to empower the decision making of all multi-family owners, Potential Purchasers and Professionals interested in the Vancouver and Victoria markets.

This report has been prepared with current data sourced from a comprehensive survey of various data sources. As the global leader in commercial real estate, CBRE understands the critical nature of transparency in a marketplace.

Data contributions and validations to this publication were made by:

CBRE RESEARCH	LAND TITLE & SURVEY AUTHORITY OF BC
CBRE NATIONAL APARTMENT GROUP	BC ASSESSMENT
ALTUS GROUP / REALNET	CMHC

Whatever your multi-family data needs may be, please feel free to reach out to us. We have the most comprehensive data on the market and can provide information on a macro or micro level based on city, neighborhood, location, age, size, proximity to transit, and demographics.

CBRE is a global leader in Commercial Real Estate and Lance Coulson Personal Real Estate Corporation is a leader in Metro Vancouver and Victoria Apartment Sales 2015-2019, with a total sales value in excess of $1.02 Billion!* With a network of Multi-family Apartment Professionals across the country and 450 corporate offices globally, our experience, network and exposure is second to none allowing us to provide our clients with the greatest market exposure available.

We welcome your inquiries and encourage you to contact us with any questions.

LANCE COULSON
PERSONAL REAL ESTATE CORPORATION
Executive Vice President
CBRE Limited
604 662 5141
lance.coulson@cbre.com

GREG AMBROSE
Senior Sales Associate
CBRE Limited
604 662 5178
greg.ambrose@cbre.com

*SOURCE: REALNET and CBRE (January 1, 2015 – December 31, 2019 combined). Includes transactions with co-operating Brokers.

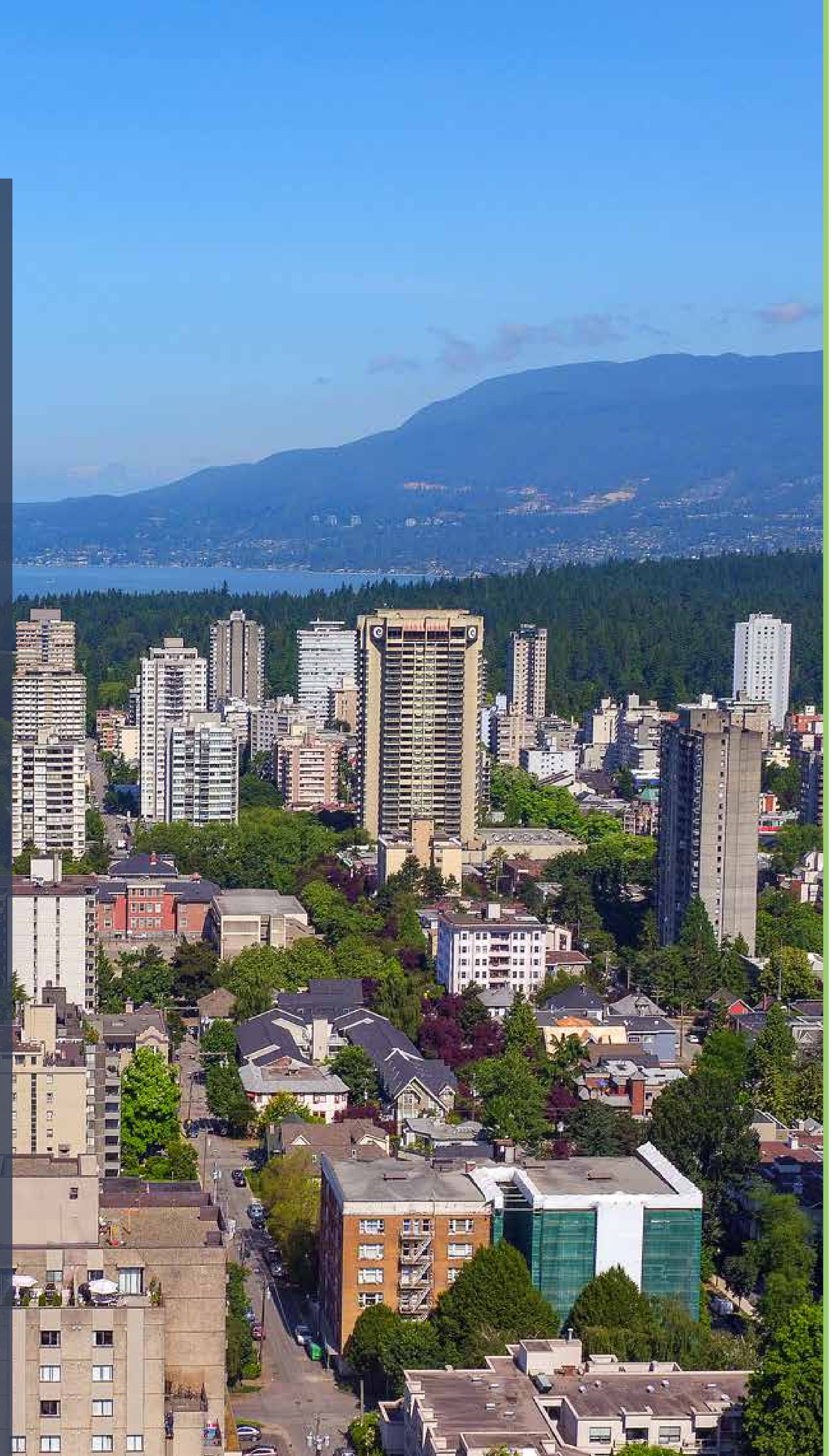


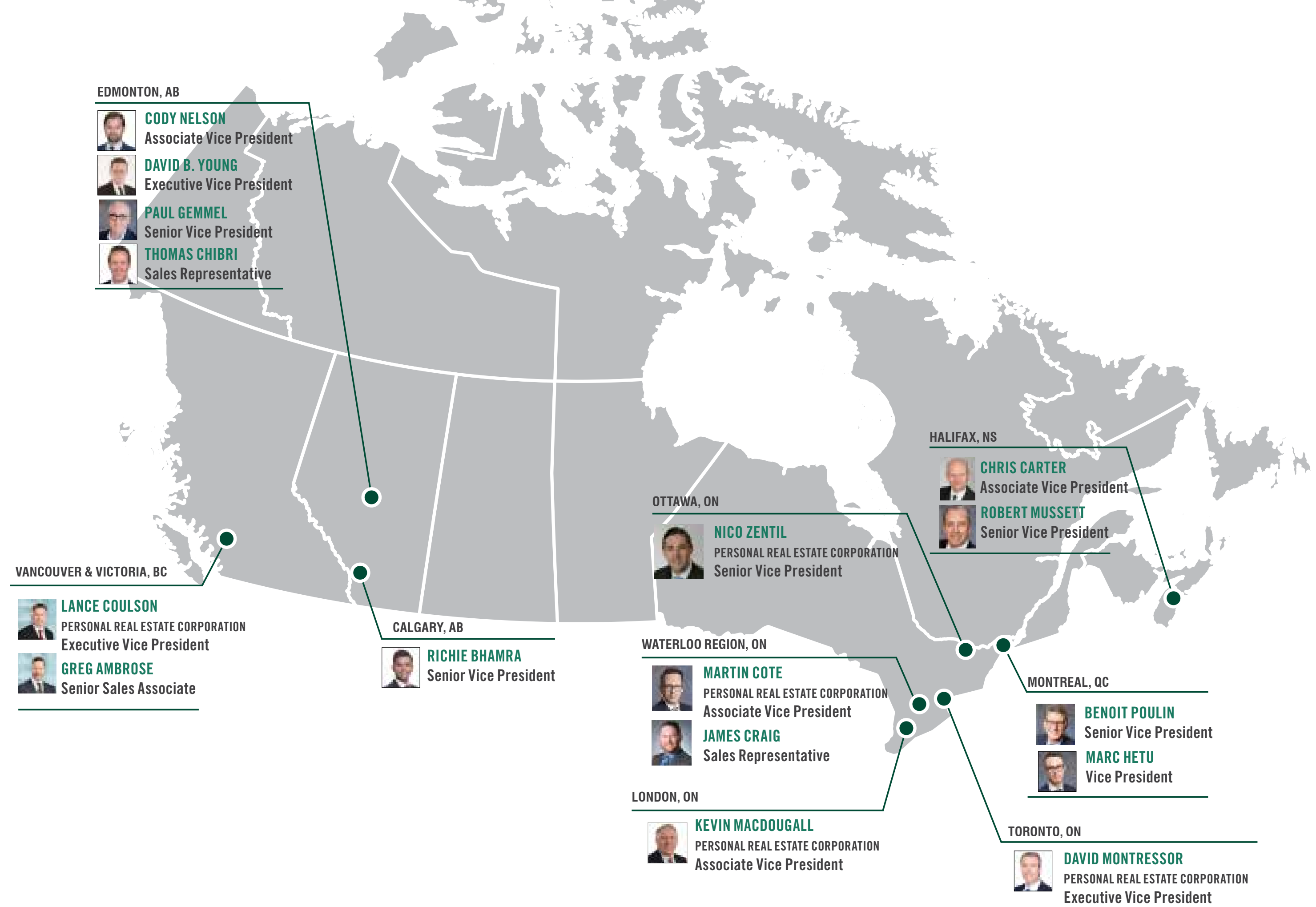
TABLE OF CONTENTS

CBRE LIMITED CANADA'S

NATIONAL APARTMENT GROUP

NATIONAL LEVEL

CBRE's National Apartment Group Canada is comprised of **16 sales professionals** providing the highest level of commitment and expertise in the marketing and sale of multi-family assets across the country. Through our **nine Canadian offices,** we have assembled a collection of highly skilled sales professionals resulting in CBRE NAG being one of the largest and most successful integrated Multi-Family sales team in Canada.



CBRE's National Apartment Group was formed with one purpose in mind:

To offer a Canada-wide professional approach to managing the orderly disposition of multi-residential assets.

Our exclusive full-service approach has generated over **$16 Billion** in sales since 2000, with individuals and institutional clients across the country. Covering all major Canadian markets, the National Apartment Group is the largest and most successfully integrated team in Canada. Every mandate, regardless of size, receives the same exclusive approach to **realize maximum value for our clients**. Our unmatched understanding of the multi-residential market generates superior results for multi-residential owners.

Our transactional success assures our clients that we can deliver.

