

Vancouver condo players say sell, sell, sell

The market is experiencing one of its highest price growth rates as supply dwindles, with benchmark values up more than 20pc since last January

Markus Gaertner in Vancouver

In the feverish Vancouver condominium market property, owners are enjoying the ride of a lifetime.

According to the Real Estate Board of Greater Vancouver (REBGV), the benchmark price of an apartment in the business capital of British Columbia rose 20.9 per cent from a year ago in January. This is one of the highest growth rates in the Maple Country.

While the number of active listings is decreasing, record job production, low interest rates and rising wages are fuelling massive demand that is driving prices unabated, even though they have appreciated by almost 30 per cent since 2004.

"If you are thinking about selling your home, now is a good time," said REBGV president Georges Pahud.

Meanwhile Cameron Muir, se-



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nior market analyst at the Canada Mortgage and Housing Corporation, shows a chart with completed and unoccupied Vancouver condos. The curve has been descending steeply for the past six years. In 1999 it showed almost 4,000 such units. Right now the number is close to zero.

Vancouver real estate entrepreneur Robert Quigg is following Mr Pahud's advice. The former surveyor and journeyman carpenter who rose to become one of the leading

high-end condo developers in town, put his most luxurious penthouse on sale four weeks ago.

The Penthouse by Quigg in the Presidio building at world-famous Stanley Park is listed for C\$9.8 million (\$66 million). That makes it the most expensive condo on the market. It occupies the top two floors of the Presidio tower, with floor-to-ceiling windows that frame panoramas of the park, Coal Harbour, the coastal mountains and the Pacific Islands.



The suite opens to more than 1,300 sq ft of terraces with an outdoor kitchen overlooking English Bay. The main kitchen has a built-in wine cooler for 600 bottles and opens up to a living room that seemingly floats above the park, and a library and bar. A private office and adjacent hot tub on the upper northeast terrace overlook Lost Lagoon.

The property tax for this luxury condo is C\$18,464, a third of the average Canadian's income.

"There is quite a bit of interest," Mr Quigg said. "We see lots of people who are looking for trophy properties anywhere in the world."

But finding a new owner for the crown jewel in the Vancouver luxury condo market is not his biggest challenge.

"It's finding the right land," said the man who last autumn sold 27 high-end units, each worth more than C\$1.5 million.

In the Multiple Listing Service – an online databank which, according to realtors in town, shows 98 per cent of all active properties – all active condos with an asking price of more than C\$3.5 million were built by Mr Quigg.

The developer expects prices for luxury condos in town to rise 6 per cent to 10 per cent a year this year and next.

His optimism is shared by Allan Angell, who has 20 years of experience in the Vancouver market and

focuses on luxury apartments. Mr Angell is offering 44 units that will be ready at the end of the year. "Thirty of them are sold, 26 [to] buyers from the area," he said.

This reflects a major shift in the demand structure of the market.

"A year ago, half of my customers were from England, Asia and the States," Mr Angell said. "Now they don't buy that much."

Canada's high-flying currency is cooling demand from abroad. With an appreciation of 30 per cent against the US dollar since 2003, buying real estate has become more than a luxury for many Americans.

"Now there are 70 to 80 per cent local buyers," Mr Quigg said.

His explanation for the localisation of demand has to do with supply running dry.

"There are only so many trophies and, once they are sold, they are gone. So the locals want to get hold of them," he said.

Hardly any developer in Vancouver is questioning the sustainability of this market.

"There are not enough products out there," said Mr Angell, who just found out that in glitzy Vancouver West there are only 177 houses available. "Last year, the supply was the lowest ever with 252 homes."

Mr Quigg is also upbeat about the market's prospects. "We have properties for C\$170 million under construction – a good part of them are already sold," he said.

Cameron McNeill of Mac Marketing Solutions, one of the top-selling condominium specialists in British Columbia, ranks Gastown, Chinatown and the Main Street corridor among the top Vancouver neighbourhoods for investors.

The average downtown Vancouver condo price is expected to reach C\$600 a sq ft in October, representing another 18 per cent rise in less than a year.