



PROSPERITAS

FIRST QUARTER 2007

FEATURE: VANCOUVER ON THE RISE PT. I

MARKET UPDATE

FASHION FAUX PAS

from the office of Eugen Klein



With a very busy fourth quarter of 2006 behind us, 2007 will prove to be another strong year in our Canadian real estate market. As was the case in 2004, 2005 and 2006, we expect a further shortage in larger investment product to surface for sale, and construction starts in both residential and non-residential continue to forge ahead with slightly less new construction starts. Rising construction costs continue to be a challenge for all developers at an average of just under 2% per month.

I hope you enjoy the new look of our commercial real estate newsletter, Prosperitas.

Thank you for your business in 2006 and we hope to serve you again in the new year. ■



Vancouver ON THE RISE - PART I

A World Class Real Estate Market Hits Stride - Try Not To Trip
- Eugen Klein, B.Comm(UREC), CRES, ARM®, RI, FRI, CCIM

As someone who has lived in this city for over 32 years (and practiced real estate brokerage for the last 10 of them), I have been absolutely awed at the level of growth and development in Vancouver's lower Mainland. As a matter of fact, total average home prices have risen by an unprecedented 60% in the last 5 years. That means a \$200,000 property could now be worth over \$320,000.

Looking towards downtown Vancouver in particular, we see an ever increasing number of breathtaking residential condominiums, towering office developments, world class retail brands like Parasucco and Holt Renfrew opening flagship stores, and no shortage of sumptuous restaurants serving the best cuisine from our back yard - and around the world. I see more and more areas becoming infused with high-end residential and retail

activity. Take the Granville corridor North of Robson for instance. Where it used to be a handful of shops, we now see a high end group of retail developments moving right down the hill, increasing the number of exciting boutiques to over 40 in just a few blocks. Check out www.shopgranville.ca to plan your next retail therapy session.

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VISION

The 'Professional Directory' is dedicated to a few of the extraordinary people who have contributed to the value of our service to our clients. I would like to share my good fortune of knowing them with you. Please feel free to convey my recommendation.

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Royal LePage City Centre



KLEIN

Fashion Faux Pas



1. Mistaking your suit jacket for a casual blazer.

Casual blazers are in this season. Old suit jackets are not casual blazers - the main differences between the two are the cut of the jacket, and the type of material used.

2. Wearing white sneakers with a suit.

Most of you would agree that sneakers have no place in business, or business casual attire. If you want to add a little funk to your outfit, try pairing it with a contrasting shoe and matching belt combination.

3. Wearing white shoes, pants and coats before May long weekend.

There is an old theory that you should not wear white clothing in the winter time. True fashionista's feel it's only appropriate to wear white clothing from May long weekend until Labour Day weekend.

4. Sporty sunglasses with a stylish suit.

There is something totally uncool about seeing a guy wearing a gorgeous Italian suit, but wearing his sporty Oakley's with it. Sporty sunglasses are great for whatever extreme sport you love. ■

Lisa Powell
Evolving Fashion Inc.
www.evolvingfashion.com

Vancouver on the Rise

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But what does this all mean for residential and commercial real estate markets throughout Greater Vancouver? Can the city core's limited foot print sustain more of this rampant growth? What effect does this all have on commuting and transit services throughout the Lower Mainland? And most importantly – how will this pan out for Vancouver's residents and real estate investors?

The Residential Market : Growing demand yields great opportunity

When we observe residential sales in Greater Vancouver up to the month of April 2007, we see a rise in total units sold over the same time last year by over 25%. Although this significant rise is still slightly less than the peak of the Greater Vancouver real estate boom in 2005, We are still experiencing one of the best residential markets of all time, with higher than average sale prices, and multiple offers occurring on single properties. Not to mention – listings spending extremely short periods of time on the market at all. Average days on the market for April dropped to 39 from this past January's 56. As the region expands economically, and in population, more and more residents choose to live in suburban areas to take advantage of lower pricing. As an illustration, townhouse sales in Burnaby and Richmond have come close to breaking records this year, and show no signs of slowing.



These factors all point to increased listings, and continued higher selling prices throughout all of Greater Vancouver.

When we focus in tighter on Metropolitan core (Downtown) apartment sales, we see a much smaller total increase in units sold of only 9% over last April 2006. Why is this? Because the Metropolitan core is bound to a limited footprint. Most attached residential apartments are sold long before they are even built, and although this greatly increases pricing, it makes it less likely to see rises in the number of units sold – because quite frankly – there are fewer available.

Vancouver's Metropolitan core already has the highest density of residential attached homes in North America – so it makes sense that unit volumes would at least slow. In fact, the City of Vancouver has recently formed a committee to determine if further halts should be put on residential

development. As a person who participates as an advisor to this committee, I have keenly observed the difference between residential and non-residential use downtown between 1985 and now. In 1985, non-residential metropolitan land use was more than twice residential. Now, residential is almost four times that of non-residential.

The bright side to this hold on supply and overwhelming demand, is that when we observe trends in the market, we see we are due to see steady increases in metropolitan and Greater Vancouver residential sale pricing up to, and past 2010. Even now, select condominium pricing has swelled to a staggering \$2000 per square foot - and rising. Now is the time to enter the market – and watch you investment grow with our world class city. ■

(More to come in our next issue)

This communication is not intended to induce a breach of already listed properties or businesses. All information must be verified by the purchaser. Images are representative only.

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