NATIONAL APARTMENT GROUP BRITISH COLUMBIA

Since 2015, the National Apartment Group British Columbia, led by Lance Coulson, has held a commanding presence in the Metro Vancouver & Greater Victoria Rental Apartment markets, consistently leading in total transactions and setting new benchmarks for pricing that was thought by the marketplace to be unattainable. Having transacted a broad scope of multi-family dispositions, ranging from low-rise walk-up apartments to institutional grade large-scale multi-family assets, our team's experience in dealing with national/international clients, private apartment owners and many of Canada's prestigious real estate companies is unparalleled.

$1.02B*	92	4,791+
Total Sales Value 2015-2019	**Buildings Sold 2015-2019**	**Total Suites Sold 2015-2019**

We are a team with significant local knowledge and expertise that is globally connected, a combination that is indispensable and creates the most competitive marketing program. Our hands-on experience in brokering rental apartment buildings of varying size and scope has propelled us to the forefront of our market and allowed us to establish ourselves as one of the market leaders in the consultation and disposition of these types of transactions.

Back Row: Justin Pang - Financial Analyst; Lance Coulson (PREC) - Executive Vice President; Greg Ambrose - Senior Sales Associate
Front Row: Christina Martino - Marketing Coordinator; Alexa Anton-Ohlmeyer - Admin & Marketing Assistant

**SOURCE: REALNET and CBRE (January 1, 2015 – Dec 31, 2019 combined) for Greater Vancouver & Vancouver Island. Includes transactions with co-operating Brokers.*
+ Includes Rental Units and individual mobile home sites

EXECUTIVE SUMMARY

As it relates to apartment building sales, 2019 started off the same way 2018 ended; a little sluggish. With only 41 apartment sale transactions in the first half of the year in Greater Vancouver and Victoria totaling a little over $400M in dollar volume, sales were noticeably off pace from the peak of the market. Investors were navigating their way through new taxes, new municipal governments and new residential tenancy legislation…all the while, trying not to inhale 2nd hand smoke from the recently legalized marijuana industry.

That said, by about mid-year, the dust had settled and the smoke - well, not sure the smoke is going to clear, but fundamentals prevailed, and investor confidence returned, though with a shift.

That shift represented a return to more normalized investment metrics. At the peak of the market leading up to 2018, many buildings were being marketed and sold on future rents or "upside" and on underlying land values. Today's market is being a little more conservative, looking closely at the in-place income and factoring slower turnover when analyzing any upside in rents. Furthermore, municipal bylaws that challenge landlord's ability to rely on the Residential Tenancy Act to end tenancy to complete renovations and building updates is making it increasingly difficult for owners to invest in their aging buildings, and rental retention policies are making it nearly impossible for owners to consider redevelopment of their rental properties in most municipalities in Metro Vancouver, even in light of increased rental density.

On a positive note, we are seeing new purpose-built rental buildings being completed. Municipalities across the Lower Mainland are looking to incentivize the private sector to build more purpose-built rental with various degrees of success. But, as we continue to experience positive migration patterns and attract influential employers, it appears that in the foreseeable future, the development of new purpose-built rental at the current rate will not be effective in significantly moving the needle and relieving the pressures on our rental market.

Thus, looking ahead, we can expect to continue to experience ultra-low vacancy rates and upward pressure on rents. We believe multi-family assets will remain one of the most in demand asset classes for commercial real estate.

2019 MARKET STATISTICS

GREATER VANCOUVER & VICTORIA

TRANSACTIONS

96
NUMBER OF TRANSACTIONS

$1.14B
DOLLAR VOLUME OF TRANSACTIONS
GREATER VANCOUVER & VICTORIA (APPROX)

VACANCY

1.1%
VANCOUVER CMA VACANCY RATE

RENT

$1,469
VANCOUVER CMA AVG MONTHLY RENT

CAP RATE

2.50% - 3.25%
CAP RATE RANGE FOR LOW-RISE BUILDINGS

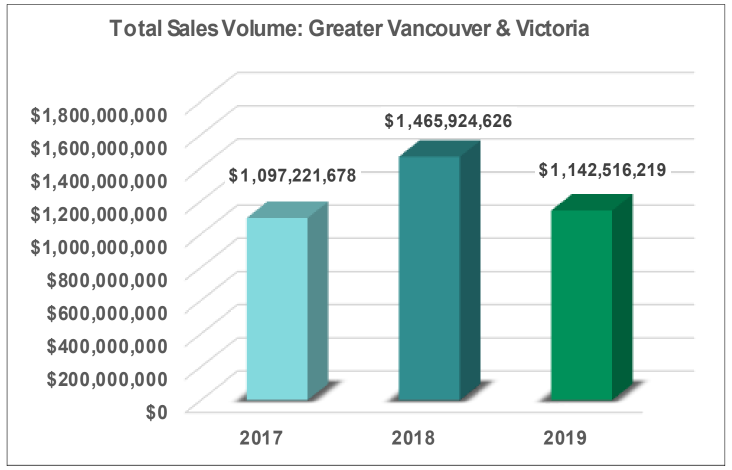
2.25% - 3.00%
CAP RATE RANGE FOR HI-RISE BUILDINGS

BOND RATE

1.97%
CANADIAN MORTGAGE BOND (5 YEAR) YEAR END RATE

2.05%
CANADIAN MORTGAGE BOND (10 YEAR) YEAR END RATE

SOURCE: REALNET, CMHC, CBRE Research and CMB.



**The sales data for 2017-2019 has been sourced from RealNet and other sources deemed reliable. Please note that the sales data included comprises of only apartments sales and does not incorporate other transaction types such as land sales, strata wind-up sales, co-ops, SROs, etc.*

GREATER VANCOUVER ECONOMIC OVERVIEW

Real GDP growth in Vancouver is forecast to rise slightly to 2.8% and 2.6% in 2019 and 2020, led by strong performances in the Finance, Insurance and Real Estate Sectors (FIRE) and professional, scientific and technical services industries. Economic growth is expected to slightly outperform the provincial forecast of 2.4% and 2.6% increases in 2019 and 2020.

Employment gains are expected to remain strong in 2019 with 42,400 net new jobs before moderating to 14,500 new jobs in 2020. Slower job growth is forecast to slightly raise the unemployment rate from 4.3% in 2019 to 4.5% by 2023.

After housing market sales fell to an 18-year low in 2018 due to the implementation of various government measures, home sales are expected to stabilize in 2019 and rebound over the near term. As a result, FIRE industry growth is forecast to rise to 3.2% and 3.3% in 2019 and 2020.

The professional, scientific and technical services industry is projected to lead Vancouver's economy with impressive growth of 7.2% and 4.0% in 2019 and 2020. A notable development in the industry is the recent $40.0 million in funding received by the Digital Technology Supercluster program to support seven local digital projects.

Consumer spending is expected to moderate as higher interest rates, moderating job growth and elevated levels of household debt offsets healthy GDP growth. As a result, retail trade industry growth is forecast to remain moderate at 2.6% and 2.2% in 2019 and 2020.

The transportation and warehousing industry, supported by activity in the Port of Vancouver and the Vancouver International Airport, is expected to grow by 3.6% and 2.6% in 2019 and 2020.

Provincial government spending is expected to slow over the next few years, leading to moderate growth in the public sector with the education services, health care, and public administration industries forecast to grow by 1.8%, 0.7% and 2.0%, respectively.

The manufacturing industry is forecast to remain active and grow by 2.9% and 2.1% in 2019 and 2020. Notable developments include Seaspan's multiple shipbuilding contracts, STEMCELL Technologies' new biologics manufacturing facility and Sunrise Soya Foods' recently opened 85,000 sq. ft. facility in Delta.

Housing starts are projected to reach a near-record in 2019 of 27,649 units as developers worked to break ground on projects ahead of a new municipal development fee implemented in May 2019.

Non-residential construction activity is expected to remain busy with the $500.0 million Burrard Place mixed-use development, a new 36-storey office tower called The Stack, the $600.0 million material handling facility in North Vancouver, the $130.0 million container storage and logistics facility in Tsawwassen, the $1.4 billion Pattullo Bridge replacement and Vancouver International Airport's$9.1 billion expansion.

*SOURCE: The Conference Board of Canada's Autumn 2019 Metropolitan Outlook Report

ECONOMIC INDICATORS - VANCOUVER	2016	2017	2018	2019F	2020F	2021F	2022F	2023F
REAL GDP GROWTH AT MARKET PRICES ($2012 MILLIONS)	$138,844	$145,164	$148,722	$152,943	$156,957	$160,493	$163,659	$167,033
ANNUAL GROWTH (%)	3.9%	4.6%	2.5%	2.8%	2.6%	2.3%	2.0%	2.1%
TOTAL EMPLOYMENT (000s)	1,359	1,402	1,427	1,469	1,484	1,503	1,531	1,557
ANNUAL GROWTH (%)	4.7%	3.2%	1.8%	3.0%	1.0%	1.3%	1.9%	1.7%
UNEMPLOYMENT RATE (%)	5.4%	4.6%	4.3%	4.3%	4.2%	4.3%	4.4%	4.5%
PERSONAL INCOME PER CAPITA ($)	$46,129	$47,711	$49,389	$50,894	$52,528	$54,249	$56,195	$58,059
POPULATION (000s)	2,582	2,611	2,650	2,685	2,713	2,745	2,781	2,822
ANNUAL GROWTH (%)	1.5%	1.1%	1.5%	1.3%	1.1%	1.2%	1.3%	1.5%
TOTAL HOUSING STARTS	27,914	26,204	23,404	27,649	21,937	20,963	20,079	19,836
RETAIL SALES ($ MILLIONS)	$37,572	$40,262	$40,299	$40,166	$41,482	$43,081	$44,845	$46,562
ANNUAL GROWTH (%)	8.7%	7.2%	0.1%	-0.3%	3.3%	3.9%	4.1%	3.8%
CPI ANNUAL GROWTH (%)	2.2%	2.2%	2.9%	2.2%	1.9%	2.0%	2.0%	2.0%

2019 MARKET INFLUENCES

THE USUAL SUSPECTS

Generally speaking, the investment fundamentals of the multi-family investment market remain solid. The Vancouver CMA vacancy rates remain some of the lowest in the country as the demand for rental apartment buildings continues to outpace the supply of new rental units coming to market, resulting in continued upward pressure on rents. Interest rates are not expected to move significantly, and investment demand from both private and institutional investors is expected to remain strong.

It is important to remember that the current market pricing is supported by the current low interest rate environment. Though we don't expect any significant interest rate movement in 2020, when rates do move upwards, it will become more challenging for investors to justify current cap rates, which will have an effect on the market.

THE DISRUPTORS

Aside from the Usual Suspects, there are a few disrupters also effecting the apartment building market including tech, Provincial policy and landlord challenges.

TECH INFLUENCES

According to CBRE's 2019 Tech-30 Market report, Vancouver was the top Tech-30 market for high-tech growth over the past two years in North America, bumping Seattle from the top spot. Vancouver's high-tech job base grew 30% between 2017-2018 adding 13,600 new jobs during that period, which accounted for approximately 55% of new office jobs in the city.

As global companies like Amazon and Facebook increase their labour footprint in Vancouver, this will put further pressure on an already strained rental market. Many of the jobs associated with the tech industry are higher paying supporting higher rents, especially in transit-oriented locations such as the Broadway Corridor and emerging tech hubs such as Mount Pleasant.

This has created opportunity for both landlords of existing and new purpose-built rentals to achieve new market leading rents, and at the same time puts greater upward pressure on areas with affordable rents.

NDP POLICIES

In April of 2018, Premier John Horgan appointed the Rental Housing Task Force with Spencer Chandra Herbert, MLA for Vancouver-West End, as chair and they presented their final recommendations to the government in December. Those Recommendations and Findings can be found on the Government of British Columbia Website.

Early recommendations on British Columbia's allowable rent increase led to government action and the revision of the annual allowable rent increase formula limiting it to inflation. For 2020, the allowable rent increase is 2.6%.

The government has taken additional steps over the past year and a half in an attempt to bring balance to B.C.'s rental housing system. These include:

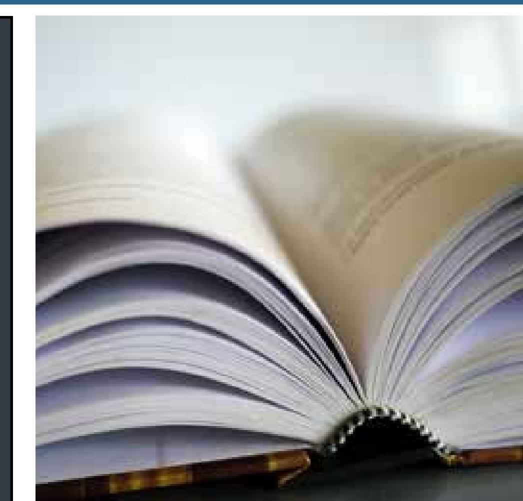
- Closing the fixed-term lease "loophole" and eliminating the geographic rent increase clause;
- Introducing stronger protection for renters from renovations or demolitions, including:
    - Increased compensation for bad-faith evictions;
    - Limited types of major repairs that truly require vacancy;
    - Necessary permits required by landlords; and
    - Case law regarding renter's ability to sustain tenancies during renovations.
- Providing $6.8M over 3 years to the Residential Tenancy Branch to improve services;
- Introducing rental zoning legislation to give local municipal governments the ability to preserve and increase the overall rental supply.

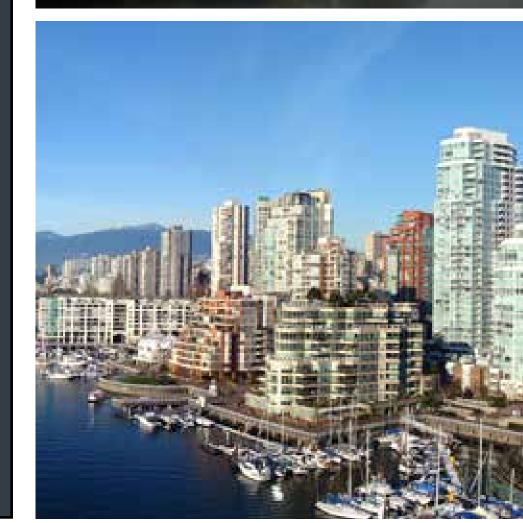
LANDLORD CHALLENGES

Landlords in British Columbia are increasingly faced with greater challenges both financially and from a management prospective in regard to their multi-family investment properties.

The Provincial NDP government has set the 2020 allowable rent increase amount to 2.6%, while the City of Vancouver is proposing a 8.2% property tax increase for 2020 in their draft budget (9.3% when factoring next year's increase in utility fees). This is a significant increase considering the average Vancouver property tax increase over the past five years was only 3.46%. Overall, these changes will have a negative effect on landlord's net income when combined with low turnover and increasing utilities, operating expenses and capital expenditures.

Furthermore, a number of municipalities have implemented by-laws making it increasingly more challenging for landlords to rely on the Residential Tenancy Act to end tenancy in order to complete building updates and renovations. Given that the majority of the rental stock in Metro Vancouver was constructed in the 1960s and 70s, many of these buildings now require significant upgrades. The Rental Tenancy Act does allow for four months' notice to end tenancy for demolition, renovation, repair or conversion of rental unit, but landlords are further challenged by municipal by-laws to the contrary. These bylaws are being challenged in the Municipality of New Westminster which could impact BC landlords. We have included further insight from the lawyer who presented the case on the next page.





COURT DECISION RESULT EXPECTED IN Q1 2020 TO HAVE BROAD IMPACT ON BC LANDLORDS

Written by: Michael Drouillard, Associate Counsel at Harper Grey LLP

The tightening rental market has caused some municipalities to take matters into their own hands based on their belief the Province's efforts are not enough for tenants. For example, various municipalities such as the City of Vancouver have discussed creating bylaws that would impose vacancy control on rental units, a strict form of rent control tied to the unit rather than the tenancy.

Other municipalities such as New Westminster and Port Coquitlam have gone further and enacted bylaws that prohibit landlords from evicting tenants for renovation purposes unless tremendous benefits are given to those tenants, such as the right to return to the rental unit at the same rent. These municipalities purport to rely on their power to regulate business as a basis for creating these bylaws.

On behalf of our client who is also a Landlord, our law firm Harper Grey LLP, filed a challenge against the New Westminster's "anti-renoviction" bylaw earlier this year, and argument was heard on December 11, 2019 before the Chief Justice of British Columbia who will decide the case.

Our position before the Court was that municipalities lost their authority to create landlord-tenant legislation decades ago when the Landlord and Tenant Act, a predecessor to the Residential Tenancy Act, was first enacted, and when the Rent Control Act of 1954, which gave municipalities express authority to create landlord-tenant legislation, was repealed. To continue to allow municipalities to create their own landlord-tenant law undermines the authority of the Residential Tenancy Act, and creates inconsistency across the province, which was not the intention of the Legislature.

A decision by the Chief Justice is expected in the first quarter of 2020. If we are successful, the result will be greater investment certainty, since landlords will be able to continue to rely on the Residential Tenancy Act as the sole source of landlord-tenant law, without concern that a local municipality will create laws that undermine its application.

MICHAEL DROUILLARD

Michael is a lawyer with Harper Grey and a member of our Business and Real Estate Law Groups. He is also Co-Chair of the firm's Real Estate Practice Group.

Michael's practice centers around providing advice and advocacy to owners and operators of investment real estate, and his clients range from the owner of a single residential rental unit to a publicly traded REIT. His practice is cross disciplinary in that he provides both transactional and dispute resolution services to his real estate clients, crossing traditional practice boundaries between litigation and transaction counsel.

PLANNING POLICY CHANGES: VANCOUVER

During the past couple of years, there have been numerous planning and policy initiatives directed at the housing market from various levels of government. Some may even say we are experiencing a policy induced recession, at least as it relates to some segments of the residential real estate market. A number of these policies are directed at the Rental Housing market with the intention of protecting the current rental stock and creating new purpose-built rental units to relieve some of the pressure on our rental market, which currently has one of the lowest vacancy rates in the country. We have included some details on a couple examples of these initiatives including the Broadway Corridor Plan, which is currently under review by the City of Vancouver in anticipation of the approved Millennium Line Broadway Extension, and the Housing Vancouver Strategy, the city's updates to the Rental Policy and the new City-wide planning initiative.

BROADWAY PLAN

Towards the end of 2018, The City of Vancouver launched a two-year process to create a comprehensive Broadway Area Plan in anticipation of the approved Millennium Line Broadway Subway Extension. The 30-year plan will focus on increased job space, improving transportation connectivity via transit, deepening housing affordability & minimizing displacement of existing tenants, enhancing commercial shopping areas and improving parks and public spaces. The plan is expected to be completed for council's consideration in late 2020.

A large part of the Broadway Plan study area is within a 5-10 minute walk of the new Millennium Line Broadway SkyTrain Stations, and the area currently contains about 25% of the city's purpose-built rental housing units. Furthermore, 79% of existing purpose-built rental units within Broadway are within the Rental Housing Stock Official Development Plan (RHS ODP), a by-law that contains requirements for rental unit replacement.

THE BROADWAY PLAN AREA CONTAINS APPROXIMATELY:

- 25% of the city's purpose-built rental housing units
- 10% of the city's social and supportive housing units
- 21% of the city's co-op units

HOUSEHOLD TENURE

Approximately 59% of households in the Broadway Census Data Area are renter households

HOUSING FORM

Approximately 89% of dwelling units in the Broadway Census Data Area are apartment forms

Source: The Broadway Plan pg. 14 | Vancouver.ca/broadwayplan

BROADWAY SUBWAY PROJECT

The Broadway Subway Project is a 5.7 km extension of the Millennium Line SkyTrain which will see 6 new SkyTrain/ Subway Stations commencing from the existing VCC-Clark Station to Broadway and Arbutus. The Broadway Subway Project is a key part of the rapid transit program in Metro Vancouver's Mayors' Council 10-Year Vision, and will be integral to relieving congestion along the busy Broadway Corridor.

Source: https://engage.gov.bc.ca/broadwaysubway/

PLANNING POLICY CHANGES CONTINUED

HOUSING VANCOUVER STRATEGY

A 10-year (2018-2027) strategy for addressing Vancouver's housing affordability crisis was adopted in November 2017. The Strategy sets to target 72,000 new housing units over the 10-year period including 20,000 new purpose-built rentals homes. Based on the City of Vancouver's Q3 progress report, it had approved 649 purpose-built rental units, less than a third of the annual target of 2,000 approvals and a significant drop from last year's total of 1,364 units. The full strategy can be accessed on the City of Vancouver's Website.

PROGRESS TOWARDS HOUSING VANCOUVER TARGETS





	SOCIAL & SUPPORTIVE	PURPOSE-BUILT RENTAL	LANEWAY HOUSES	CONDOS	TOWNHOUSES
2019 Q3: PROGRESS TOWARD 10-YEAR APPROVAL TARGET					
APPROVED:	4,169 UNITS	2,502 UNITS	1,664 UNITS	9,182 UNITS	876 UNITS
TARGET:	12,000 UNITS	20,000 UNITS	4,000 UNITS	30,000 UNITS	5,000 UNITS
2019 Q3: PERFORMANCE AGAINST ANNUAL APPROVAL TARGETS					
APPROVED:	529 UNITS	649 UNITS	364 UNITS	844 UNITS	601 UNITS
TARGET:	1,200 UNITS	2,000 UNITS	400 UNITS	3,000 UNITS	500 UNITS

*Tracking for the Housing Vancouver targets began in 2017; by the end of 2019 the strategy will be at the 30% completion mark.
Source: City of Vancouver Progress Report Dashboard 2019; Q3 Update: https://vancouver.ca/files/cov/2019-housing-vancouver-dashboard.pdf

PLANNING POLICY CHANGES CONTINUED

RENTAL POLICY UPDATES

In November of 2019, the report "Rental Incentives Review Phase II Report Back" was delivered to council. The report emphasizes an intent to maintain the current rental stock and identifies areas where new rentals could be built. Some of the key points of the 236-page report include:

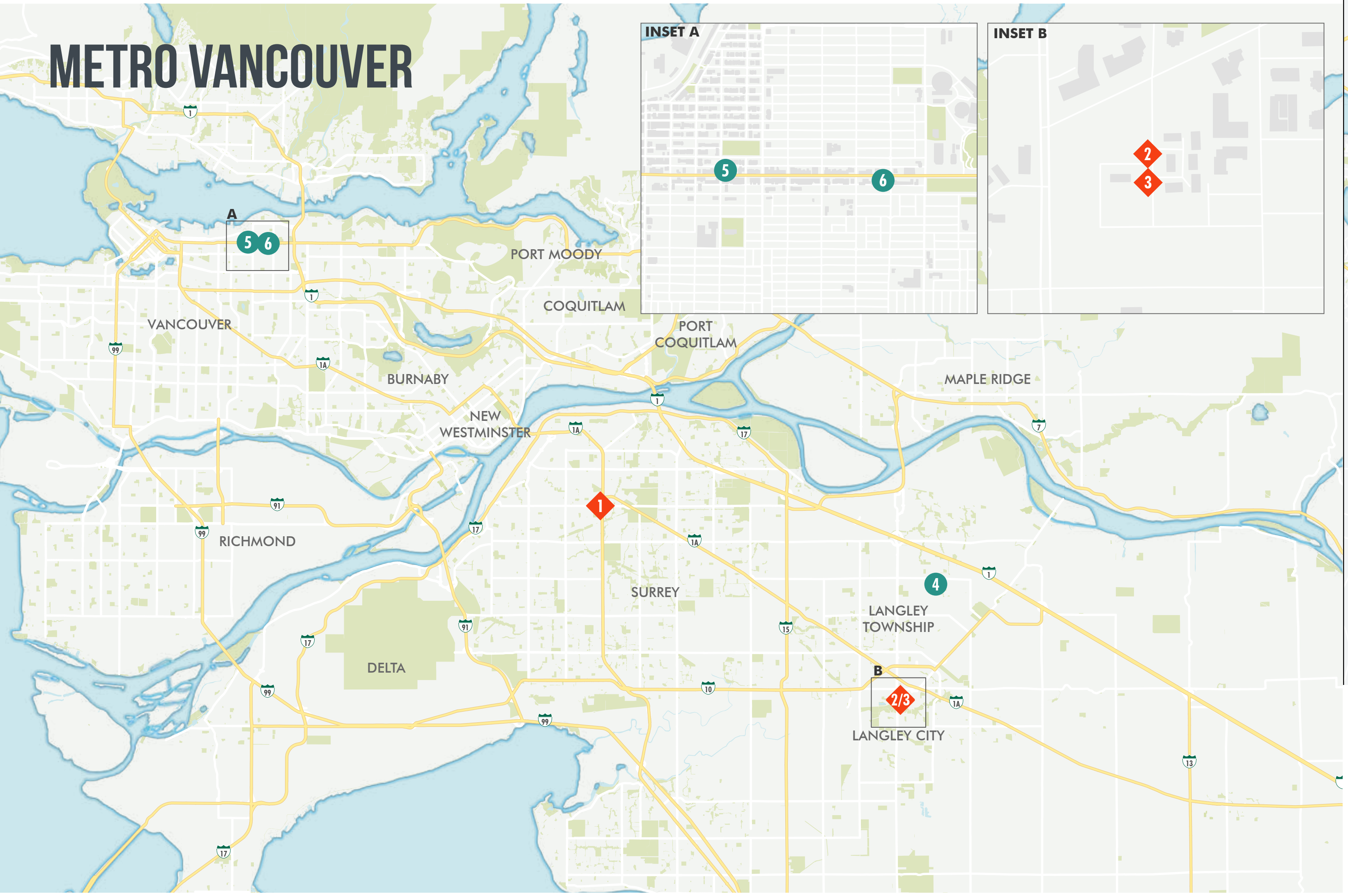
- Allowing purpose built rental development up to 6-storeys in commercial zones not already covered by community plans.
- A new housing pilot plan to permit four to six-storey buildings close to schools, parks and shops.
- Allowing 4-storey apartment buildings on side streets in previously low-density residential areas.

CITY-WIDE PLANNING

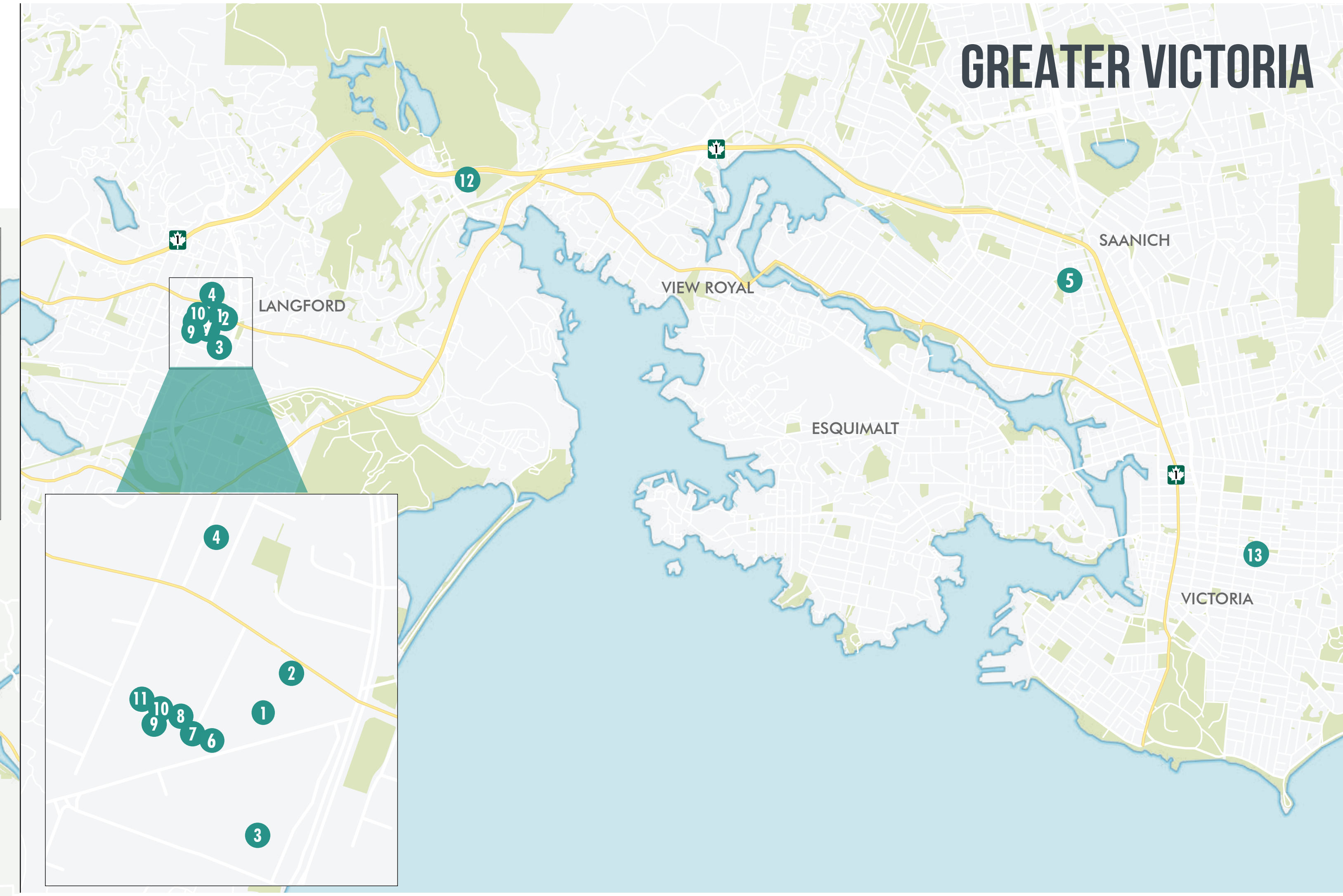
The Vancouver Plan is a new city-wide plan that is intended to shape the future of the city to ***2050 and beyond*** (insert Buzz Lightyear's voice here). According to the City's website, the Plan will be a tool that helps prioritize future decisions and communicates the directions for Vancouver to become the city we want to become. The process will be carried out in the following general phases with key deliverables provided to Council at each step. More information can be found here: www.vancouverplan.ca

PURPOSE-BUILT RENTAL APARTMENT BUILDINGS

RECENT SALES ACTIVITY



METRO VANCOUVER PURPOSE-BUILT RENTAL APARTMENT BUILDING SALES SUMMARY (SINCE JUN. 2018)				
ADDRESS	**CITY**	**SALE DATE**	**UNITS**	**PURCHASER**
1 13555 96 Avenue	Surrey	**September 2019 (Sold by CBRE)**	146	Institutional
2 5393 201 Street	Langley	**June 2019 (Sold by CBRE)**	98	Institutional
3 5363 201 Street	Langley	**August 2018 (Sold by CBRE)**	90	Institutional
4 20839 78B Avenue	Langley	May 2019	191	Institutional
5 2215 E Hastings Street	Vancouver	December 2018	37	Institutional
6 2778 E Hastings Street	Vancouver	December 2018	34	Institutional



GREATER VICTORIA PURPOSE-BUILT RENTAL APARTMENT BUILDING SALES SUMMARY (SINCE JUN. 2018)				
ADDRESS	**CITY**	**SALE DATE**	**UNITS**	**PURCHASER**
1 733 Goldstream Avenue	Langford	September 2019	60	Institutional
2 2699 Peatt Road	Langford	September 2019	81	Institutional
3 2846 Millstream Road	Langford	September 2019	106	Institutional
4 2766 Claude Road	Langford	August 2019	90	Institutional
5 433 Boleskine Road	Victoria	August 2019	85	Institutional
6 765 Hockley Avenue	Langford	July 2019	63	Institutional
7 772 Hockley Avenue	Langford	July 2019	20	Institutional
8 777 Hockley Avenue	Langford	July 2019	30	Institutional
9 778 Hockley Avenue	Langford	July 2019	33	Institutional
10 784 Hockley Avenue	Langford	July 2019	29	Institutional
11 790 Hockley Avenue	Langford	July 2019	24	Institutional
12 301 Nursery Hill Drive	View Royal	June 2019	72	Institutional
13 1488 Cook Street	Victoria	May 2019	134	Institutional

PURPOSE-BUILT RENTAL APARTMENT BUILDINGS

DEVELOPMENT OUTLOOK

Given the recent spur of purpose-built rental apartment developments in Metro Vancouver and Greater Victoria, a surge of sales of these newly-completed assets have taken place in the last 12-18 months.

Within Metro Vancouver, while the City of Vancouver has seen a few sales in recent years, a large majority of the sales activity has taken place in the subsidiary areas of Langley and Surrey, where both development activity and population has grown tremendously. Since June 2018, 6 Metro Vancouver buildings have successfully traded, totaling 596 rental units. Of the 596 Units, nearly 90% (525) are in Surrey and Langley. From our firsthand experience, institutional investors that are looking for scale and highest returns for their value, these fast-growing municipalities offer secure cash flows and value appreciation opportunities as a result of each respective market's positive investment fundamentals.

Most notably in Greater Victoria, the City of Langford has evidently been the most receptive to promoting rental developments through policy & development initiatives. This has resulted in a substantial amount of rental development activity in that region, which has translated into several sales of these newly-constructed assets. Of the 12 buildings comprising of 774 rental units that have sold in Greater Victoria since June 2018, 9 buildings totaling 473 rental units are in Langford. Towards the second half of 2019 however, several notable sales in the City of Victoria and View Royal took place, all of which have traded to institutional investors. From the market activity, it is safe to say institutional investors see extraordinary value in Greater Victoria, given the compressed vacancy rate, increasing rents and relatively lower price points to Metro Vancouver.

Development Outlook & Supportive Planning Policies

In the recent years, municipalities throughout Metro Vancouver and Greater Victoria have begun to recognize the requirement for rental housing and therefore have implemented certain initiatives aimed at growing the rental stock. Presented by Urban Analytics at the October 2019 UDI event, the total purpose-built rental completions for the period of 2017-2019 in Metro Vancouver will reach 7,012 units by the end of 2019. While these initiatives have translated in some respectable numbers, the shifting sentiment amongst developers in conjunction with certain planning policy updates in some municipalities have indicated the number of planned & completed rental developments will increase notably moving forward.

One main example can be found in the City of Burnaby. Implemented in mid-2019, council voted unanimously to require all new mixed-use developments to contain at least 20% rental housing. While this caused quite a stir amongst investors & developers in the area that purchased land under the notion of developing 100% strata, this will undoubtedly grow the city's rental stock. Zeroing in on the City of Vancouver, in November 2019 the City Council recently passed several crucial policies that will provide developers a warranted helping hand in creating more rental units. One of which is the approval of the "rental-only" zoning, allowing up to six-storeys in commercial zonings that are not already covered in previous completed community plans.

Continued on the next page

PURPOSE-BUILT RENTAL APARTMENT BUILDINGS

DEVELOPMENT OUTLOOK CONTINED

Furthermore, rental development in these target areas may not require a re-zoning process, which may save nearly two years as part of the overall process. Extending from this, the rental-only zoning will also be used as part of a pilot program, targeting sites 150 metres off main arterial roads near schools, parks and retail shops. Another policy modification that will impact rental housing is the extension of the "Moderate Income Rental Housing Pilot Program (MIRHPP)" to January 2021, with the focal point of this policy being to provide more housing opportunities for middle-income households. With the implementation of these policies, the City is aiming to build upwards of 8,000 new rental homes over the next seven years, including nearly 5,000 homes dedicated to middle-income households.

From the October 2019 presentation, Urban Analytics estimated that 6,800 rental units spread across Metro Vancouver were in the planning process. Given the recent changes in Vancouver and Burnaby, it is very likely these numbers will see a sizable increase. This is extremely positive news for residents and developers alike, as it appears the respective governing bodies are finally taking steps towards bringing more rental housing to the market. Not only will this alleviate some of the pressure on tenants, this will bring about several different economically feasible and attractive options to developers in our region.

Impact on Multi-Family Investments

It's been no secret that investors from across the country have been actively seeking accretive opportunities to invest in our highly-desirable market. Unfortunately, the barrier for institutional investors from entering the Metro Vancouver and Greater Victoria markets has typically been due to the lack of scale. However, that barrier is slowly being eroded as developers are increasingly transitioning towards rental developments, and the previously referenced planning policy changes will only amplify this movement.

As Metro Vancouver developers attempt to navigate the relatively uncertain state of the condo market, more and more are shifting their capital towards rental development. In a highly sought-after market, with supportive economic fundamentals, both seasoned & newcomer development companies are looking at holding their assets long-term via rental developments. In areas typically lined with higher-end condo developments such as Kitsilano, Cambie Corridor and Olympic Village, developers are now requesting to do more rental developments as previous planned. This speaks to the true underlying draw of rental developments and all signs point towards this movement growing. Moving forward, it is very likely institutional investors will come across a lot more opportunities that offer the scale and returns required to justify their capital deployment.

The Fusion Apartments - 13555 96th Avenue | Sold by CBRE National Apartment Group BC | **$56,000,000**

NATIONAL APARTMENT GROUP - BC
A YEAR OF NEWS HIGHLIGHTS & NEW EXPERIENCES

A STRONG YEAR, DESPITE UNCERTAINTY

Despite the uncertainty surrounding the rental apartment market in 2019, the National Apartment Group - BC had a strong year, completing 14 deals across 15 different municipalities totalling $246 Million in multi-family sales with over 1,836 units sold, which includes both rental apartment suites and individual mobile home sites.

14	1,838	15	$246M
COMPLETED DEALS	TOTAL UNITS*	DIFFERENT MUNICIPALITIES	TOTAL SALES VALUE*

*SOURCE: REALNET and CBRE (January 1, 2015 – Dec 31, 2019 combined). Includes transactions with co-operating Brokers.
+ Includes Rental Units and individual mobile home sites

NEWS FEATURES

Our team was featured in various news publications throughout the year, including:

- A front cover feature of Lance Coulson in the Western Investor - September issue & an article titled "**REITS: Hungry, Active & Leading the Pack**";
- An article titled "Commercial Real Estate Rental Apartment Investment Bouncing Back" featured in the Vancouver Sun in September;
- An article titled **"Rental Investor Confident Points to Rising Market"** written by our team and published in the Western Investor December issue (featured on page 19 in this report);
- Quoted in a Business in Vancouver article titled **"Industrial-strength brew added to Fraser Valley Development"** in September;
- An article in Landlord BC's "The Key" Magazine Fall Edition, titled **"The Multi-Family Investment Market"** written by Lance Coulson (featured on page 17 in this report);
- Featured sale highlight on the Real Estate News Exchange (RENX) on Starlights acquistion of 1629 Haro Street & 720 Queens Avenue, a deal brokered by the National Apartment Group - BC.

DABBLING IN PODCASTING

Our team decided to dable in Podcasting this year! For our first podcast experience, Lance Coulson joined Wolfgang Klein & Jack Hardill from Canaccord Genuity Wealth Management on the Wolf on Bay Street Podcast on Global News Radio, to discuss foreign flows, government regulation and institutional views on Real Estate. Over the last few years, Podcasting has exploded in popularity, with podcasts available in any and all topics imaginable. We're beginning to see more commercial real estate podcasts popping up and we're looking forward to participating in more of them in the coming year! To listen to this podcast, visit Nationalapartmentgroupbc.ca and click the news tab.

PANEL SPEAKER AT THE CANADIAN APARTMENT CONFERENCE

Image Source: realestateforums.com

The Canadian Apartment Investment Conference takes place annually in September in Toronto, ON, and is one of the largest multi-family events across Canada, attracting over 900+ executives including: owners, managers, developers, investors and lenders, and sales professionals. The event includes networking opportunities, speaker presentations, and panel discussions.

During the 2019 event, Lance Coulson was asked to join a panel discussion surrounding **"Privately Owned Assets: Exploring Refinancing and Selling Strategies"** along side 5 other real estate professionals. The panel discussion received great feedback and was well-received by conference-goers.

FUNDRAISING FOR THE HEART & STROKE FOUNDATION

THE BIG BIKE FUNDRAISER

In June, members our National Apartment Group - BC team and 20 other CBRE Vancouver members set out on tandem bike ride through the sunny streets of Downtown Vancouver for the annual "Big Bike Fundraiser" in support of the Heart and Stroke Foundation. Together, the CBRE team raised close to $3,000 towards the fight against heart and disease and stroke!

THE MULTI-FAMILY INVESTMENT MARKET

By Lance Coulson, Executive Vice President, CBRE National Apartment Group B.C.

COULD IT BE MAKING A COMEBACK?

After a slow first half of 2019, investors' interest and sales activity for multi-family buildings throughout Metro Vancouver and Greater Victoria appears to be bouncing back as a result of extremely attractive interest rates, clarity in governmental policies, lack of supply, and rising rental rates across the region.

In 2018, total apartment sales reached a total of approximately $1.4 billion in the Vancouver region However, for the first half of 2019, apartment transactions have totaled just over $400 million with approximately 41 rental buildings being sold between January and June 2019, which is an indication that we are off pace to match the 110 rental apartment sales that completed overall in 2018. Some of the main factors that contributed to the slowdown in market activity in the first half of 2019 were:

1. Market Uncertainty: In the spring of 2018, Premier John Horgan appointed a Rental Housing Task Force which released 23 recommendations for review by the Provincial Government as potential solutions to better protect renters. Following this in September 2018, the B.C. government reduced the maximum allowable annual rent increase for 2019 from 4.5 per cent down to 2.5 per cent. Then in the Fall of 2018, a referendum on electoral reform took place, and though B.C. voted in favour of maintaining the current first-past-the-post system, this introduced further uncertainty into the market, putting many prospective investors on the side lines.

2. Government Policy: Governments at various levels have introduced measures to try and protect tenants from "demovictions" and "renovictions" and made rentals mandatory in new developments in some municipalities. This has caused developers looking to acquire apartment buildings on sites with underlying redevelopment potential, or investors considering underperforming apartment buildings with the intention of adding value through repositioning, to revisit their value assumptions.

It shouldn't be surprising that the effects of the market uncertainty combined with government policy have slowed down sales activity. Possibly, the term "policy induced recession" could apply. Especially considering that it was the government's

intention to do exactly that to the residential real estate market with the introduction of numerous taxes including: the Foreign Buyers' Tax and higher Property Transfer Tax rates (for residential properties > $3M), both of which apply to apartment buildings due to them being included under the residential real estate umbrella for tax purposes. The combination of various implemented policies presented investors and apartment building owners with a substantial amount of information and protocols to digest, which led to general uncertainty throughout the market. As a result, many investors chose to sit on the sidelines in order to observe and reflect on their strategies moving forward, which triggered a slowdown in the market.

STRONG MARKET FUNDAMENTALS

That said, the current fundamentals for apartment buildings remain solid and we are in fact starting to see a renewed interest in investor's appetite to buy rental apartment buildings due to a number of factors:

- Interest rates remain at historically low levels despite the government having expressed the potential of increasing the interest rates at the beginning of 2019. The compressed interest rate environment has provided investors the opportunity to secure extremely favourable long-term debt, which will likely keep cap rates in Metro Vancouver relatively lower to the other major Canadian markets. In fact, most multi-family deals can be financed with Canadian Mortgage and Housing Corporation (CMHC) insured mortgage rates of a low 2 per cent for 5-year terms and low-to-mid 2 per cent for 10-year terms, which are the lowest rates available in the commercial financing sector. **Note that the range of estimated interest rates is current as of Sept. 2019 and may be subject to future changes.*

STRONG MARKET FUNDAMENTALS CONTINUED

- British Columbia and Metro Vancouver continue to benefit from positive migration and tenant demand; Vancouver's regional population continues to rise by approximately 40,000 – 50,000 people per year, and for many the cost of home ownership remains out of reach, making renting the only viable option for the foreseeable future.
- Governments have yet to effectively incentivize any real significant amount of new rental stock, ensuring vacancy rates remain low, tenant demand high, and continued upward pressure on rental rates.

Large-scale institutional investors and REITs are continuing to see opportunity in Metro Vancouver...

MARKET OVERVIEW

Given the softening in the condo sales market within Metro Vancouver, the market is seeing less demand on re-development land which has impacted sales of apartment buildings with high underlying land values. Further, with repositioning of underperforming apartment buildings being more complex and time-consuming due to government policy on renovictions, there are fewer low cap rate transactions from "value-add investors". However, we have seen a surge of demand among institutional investors for newly-constructed multi-family assets throughout the Lower Mainland and Vancouver Island regions. In addition to these types of assets, we continue to see demand from investors for transit-oriented and well-located assets, as well as better maintained buildings at slightly higher cap rate.

Large-scale institutional investors and REITs are continuing to see opportunity in Metro Vancouver and are not discouraged by a higher price-per-door's or by the region's relative lower capitalization rates. Canadian Apartment Properties Real Estate Investment Trust (CAPREIT), one of Canada's largest REITs, has been a major player in acquiring new purpose-built apartment buildings in Metro Vancouver, two of which were recently transacted by the CBRE National Apartment Group BC: "The Point Apartments", a 98-suite luxury rental in Langley, and "The Meridian Apartments", a 90-suite luxury rental building located across the street from The Point Apartments.

What makes these newly built rental apartment buildings so attractive to institutional investors is the immediate ability to generate market rents as well as the low cost of maintenance and capital expenditures. In comparison to condo pricing in the Lower Mainland which have a benchmark price of $649,000, these new rental apartment buildings generally transact below condo per-foot values and trade at slightly higher cap rates, making thetm appealing investment opportunities.

Although we are seeing less demand from developers and repositioners in apartment assets, the reality is that Vancouver and Victoria are world-class destinations and investors are drawn to the security of the cash flow that multi-family assets in the region provide.

Incorporating the consistent migration of people into the region, as well as the future influx of high-profile tech companies such as Amazon, Facebook and Apple, the demand from tenants for well-maintained and high-quality apartment rentals will only continue to grow. For the remainder of 2019 and as we progress into 2020, we will continue to see majority of demand coming from both institutional and private investors seeking new purpose-built rental buildings in core areas, and for older improved assets at cap rates that are 500 to 100 basis points higher on average than what was being achieved in 2018.

WHAT TO EXPECT IN 2020

Published In: WESTERN INVESTOR

Written by Lance Coulson
Article Originally Featured in the Western Investor Decemer 2019 Issue

What does the future hold for the rental apartment market in 2020? Before we look ahead, it is important to understand the dynamics of the current market and how it came to be, as we predict that certain trends from 2019 will carry through to the New Year.

For the first half of 2019, multi-family sales activity throughout Metro Vancouver and Greater Victoria lagged, affected by several governmental policies implemented in 2017-2018. As Apartment values continued to rise and attractive yields were harder to obtain, market participants (investors, developers & owners) have each had to recalibrate their respective investment strategies and price expectations.

Following this period of adjustment, sales activity has surged noticeably in the latter part of 2019. Between August 1st and November 1st, over $400M and nearly 1,400 rental units have traded in Metro Vancouver alone, accounting for nearly 60% of total 2019 sales in the same region. Most notably, two prized concrete high-rise towers and several large-scale low-rise complexes have traded to both local & national investors during this period. This is a true testament to the underlying strength and desirability of the multi-family asset class as investors across Canada continue to seek product in the B.C. market.

With more clarity established, and interest rates projected to hold at investment-friendly levels, we expect this momentum and sustained demand to carry through into 2020. We predict this trend, along with the ones identified below, will combine to have a significant impact on the market as we transition into the New Year.

Renter Demand

With the Vancouver CMA vacancy rate fluctuating in the range of 0.7% to 1.0% from 2015 to 2018 as reported by CMHC, the shortage of rental housing has been well documented. With the Lower Mainland projected to welcome 40,000 net new residents annually to 2041, and the number of renter-households to grow by an estimated 9,400 per year in the medium term, rental demand will

The Point Apartments - 5393 201 Street Langley, BC
Sold by CBRE National Apartment Group - BC | $39,000,000

New-builds, PropTech and Community Sharing

With compressed vacancy, growing population, supportive government initiatives, accretive returns and a weakened condo market, private developers are increasingly shifting their efforts and capital towards purpose-built rental apartment buildings. As reported by Urban Analytics, about 6,800 new rental units are planned across Metro Vancouver and the Fraser Valley.

We predict the presence of technology/advanced amenities, community-focused spaces, and prime urban locations near transit will be major factors for renters. As a result, we are likely to see the construction starts of rental apartments vs. condos to be more balanced moving forward, and there will be ample amenities within these new purpose-built rental developments.

WHAT TO EXPECT IN 2020 CONTINUED

Increasing Institutional Demand & Partnerships

Metro Vancouver has seen a cumulative 18.5% increase in average rents between 2016-2018, in line with the pace of 21% increase across Canada in the same period, as per CMHC. RBC Economics reports that an estimated 11,300 rental units are required in a 2-year period, which exceeds the current pace of construction, just to achieve 3% vacancy in Metro Vancouver. As a result, rents will continue to trend upwards.

As local & institutional investors look to achieve economies of scale, the inventory of existing, under-construction and planned rental products of scale will become even more appealing investment opportunities. From our team's recent sales of sizable new purpose-built rental buildings in Langley and Surrey to respective institutional investors, we can confidently say the growing demand will persist. Therefore, we anticipate there to be more forward-sales and partnerships between local developers and institutional capital, such as real estate investment trusts.

Cap Rates & Shifting Criteria

Given its stature as one of the top global cities, the current cap rates for commercial investments in Vancouver rival those of our global competitors. With a lack of development land in core areas and growing appetite for multi-family assets in prime locations, we anticipate cap rates for quality assets to remain status quo. For assets that are larger-scale with high equity requirement, assets that require a substantial amount of capital upgrades, or assets that are currently severely under-achieving in terms of rental income, we anticipate cap rates may experience a slight uptick.

One of the major drivers keeping cap rates at lower levels is the interest rate. If the Bank of Canada holds or lowers the interest rates, cap rates for multi-family assets will remain relatively lower compared to all other asset classes. Real estate investment firms across the region have shifted away from low initial-yields on existing apartments for the most part, and the notion of overpaying for apartments as land-holds have all but diminished. In 2020, we anticipate investors will continuously modify their buying criteria to better align with their investment strategies. For example, if a buyer is trying to gain a certain return, they may not invest capital and time into a building that requires an amount of work, or that has a lower initial cap rate.

After reflecting on some of the predictions & trends identified above, there is every reason to be optimistic about the multi-family market as we head into 2020. The desire to live and work in Vancouver and the emergence of our tech sector will keep the investment market competitive, especially for the thriving multi-family asset class. Investors, both locally and nationally, believe in the strong economic fundamentals in Metro Vancouver & Greater Victoria. Combining the effects of population and employment growth, a residential market that looks to be rebounding, the low interest rate environment, and the various firms looking to dedicate capital towards development & investment in the region, we expect the positive momentum that's closing out the current year to carry through into 2020.

01

VANCOUVER

VANCOUVER	2017	2018	2019
NUMBER OF SALES	58	48	28
AVG PRICE PER SUITE	$437,275	$482,806	$401,054
TOTAL SALES VALUE	$619,619,000	$862,290,955	$222,184,000
AVG MONTHLY RENTAL RATES	$1,389	$1,478	$1,568
AVG VACANCY RATES	0.9%	0.8%	1.0%

EAST VANCOUVER

SOLD
1522 E 3RD AVE
$2,900,000
$580,000 PER SUITE
5 UNITS

SOLD
1368 E 8TH AVE
$9,200,000
$575,000 PER SUITE
16 UNITS

SOLD
55 E 12TH AVE
$18,250,000
$357,843 PER SUITE
51 UNITS

SOLD
1415 E BROADWAY
$14,200,000
$338,095 PER SUITE
42 UNITS

SOLD
1869 FRANCES ST
$10,600,000
$311,765 PER SUITE
34 UNITS

SOLD
7440 FRASER ST
$12,150,000
$258,511 PER SUITE
47 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
1771 E GEORGIA ST
$12,750,000
$318,750 PER SUITE
40 UNITS

SOLD
2266 TRINITY ST
$6,500,000
$325,000 PER SUITE
20 UNITS

SOLD
2115 TRIUMPH ST
$5,200,000
$288,889 PER SUITE
18 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
1727 WILLIAM ST
$5,900,000
$590,000 PER SUITE
10 UNITS

KERRISDALE

SOLD
2182 W 39TH AVE
$10,000,000
$476,190 PER SUITE
21 UNITS

KITSILANO

SOLD
2464 W 2ND AVE
$6,600,000
$660,000 PER SUITE
10 UNITS

SOLD
2044 W 3RD AVE
$4,800,000
$436,364 PER SUITE
11 UNITS

SOLD
2466 W BROADWAY
$5,050,000
$505,000 PER SUITE
10 UNITS

SOLD
1935 CYPRESS ST
$4,995,000
$499,500 PER SUITE
10 UNITS

SOLD
2425 YORK AVE
$13,250,000
$552,083 PER SUITE
24 UNITS

MARPOLE

SOLD
8616 FREMLIN ST
$3,600,000
$400,000 PER SUITE
9 UNITS

SOLD
8635 FRENCH ST
$2,850,000
$407,143 PER SUITE
7 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
8755 OAK ST
$3,895,000
$259,667 PER SUITE
15 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
8687 SELKIRK ST
$5,250,000
$477,273 PER SUITE
11 UNITS

SOLD
8770 SELKIRK ST
$8,400,000
$323,077 PER SUITE
26 UNITS

SOUTH GRANVILLE

SOLD
1676 W 10TH AVE
$5,066,000
$460,545 PER SUITE
11 UNITS

SOLD
1025 W 11TH AVE
$4,850,000
$606,250 PER SUITE
8 UNITS

SOLD
1230 W 12TH AVE
$8,168,000
$408,400 PER SUITE
20 UNITS

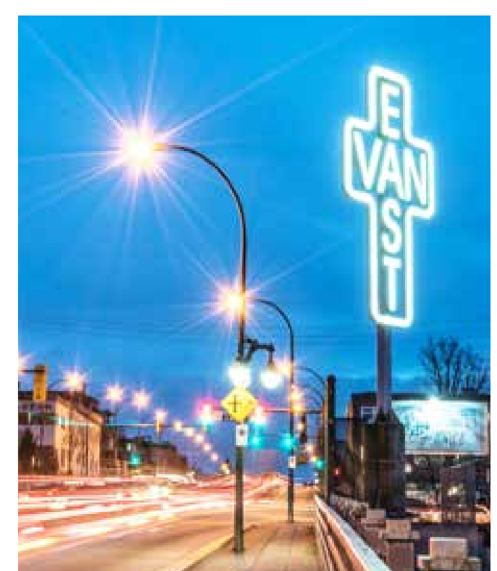
SOLD
1569 W 12TH AVE
$5,980,000
$598,000 PER SUITE
10 UNITS

SOLD
1635 W 12TH AVE
$8,350,000
$417,500 PER SUITE
20 UNITS

SOLD
754-758 E BROADWAY
$4,930,000
$616,250 PER SUITE
8 UNITS

WEST END

SOLD
1629 HARO ST
$18,500,000
$462,500 PER SUITE
40 UNITS



02

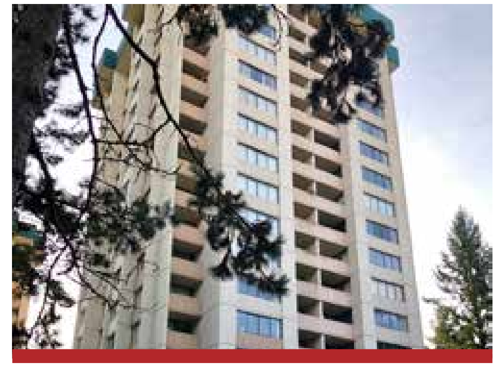
BURNABY & NEW WESTMINSTER

BURNABY	2017	2018	2019
NUMBER OF SALES	2	4	5
AVG PRICE PER SUITE	$272,549	$295,455	$327,452
TOTAL SALES VALUE	$27,800,000	$68,250,000	$139,167,185
AVG MONTHLY RENTAL RATES	$1,178	$1,238	$1,312
AVG VACANCY RATES	0.6%	2.0%	1.3%

NEW WESTMINSTER	2017	2018	2019
NUMBER OF SALES	12	19	8
AVG PRICE PER SUITE	$220,252	$257,573	$227,141
TOTAL SALES VALUE	$71,582,000	$141,150,000	$82,225,000
AVG MONTHLY RENTAL RATES	$1,079	$1,206	$1,305
AVG VACANCY RATES	1.1%	1.6%	1.2%

BURNABY

SOLD
6831 ARCOLA ST
$3,734,400
$287,262 PER SUITE
13 UNITS



SOLD
7360-7376 HALIFAX ST
$90,000,000
$357,143 PER SUITE
252 UNITS

SOLD
7070 INLET DR
$32,500,000
$277,778 PER SUITE
117 UNITS

SOLD
7165 PANDORA ST
$3,939,000
$281,357 PER SUITE
14 UNITS

SOLD
3880 PENDER ST
$8,993,785
$310,131 PER SUITE
29 UNITS
IMAGE SOURCE: GOOGLE MAPS

NEW WESTMINSTER

SOLD
1001 6TH AVE
$3,780,000
$270,000 PER SUITE
14 UNITS

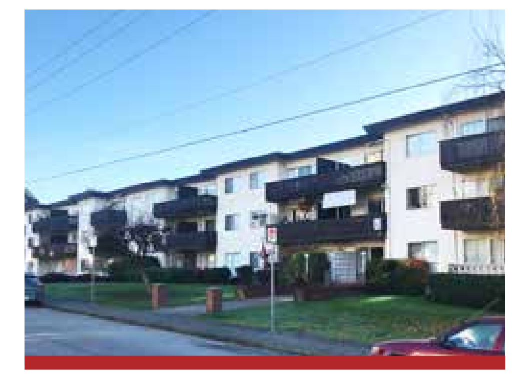
SOLD
101 ROYAL AVE
$13,400,000
$279,167 PER SUITE
48 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
1117 HAMILTON ST
$4,250,000
$202,381 PER SUITE
21 UNITS

SOLD
313 CARNARVON ST
$3,200,000
$246,154 PER SUITE
13 UNITS

SOLD
330 ASH ST
$13,891,524
$227,730 PER SUITE
61 UNITS

SOLD
510 NINTH ST
$6,920,000
$192,222 PER SUITE
36 UNITS



SOLD
700 FOURTH AVE
$11,783,476
$210,419 PER SUITE
56 UNITS

SOLD
720 QUEENS AVE
$25,000,000
$221,239 PER SUITE
113 UNITS

03

NORTH SHORE

NORTH SHORE	2017	2018	2019
NUMBER OF SALES	5	5	6
AVG PRICE PER SUITE	$506,565.93	$571,114	$432,021
TOTAL SALES VALUE	$46,097,500	$106,798,283	$63,075,000
AVG MONTHLY RENTAL RATES	$1,333 - $1,502	$1,424 - $1,584	$1,466 - $2,024
AVG VACANCY RATES	0.9% - 1.3%	0.8% - 1.7%	0.5% - 1.2%

NORTH VANCOUVER

SOLD
250 E 2ND ST
$15,295,000
$353,889 PER SUITE
45 UNITS

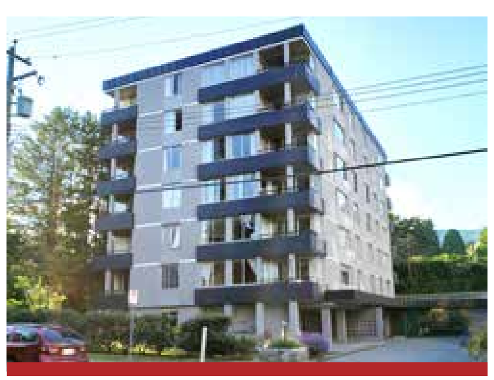
SOLD
228 E 15TH ST
$5,200,000
$472,727 PER SUITE
11 UNITS

SOLD
236 E 15TH ST
$5,225,000
$653,125 PER SUITE
8 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
155 E 19TH ST
$11,500,000
$396,552 PER SUITE
29 UNITS

SOLD
1220 ST. GEORGES AVE
$8,025,000
$364,773 PER SUITE
22 UNITS

WEST VANCOUVER



SOLD
1575 ESQUIMALT AVE
$17,200,000
$554,839 PER SUITE
31 UNITS

THE WYNDWOOD APARTMENTS

155 EAST 19TH STREET, NORTH VANCOUVER, BC

Address
155 E 19th St, North Vancouver, BC

Year Built
1967 (Extensively updated in 2009)

Number of Units
29

Site Size
49,901 SF

Sale Completion Date
October 2019

Sale Price
$11,500,0000

Suite Mix
14 x 1-bed, 15 x 2-bed

Sales Agent
CBRE National Apartment Group - BC

TRANSACTION DETAILS:

- 3-storey, 29-suite apartment building with surface parking, on a large 18,480 SF lot in Central Lonsdale.
- Originally built in 1967, extensive renovations were completed in 2009 which included full re-pipe, elevator upgrades, high efficiency gas boilers replacement, balconies upgrades, windows & sliders upgrades, suite renovations (kitchen, bathroom, flooring, etc.) and various other upgrades.
- Existing under-market rents present an opportunity to increase rental income by 40%-80%, emphasized as more than half the units are 2-bedrooms.
- Even with past building upgrades, sizable lot with future re-development potential (2.60x FSR), rental income upside and overall location, the building traded at a cap rate closer to 3.00%.

04

TRI-CITIES, DELTA & SURREY

TRI-CITIES	2017	2018	2019
NUMBER OF SALES	5	4	2
AVG PRICE PER SUITE	$203,361	$380,243	$252,344
TOTAL SALES VALUE	$44,228,400	$125,100,000	$8,075,000
AVG MONTHLY RENTAL RATES	$1,081	$1,178	$1,287
AVG VACANCY RATES	1.4%	1.2%	2.2%

DELTA & SURREY	2017	2018	2019
NUMBER OF SALES	4	4	4
AVG PRICE PER SUITE	$177,257	$206,125	$250,311
TOTAL SALES VALUE	$76,575,000	$32,980,000	$120,650,000
AVG MONTHLY RENTAL RATES	$1,005	$1,079	$1,093 - $1,132
AVG VACANCY RATES	0.6%	0.4%	0.6% - 1.1%

PORT COQUITLAM

SOLD
2060 MANNING AVE
$4,100,000
$186,364 PER SUITE
22 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
2334-2338 MARPOLE AVE
$3,975,000
$397,500 PER SUITE
10 UNITS
IMAGE SOURCE: GOOGLE MAPS

DELTA

SOLD
4711 57TH ST
$6,900,000
$202,941 PER SUITE
34 UNITS
IMAGE SOURCE: GOOGLE MAPS

SURREY

SOLD
13555 96 AVE
$56,000,000
$383,562 PER SUITE
146 UNITS

SOLD
10272 127A ST
$43,500,000
$195,067 PER SUITE
223 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
5772 177B ST
$14,250,000
$180,380 PER SUITE
79 UNITS
IMAGE SOURCE: GOOGLE MAPS

THE FUSION APARTMENTS

13555 96 AVENUE, SURREY, BC

Address
13555 96 Avenue, Surrey, BC

Year Built
2018

Number of Units
146

Site Size
49,901 SF

Sale Completion Date
September 2019

Sale Price
$56,000,000

Deal Type
Sale upon partial stabilization

Sales Agent
CBRE National Apartment Group - BC

TRANSACTION DETAILS:

- Brand new 6-storey wood-frame, 146-unit purpose-built rental apartment building located on 96 Avenue just west of King George Blvd.
- This condo-spec luxury apartment building offers an abundance of amenities including: 3 levels of secured underground parking, out-of-suite storage, bicycle storage, fully equipped fitness centre, rooftop terrace, entertainment lounge and a dog-run area.
- The Fusion is situated in the heart of Surrey's thriving City Centre with close access to the King George SkyTrain station, Surrey Memorial Hospital, and Fraser Highway.
- CBRE NAG offered consultation services to the Vendor and provided valuable guidance on potentially achievable sale values in the marketplace, which ultimately resulted in the sale of the building to a large institutional investor.

05

LANGLEY, MAPLE RIDGE ABBOTSFORD & CHILLIWACK

	2017	2018	2019
NUMBER OF SALES	19	12	7
AVG PRICE PER SUITE	$132,886	$234,840	$305,738
TOTAL SALES VALUE	$57,140,940	$56,596,388	$129,633,000
AVG MONTHLY RENTAL RATES	$1,005	$924 - $1,214	$1,050 - 1,383
AVG VACANCY RATES	0.6%	1.0% - 1.6%	1.2% - 3.3%

LANGLEY

SOLD

20839 78B AVE

$69,600,000
$364,398 PER SUITE
191 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD

5393 201 ST

$39,000,000
$397,959 PER SUITE
98 UNITS

SOLD

20727 FRASER HWY

$6,070,000
$164,054 PER SUITE
37 UNITS
IMAGE SOURCE: REALNET

MAPLE RIDGE

SOLD

12014 220TH ST

$2,250,000
$187,500 PER SUITE
12 UNITS
IMAGE SOURCE: GOOGLE MAPS

ABBOTSFORD

SOLD

33465 SOUTH FRASER WAY

$4,363,000
$155,821 PER SUITE
28 UNITS
IMAGE SOURCE: GOOGLE MAPS

CHILLIWACK

SOLD

9212 EDWARD ST

$5,625,000
$156,250 PER SUITE
36 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD

45699 PATTERN AVE

$2,725,000
$123,864 PER SUITE
22 UNITS
IMAGE SOURCE: GOOGLE MAPS

THE POINT APARTMENTS

5393 201 STREET, LANGLEY, BC

Address
5393 201 Street, Langley, BC

Year Built
2019

Number of Units
98

Site Size
53,205 SF

Sale Completion Date
June 2019

Sale Price
$39,000,000

Deal Type
Partial Forward Sale

Sales Agent
CBRE National Apartment Group - BC

TRANSACTION DETAILS:

- Brand new 4-storey wood-frame, 98-suite purpose-built rental apartment building located on 201 Street in the heart of Langley, BC.
- Luxury apartment building consisting of desirable amenities such as advanced security system, secured bike storage, large storage lockers, fully equipped fitness centre, entertainment room and theatre room.
- CBRE NAG assisted with the partial "forward-sale" structure off-market between an institutional buyer & a local developer.
- CBRE NAG provided guidance on potential achievable rents/income & assisted with deriving a sale value & projected cap rate that satisfied both the buyer & seller.

06

GREATER VICTORIA

GREATER VICTORIA	2017	2018	2019
NUMBER OF SALES	27	15	36
AVG PRICE PER SUITE	$199,973	$237,775	$260,529
TOTAL SALES VALUE	$154,178,838	$72,759,000	$377,507,034
AVG MONTHLY RENTAL RATES	$1,072	$1,170	$1,221
AVG VACANCY RATES	0.7%	1.2%	1.0%

VICTORIA

SOLD
635 BATTERY ST
$3,000,000
$272,727 PER SUITE
11 UNITS

SOLD
433 BOLESKINE RD
$32,700,000
$344,211 PER SUITE
95 UNITS
IMAGE SOURCE: NVISION PROPERTIES

SOLD
45 BOYD ST & 1144 ROCKLAND AVE
$29,000,000
$250,000 PER SUITE
116 UNITS (COMBINED)

SOLD
69 W BURNSIDE RD
$2,927,784
$182,987 PER SUITE
16 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
805 COOK ST
$4,300,000
$204,762 PER SUITE
21 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
1711 DUCHESS ST
$2,850,000
$178,125 PER SUITE
16 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
260 MICHIGAN ST
$6,525,000
$271,875 PER SUITE
24 UNITS

SOLD
283 MICHIGAN ST
$3,350,000
$335,000 PER SUITE
10 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
430 MICHIGAN ST
$9,743,000
$221,432 PER SUITE
44 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
201 MONTREAL ST
$1,275,000
$318,750 PER SUITE
4 UNITS

SOLD
301 NURSERY HILL DR
$26,500,000
$368,056 PER SUITE
72 UNITS
IMAGE SOURCE: JOE NEWELL ARCHITECT

SOLD
1585 OAK BAY AVE
$3,150,000
$242,308 PER SUITE
13 UNITS

SOLD
250 OSWEGO ST
$5,150,000
$245,238 PER SUITE
21 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
11 PADDON AVE
$9,325,000
$291,406 PER SUITE
32 UNITS

SOLD
830 PEMBROKE ST
$10,425,000
$248,214 PER SUITE
42 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
370 RICHMOND AVE
$1,990,000
$331,667 PER SUITE
6 UNITS

SOLD
1205 RUDLIN ST
$3,175,000
$244,231 PER SUITE
13 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
850 RUPERT TERRACE
$5,873,000
$244,708 PER SUITE
24 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
335-337 ST. JAMES ST
$22,700,000
$238,947 PER SUITE
95 UNITS

SOLD
944 TATTERSALL DR
$2,368,750
$197,396 PER SUITE
12 UNITS

SOLD
505 TRUTCH ST
$8,000,000
$235,294 PER SUITE
34 UNITS

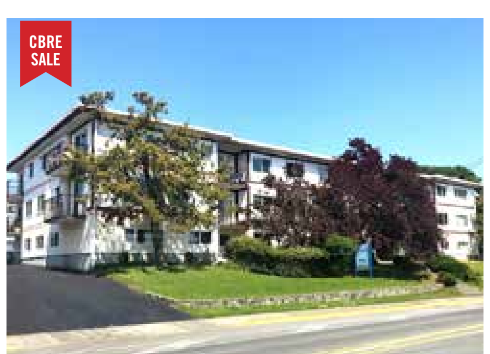
SOLD
1163 VIEW ST
$1,200,000
$150,000 PER SUITE
8 UNITS

BRENTWOOD BAY

SOLD
7088 WALLACE DR
$6,700,000
$197,059 PER SUITE
34 UNITS

ESQUIMALT

SOLD
646 ADMIRALS RD
$4,394,000
$191,043 PER SUITE
23 UNITS
IMAGE SOURCE: GOOGLE MAPS



SOLD
850 ADMIRALS RD
$4,000,000
$200,000 PER SUITE
20 UNITS

SOLD
639 CONSTANCE AVE
$3,435,500
$180,816 PER SUITE
19 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
831 DUNSMUIR RD
$19,100,000
$224,706 PER SUITE
85 UNITS

SOLD
901 ESQUIMALT RD
$7,000,000
$280,000 PER SUITE
25 UNITS

SOLD
1177 ESQUIMALT RD
$1,900,000
$172,727 PER SUITE
11 UNITS

LANGFORD

SOLD
765 HOCKLEY AVE
$TO BE CONFIRMED
$TO BE CONFIRMED PER SUITE
63 UNITS
IMAGE SOURCE: CITIFIED.CA

SOLD
772, 777, 778, 784, 790 HOCKLEY AVE
$40,266,000
$296,074 PER SUITE
136 UNITS (COMBINED)
IMAGE SOURCE: GOOGLE MAPS

SOLD
2766 CLAUDE RD
$31,330,000
$348,111 PER SUITE
90 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
2699 PEATT RD
$24,300,000
$300,000 PER SUITE
81 UNITS
IMAGE SOURCE: GOOGLE MAPS

SOLD
2846 MILLSTREAM RD
$32,754,000
$309,000 PER SUITE
106 UNITS
IMAGE SOURCE: CITIFIED.CA

OAK BAY

SOLD
2100 CADBORO BAY RD
$3,300,000
$206,250 PER SUITE
16 UNITS
MAGE SOURCE: GOOGLE MAPS

SOLD
2180 HAULTAIN ST
$3,500,000
$318,182 PER SUITE
11 UNITS
IMAGE SOURCE: GOOGLE MAPS

NATIONAL APARTMENT GROUP
BRITISH COLUMBIA

LOCAL KNOWLEDGE. GLOBALLY CONNECTED.

LET'S TALK!

HAVE QUESTIONS ABOUT OUR REPORT OR ABOUT THE MARKET?
HAVE IDEAS OF THINGS YOU WANT TO SEE IN OUR NEXT REPORT?
WANT A FREE, NO OBLIGATION VALUATION OF YOUR PROPERTY?
WE WANT TO HEAR FROM YOU! LANCE.COULSON@CBRE.COM

LANCE COULSON
PERSONAL REAL ESTATE CORPORATION
Executive Vice President
National Apartment Group - BC
CBRE Limited, Capital Markets
604 662 5141 | lance.coulson@cbre.com

GREG AMBROSE
Senior Sales Associate
National Apartment Group - BC
CBRE Limited, Capital Markets
604 662 5178 | greg.ambrose@cbre.com

NATIONALAPARTMENTGROUPBC.CA

CBRE Limited | 1021 West Hastings Street Suite #2500, Vancouver, BC V6E 0C3 | Follow us on social media: