



thoughtful real estate.

rennie

BC EXPROPRIATION ASSOCIATION FALL 2020

**change is our only real normal**



**Andy Ramlo  
VP, CONSULTING**



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rennie

# intelligence

Data is at the core of our thoughtful real estate practice; with a well-informed and objective approach, we help our clients form and execute sound, well-considered plans to help them achieve their goals.

## rennie review

AUGUST 2020

The *rennie review* is a monthly publication, which includes the latest real estate data for Vancouver and the Lower Mainland's housing market. In addition to presenting detailed neighbourhood-level stats, the *rennie review* also includes current *rennie* projects, featured listings, client testimonials, our take on the latest market conditions, and more.

[view the \*rennie review\*](#)

### ***Get the data.***

Receive insights, analysis, and perspective from our *rennie* intelligence team on the Lower Mainland's real estate market.

\* required fieldFirst Name\*Last Name\*Your Email\*Your PhoneYour CompanyYour Title

By clicking here, you are confirming your consent to receive email communication from *rennie* and *rennie* intelligence.

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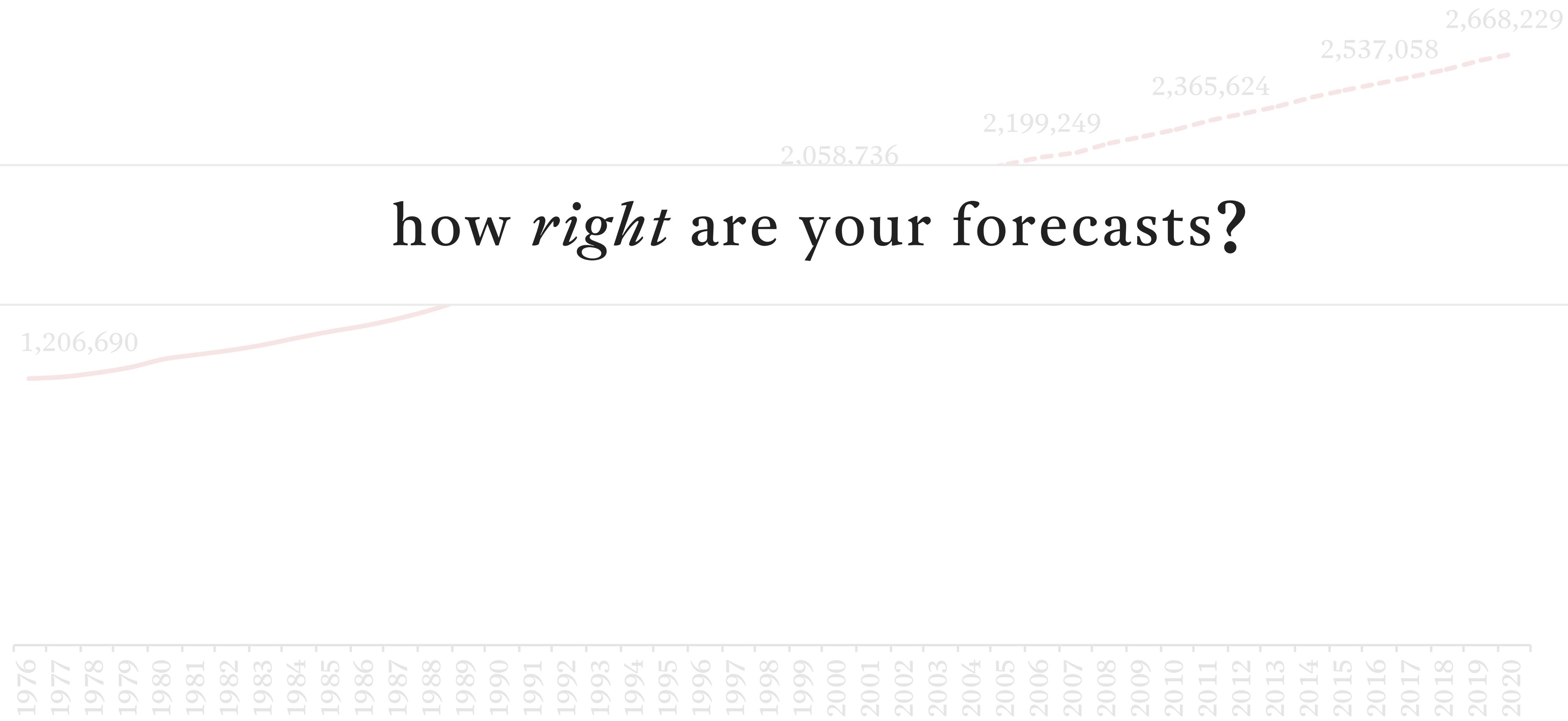
F A L L   2 0 2 0  
road map

- ① thoughts on forecasting & uncertainty
- ② the great suppression
- ③ current market position
- ④ our NEW outlook



# total population

## METRO VANCOUVER (GVRD)

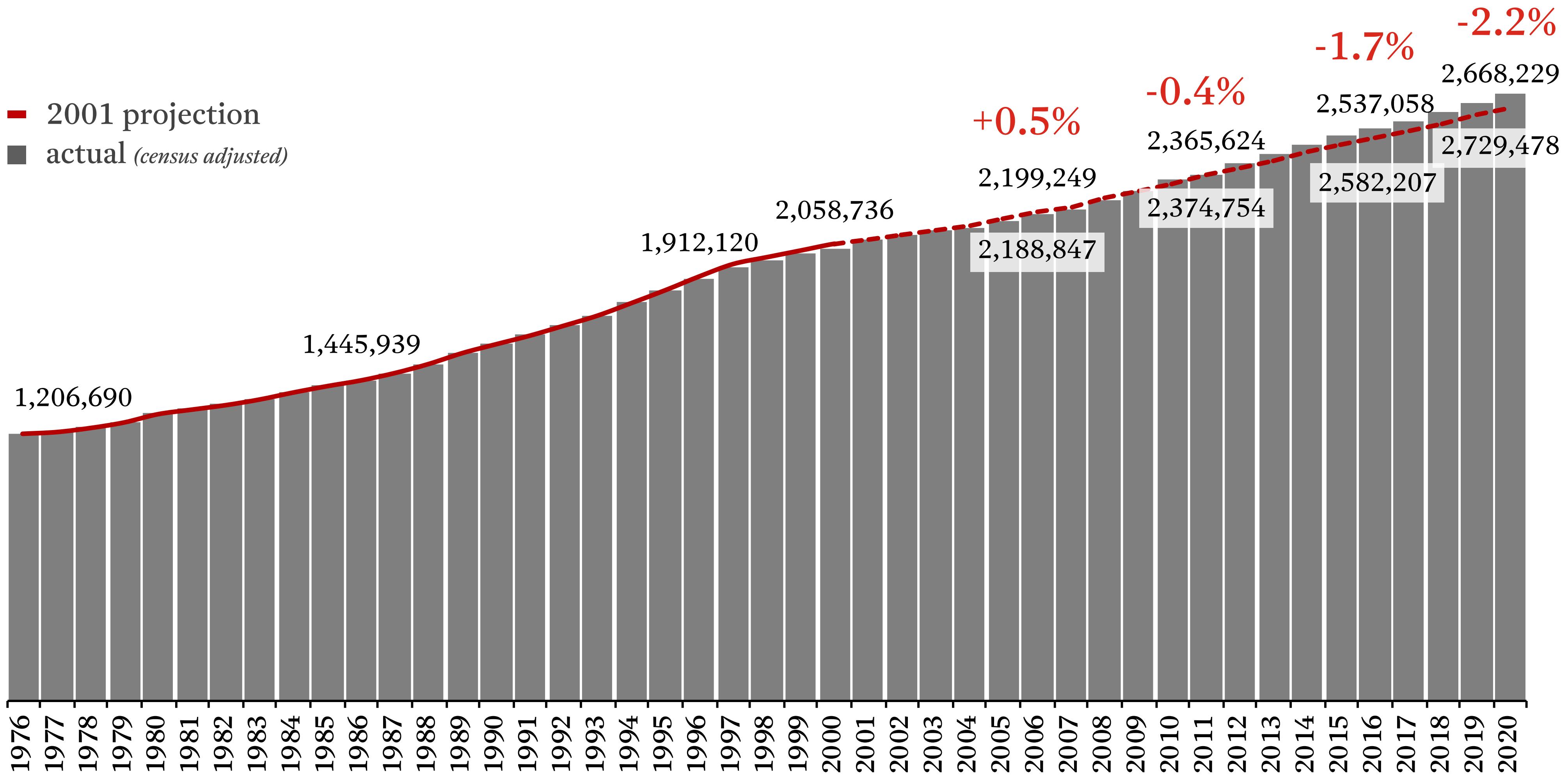


how *right* are your forecasts?



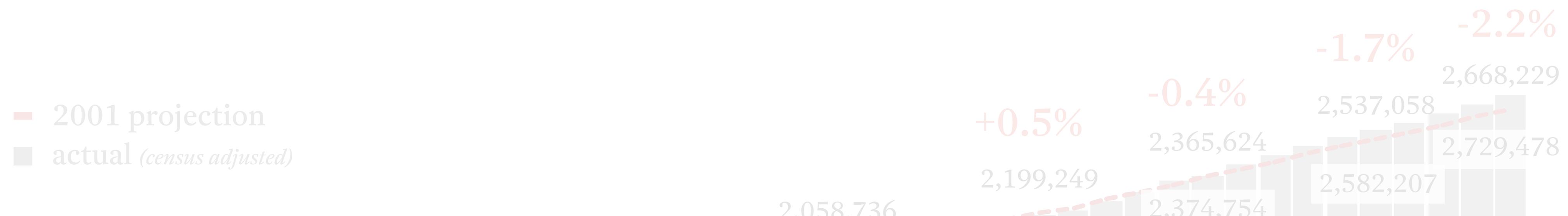
# total population

## METRO VANCOUVER (GVRD)

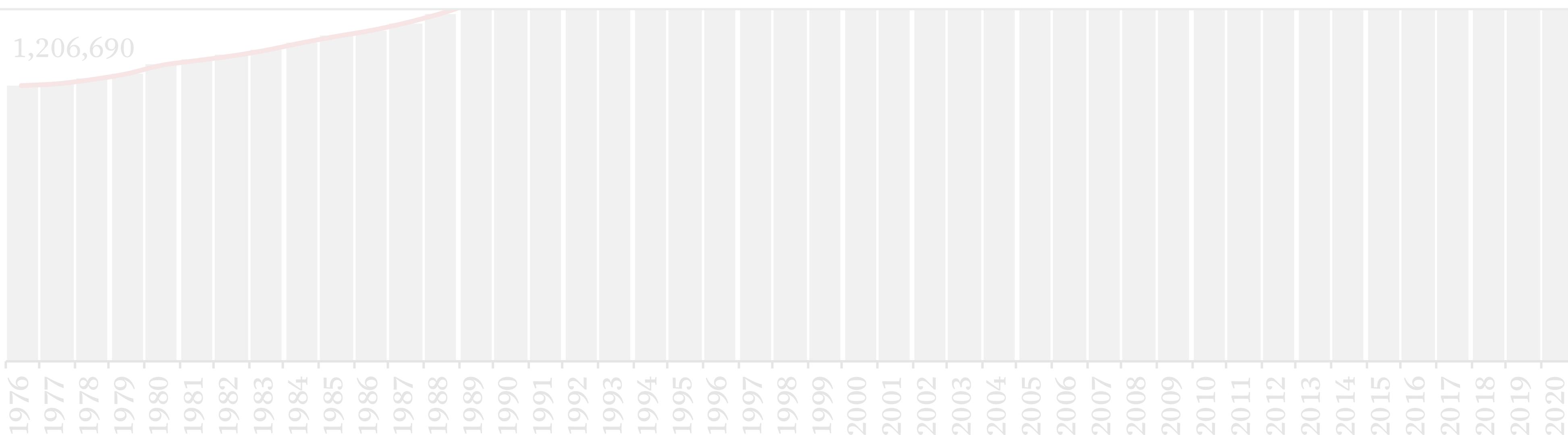


# total population

## METRO VANCOUVER (GVRD)



how do you forecast *unprecedented* events (ie COVID 19)?





## why this matters

“Forecasting” is difficult DC  
*(during COVID)* as we just don’t know what direction things will take in the short term...

...but that should NOT stop us from looking at the consequences of some of those potential directions...

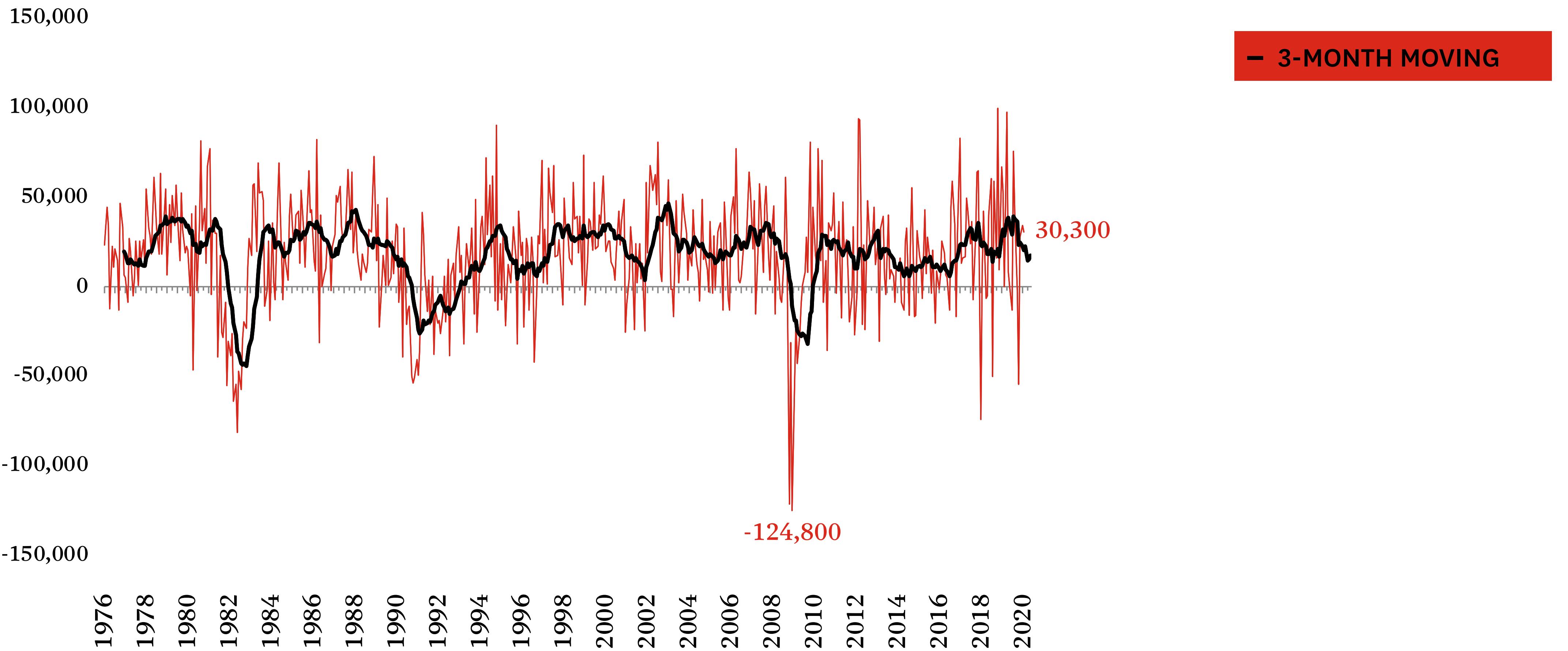
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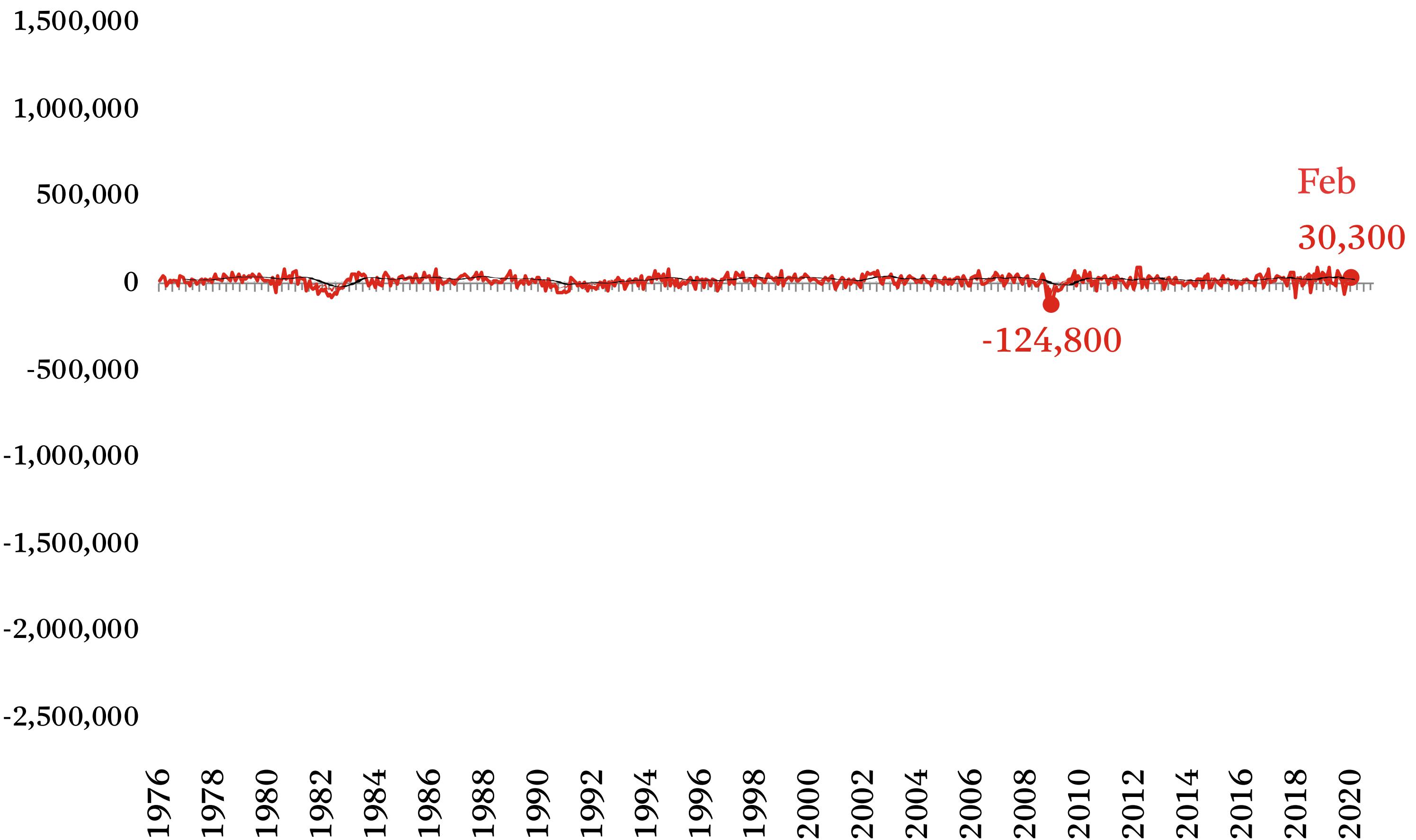
# total employment

## CANADA, MONTHLY CHANGE



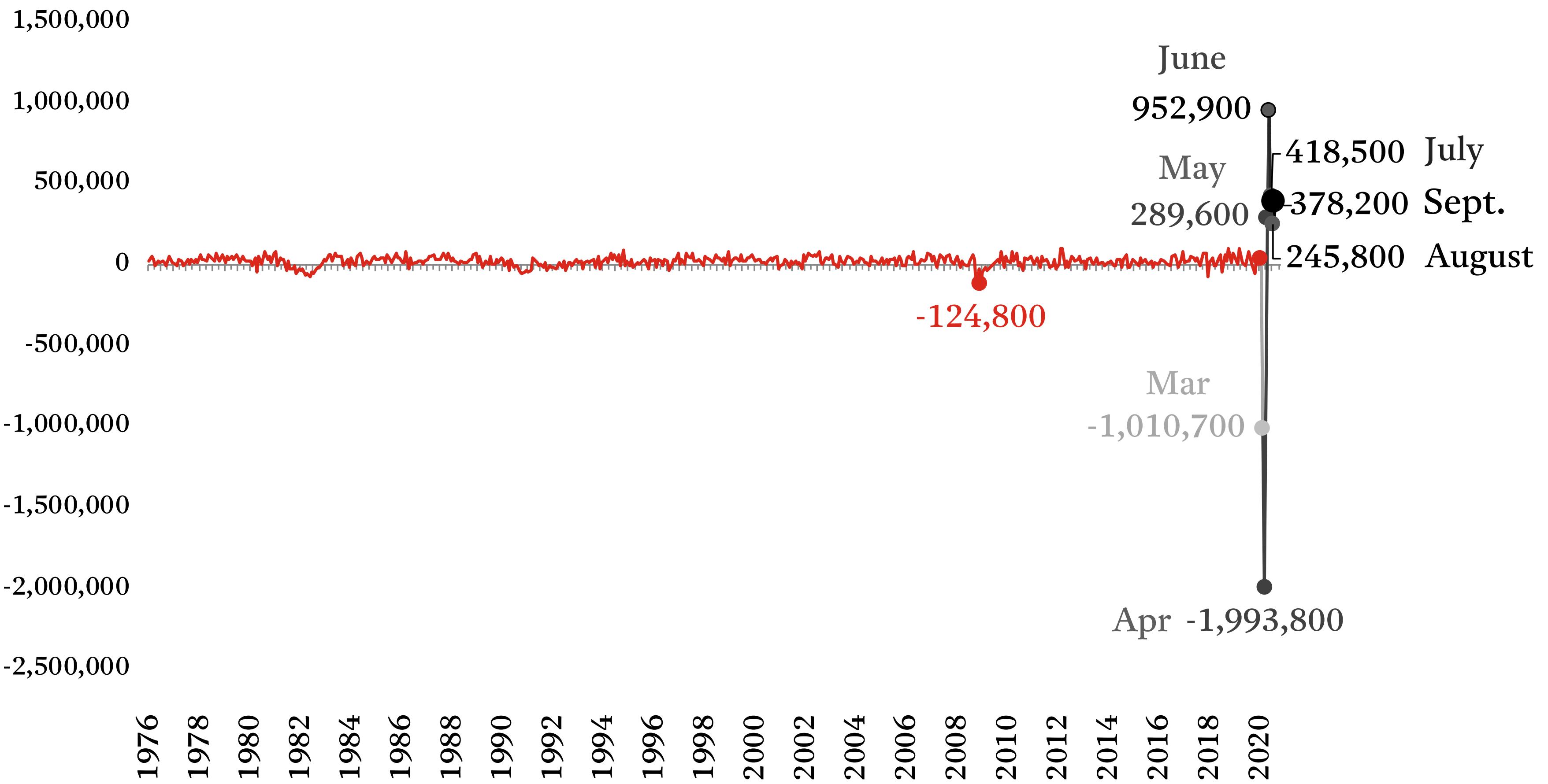
# total employment

CANADA, MONTHLY CHANGE



# total employment

## CANADA, MONTHLY CHANGE



+ 2.3 MILLION JOB GAIN

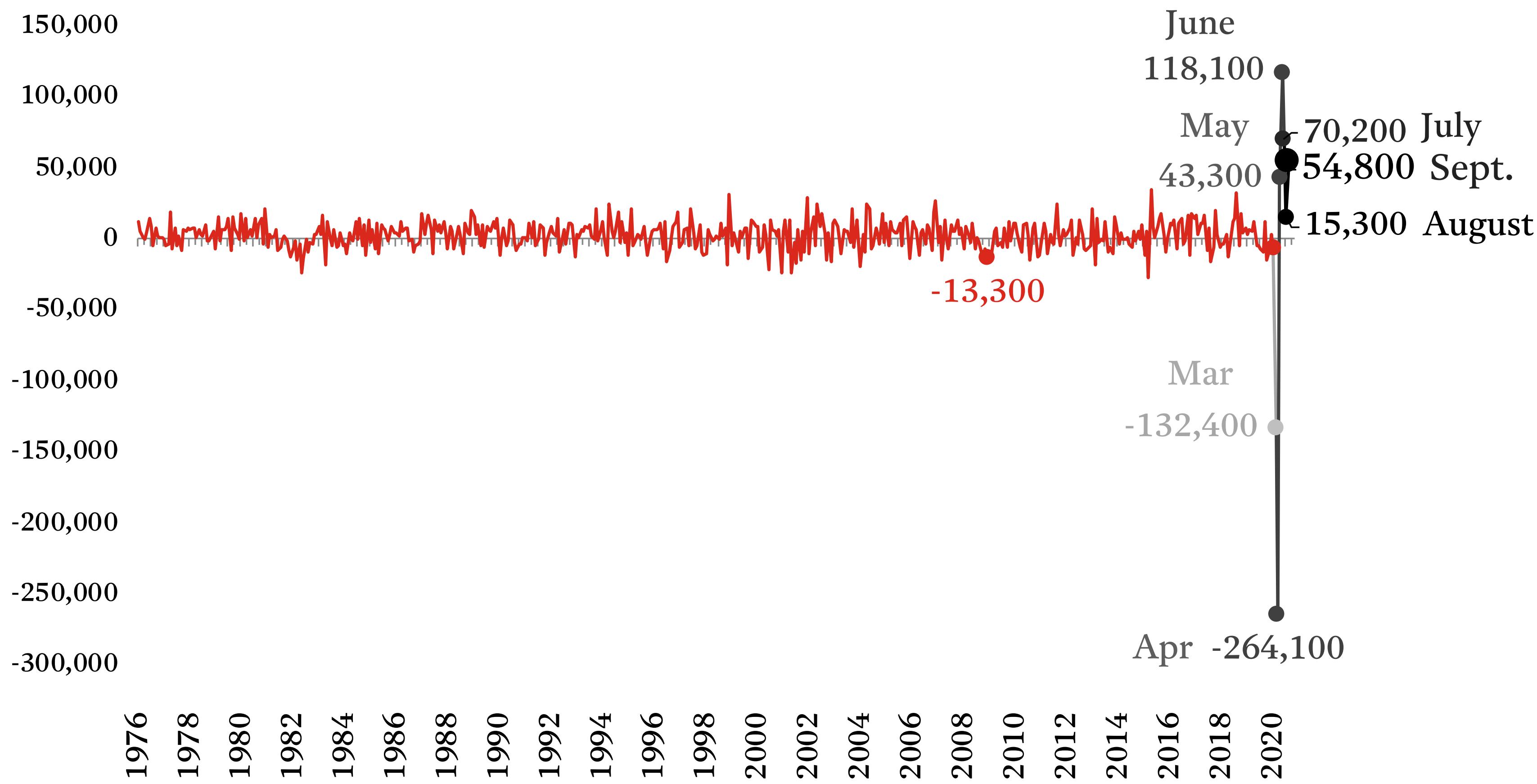
76%  
of jobs lost have  
been rehired

- 3.0 MILLION JOB LOSSES

719,500 SHORT

# total employment

## BRITISH COLUMBIA, MONTHLY CHANGE



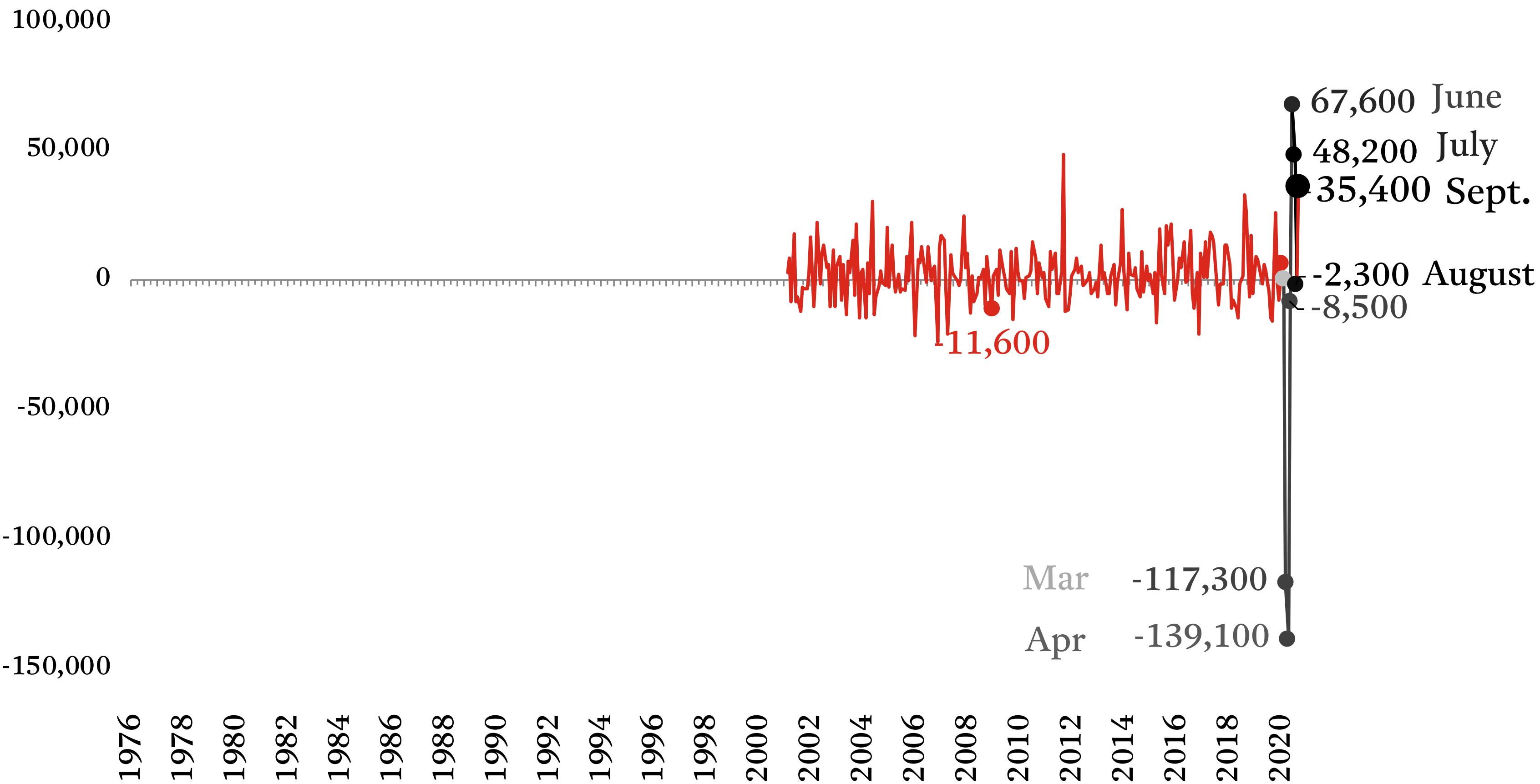
+ 301K JOB GAIN

76%  
of jobs lost have  
been rehired

- 396K JOB LOSSES

# total employment

METRO VANCOUVER, MONTHLY CHANGE



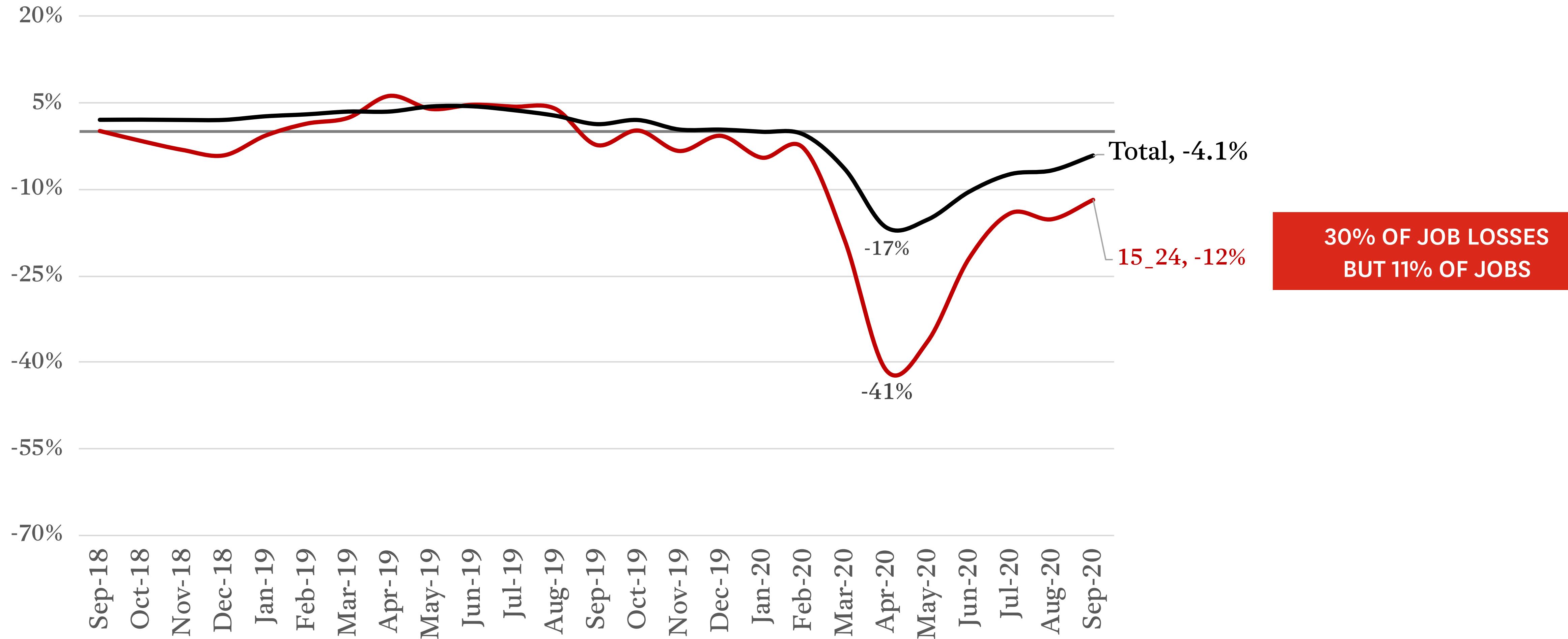
+ 149K JOB GAIN

56%  
of jobs lost have  
been rehired

- 265K JOB LOSSES

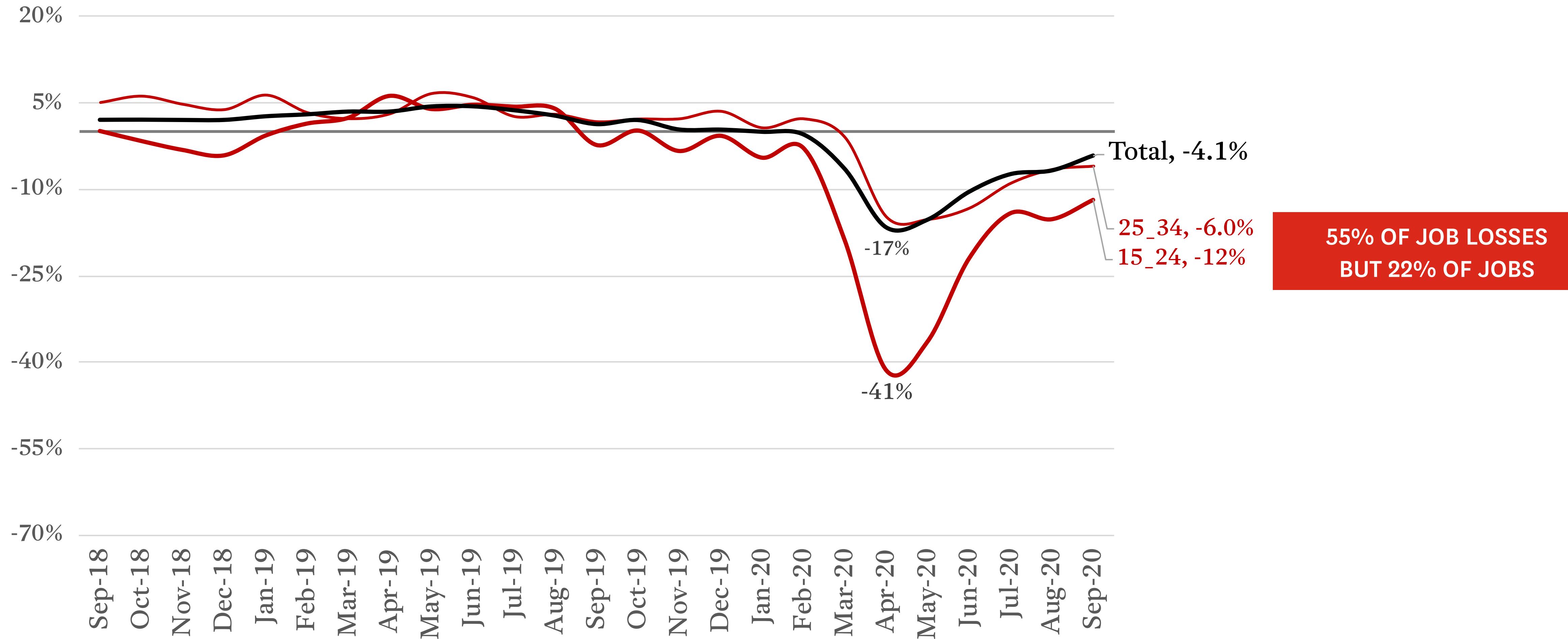
# employment by age

BRITISH COLUMBIA, YEAR OVER YEAR CHANGE



# employment by age

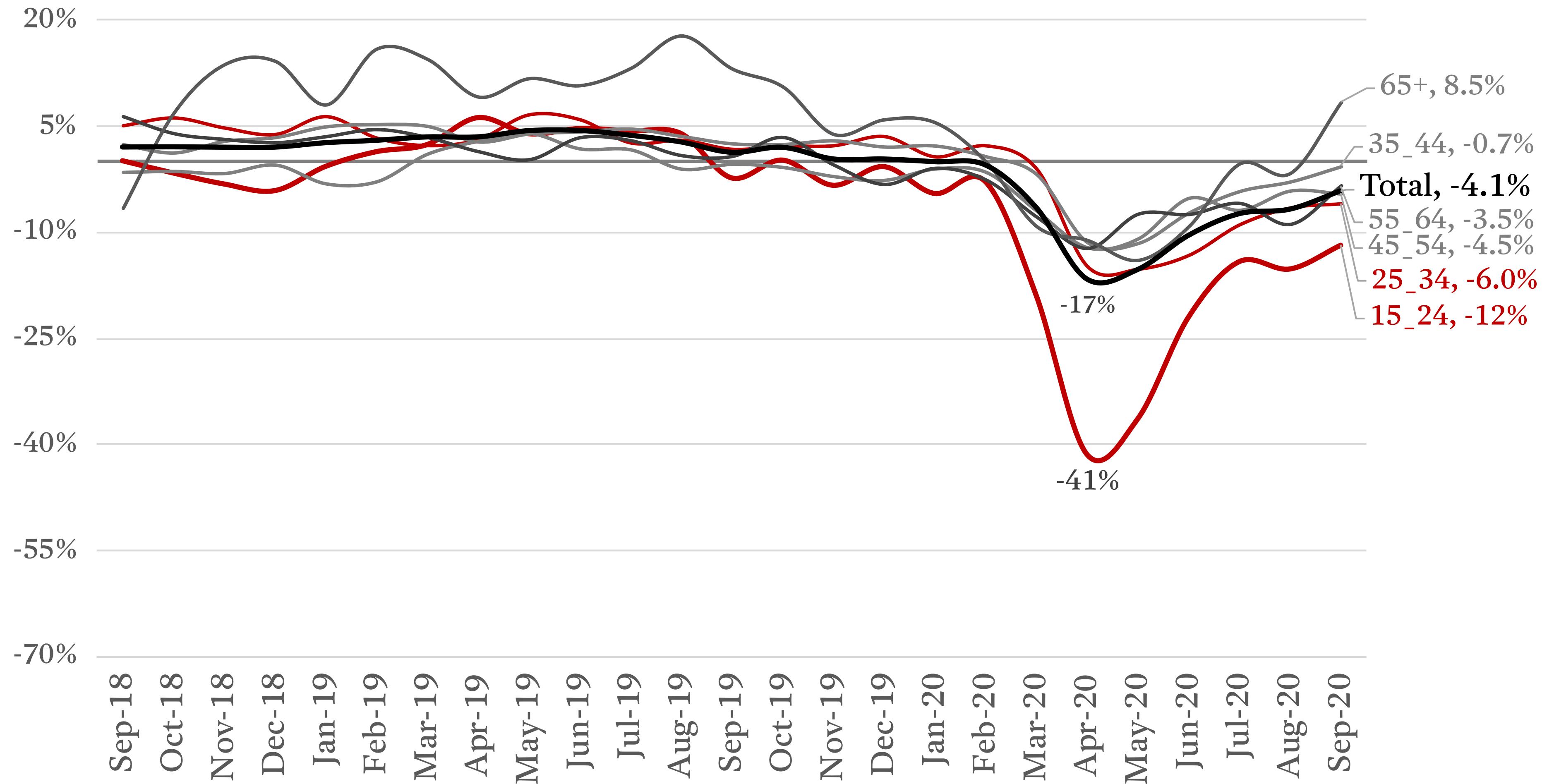
BRITISH COLUMBIA, YEAR OVER YEAR CHANGE



55% OF JOB LOSSES  
BUT 22% OF JOBS

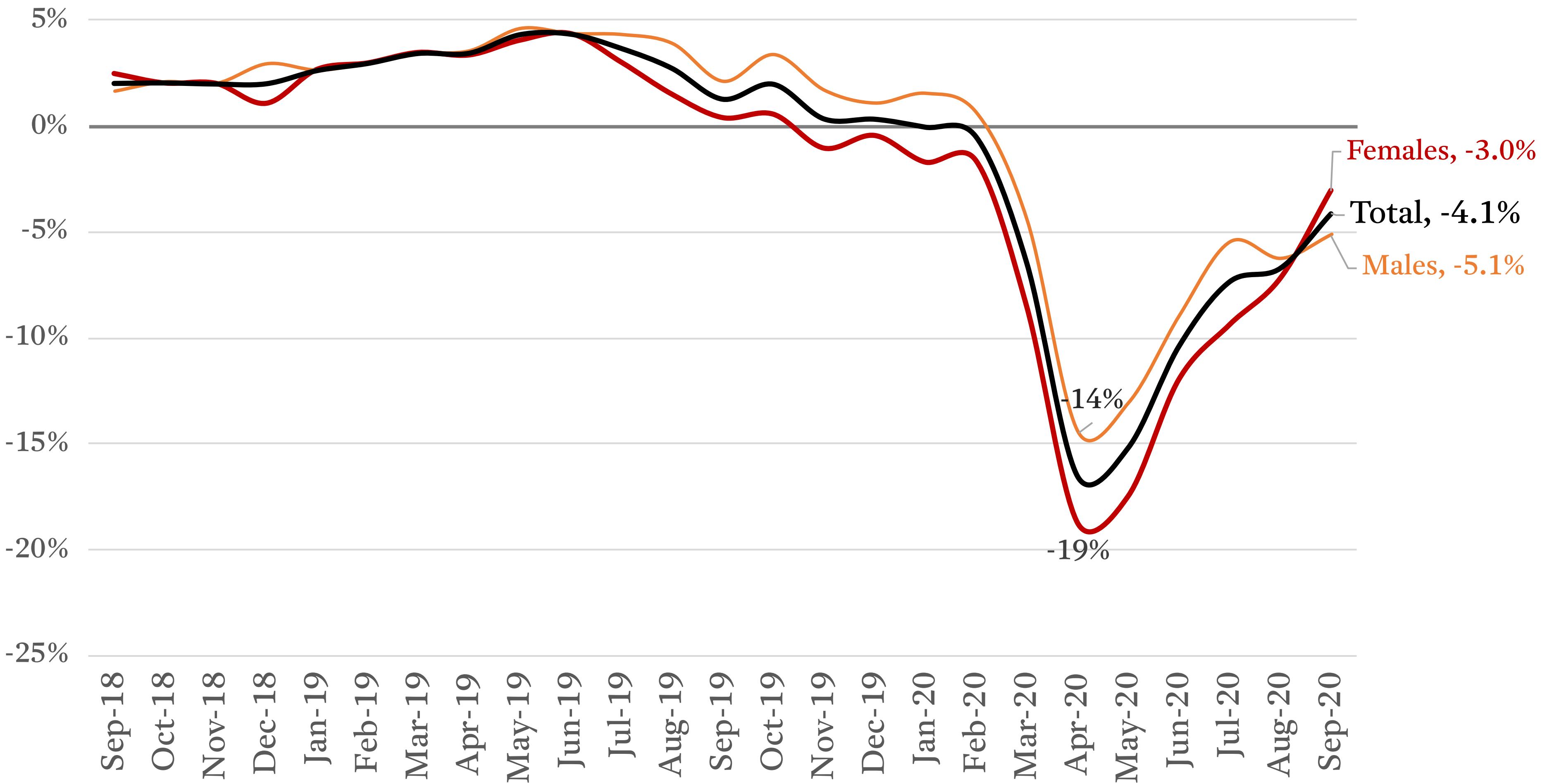
# employment by age

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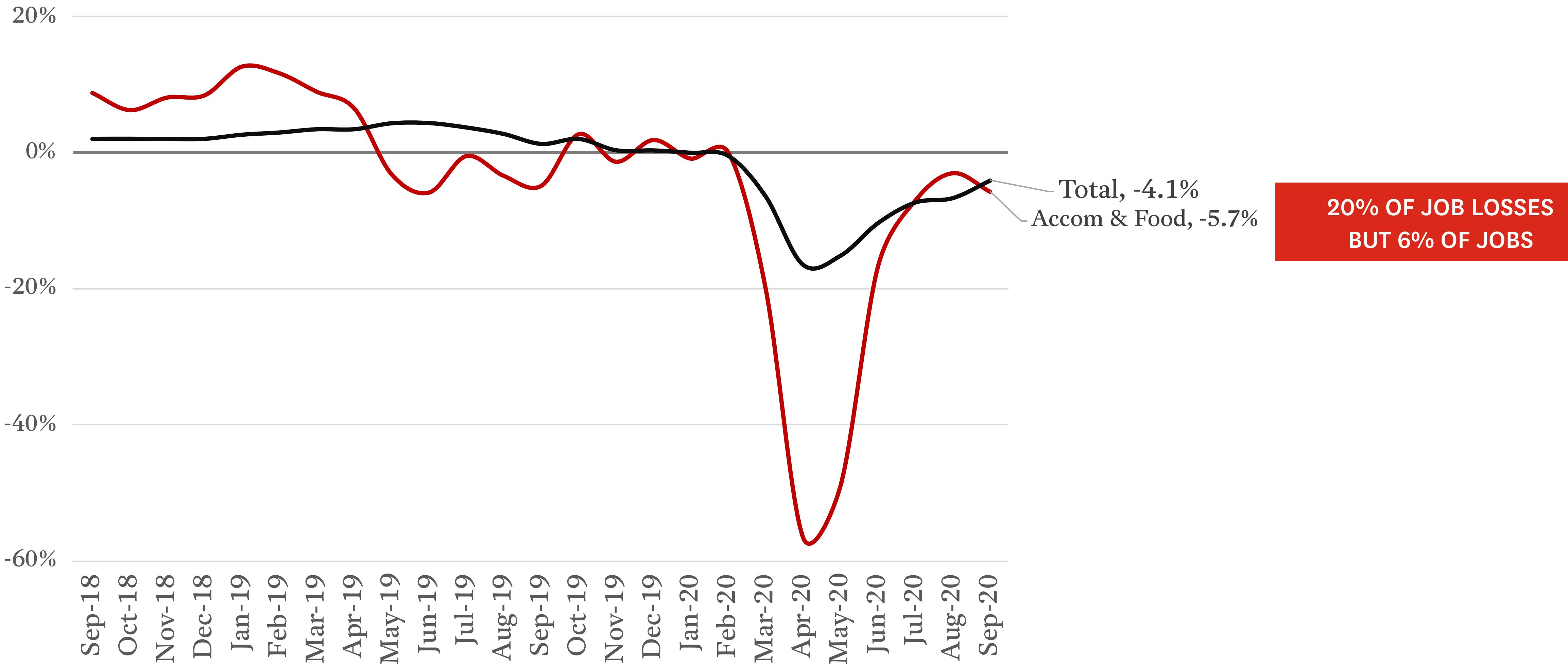
# employment by sex

BRITISH COLUMBIA, YEAR OVER YEAR CHANGE



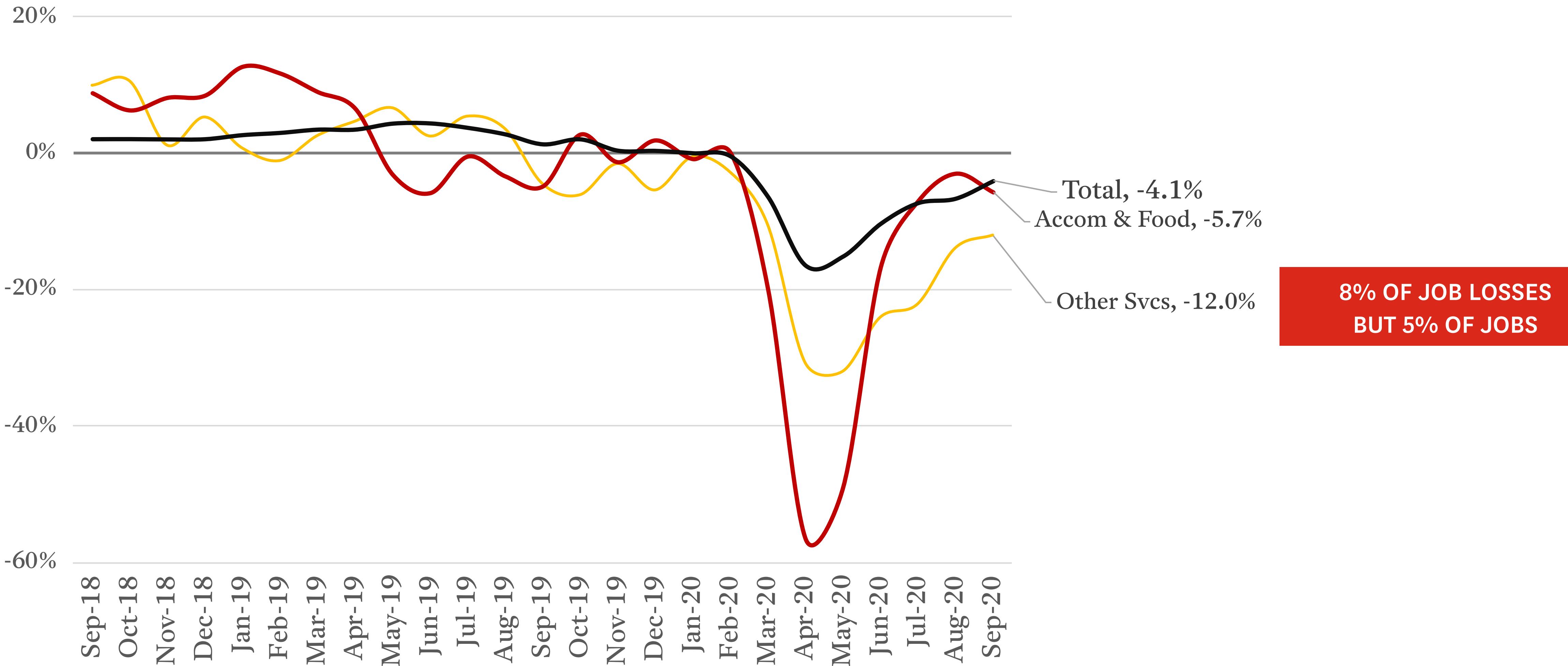
# employment by industry

BRITISH COLUMBIA, YEAR OVER YEAR CHANGE



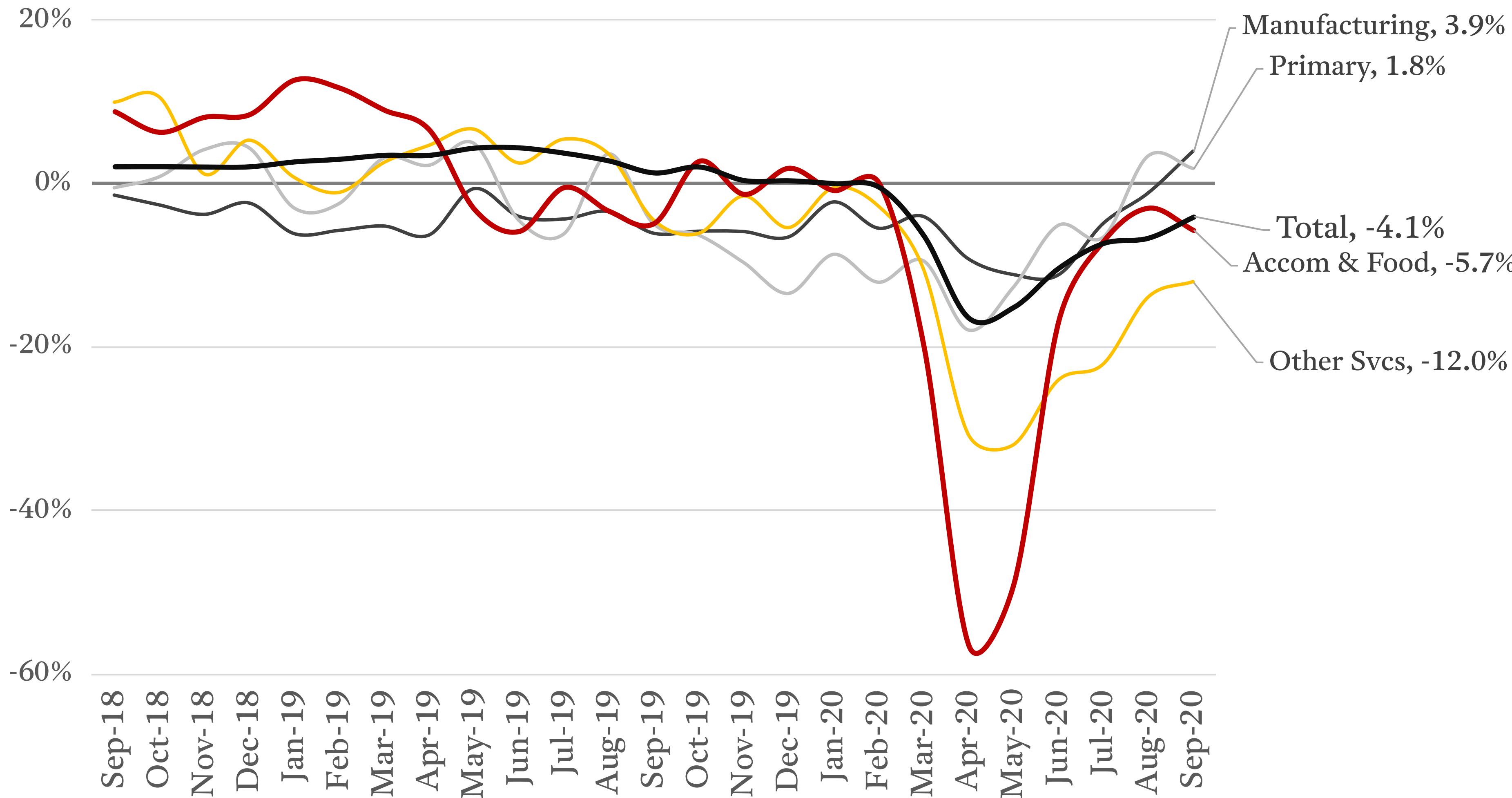
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BRITISH COLUMBIA, YEAR OVER YEAR CHANGE



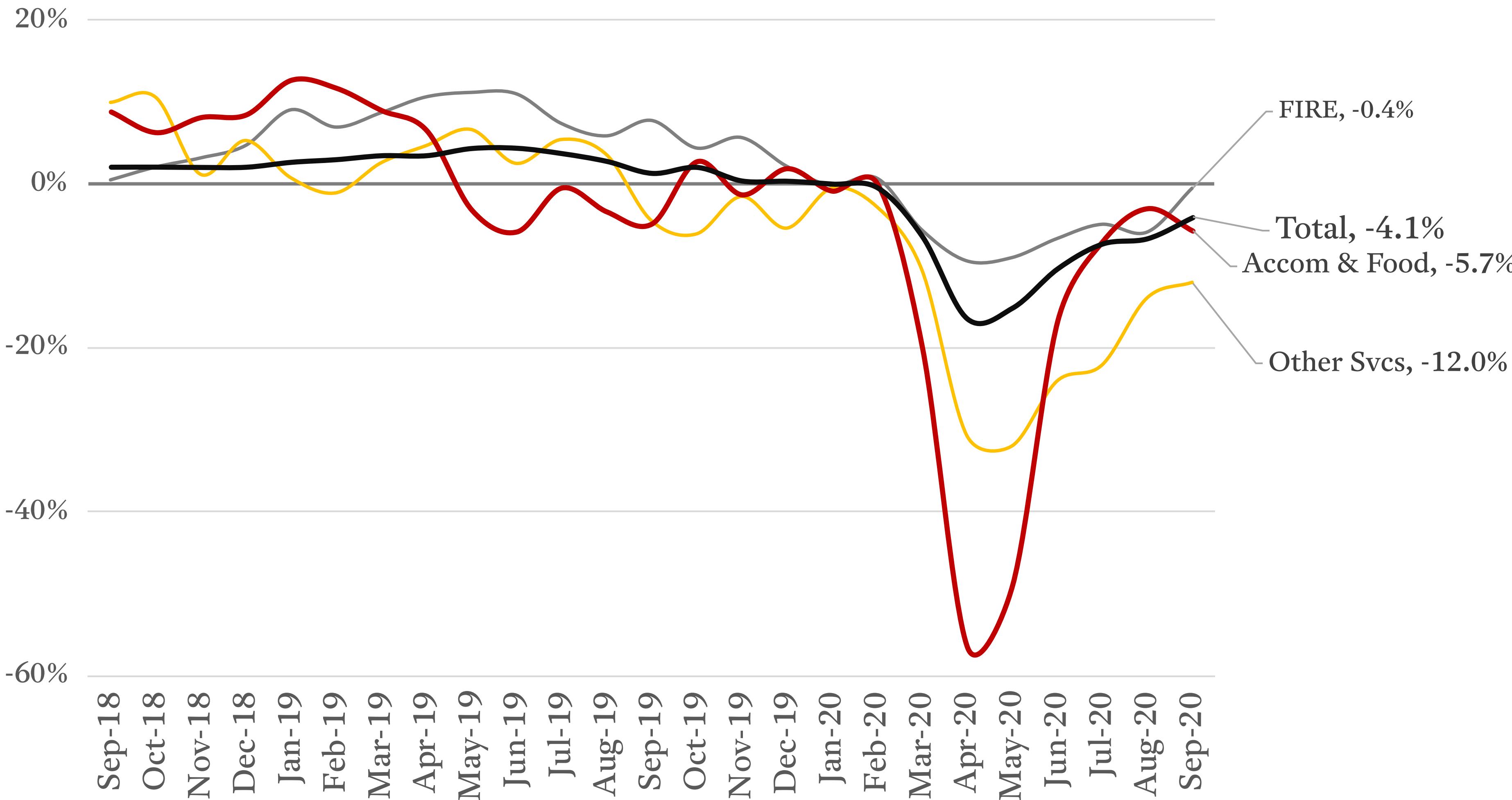
# employment by industry

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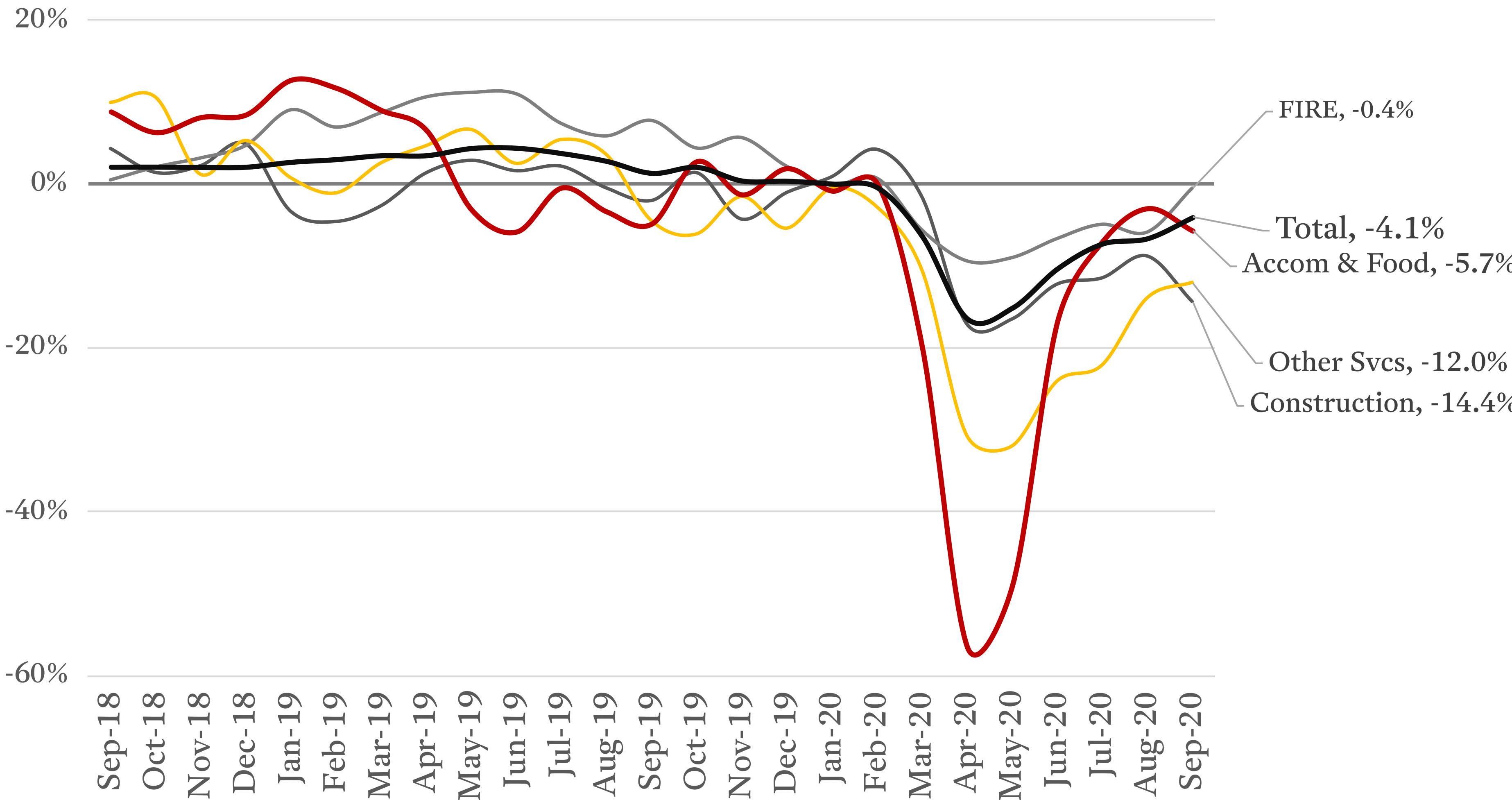
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BRITISH COLUMBIA, YEAR OVER YEAR CHANGE



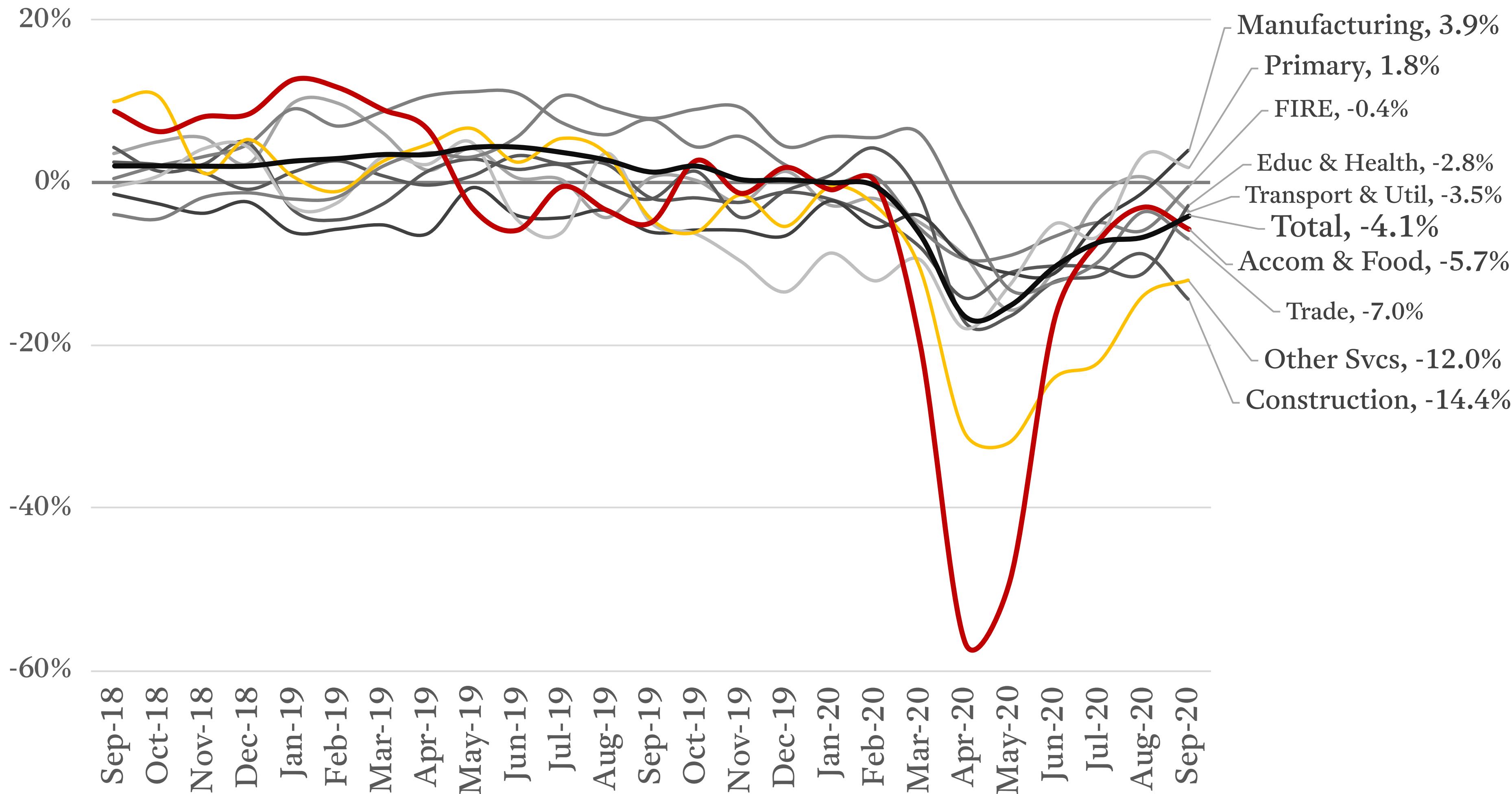
# employment by industry

## BRITISH COLUMBIA, YEAR OVER YEAR CHANGE



# employment by industry

## BRITISH COLUMBIA, YEAR OVER YEAR CHANGE





## why this matters

While the overall employment picture is recovering quickly, for some it will take much longer, and for others it will entail fundamental shifts in how they work (types of work), when they work, and for who (industry & occupation).

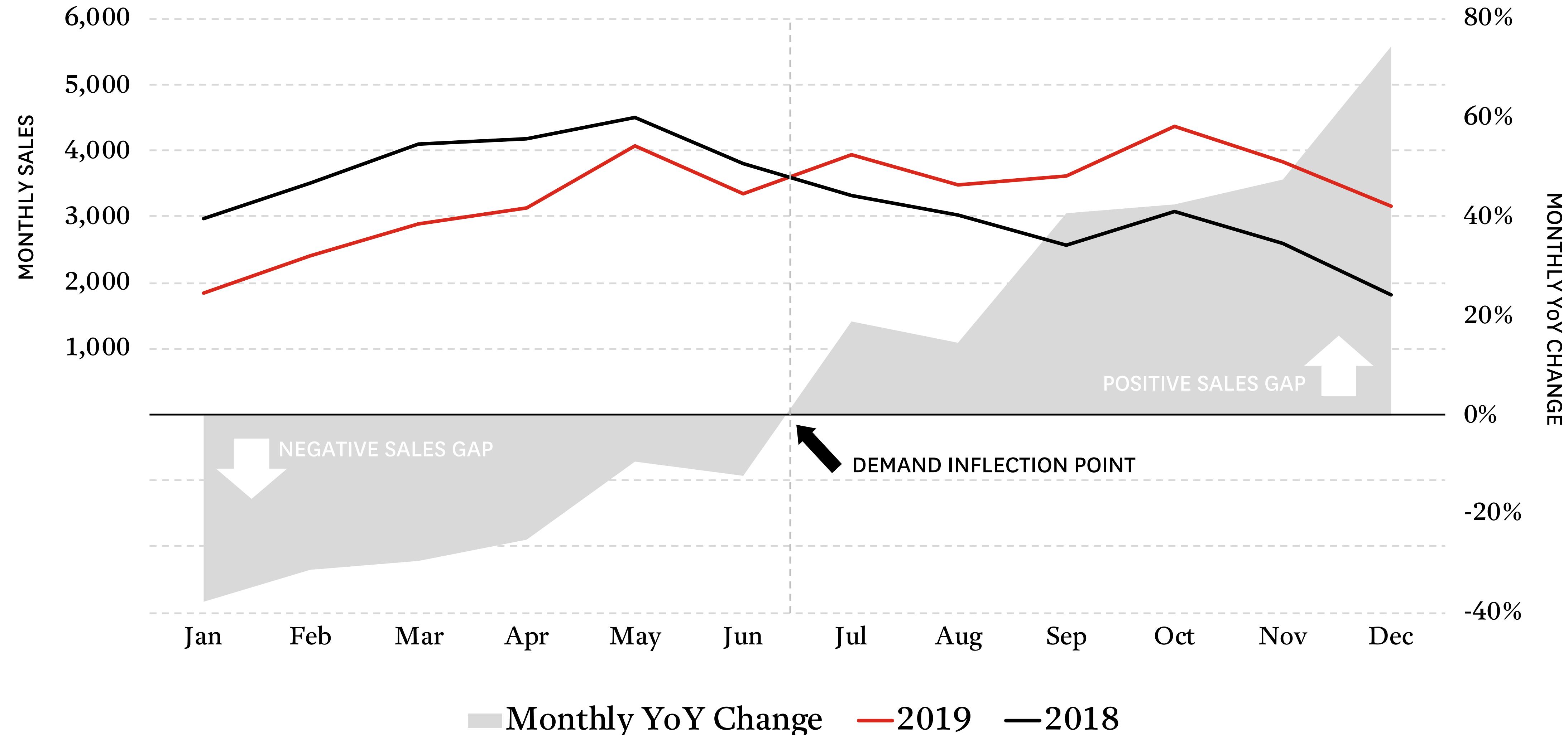
FALL 2020  
road map

- ① thoughts on forecasting & uncertainty
- ② the great suppression
- ③ current market position
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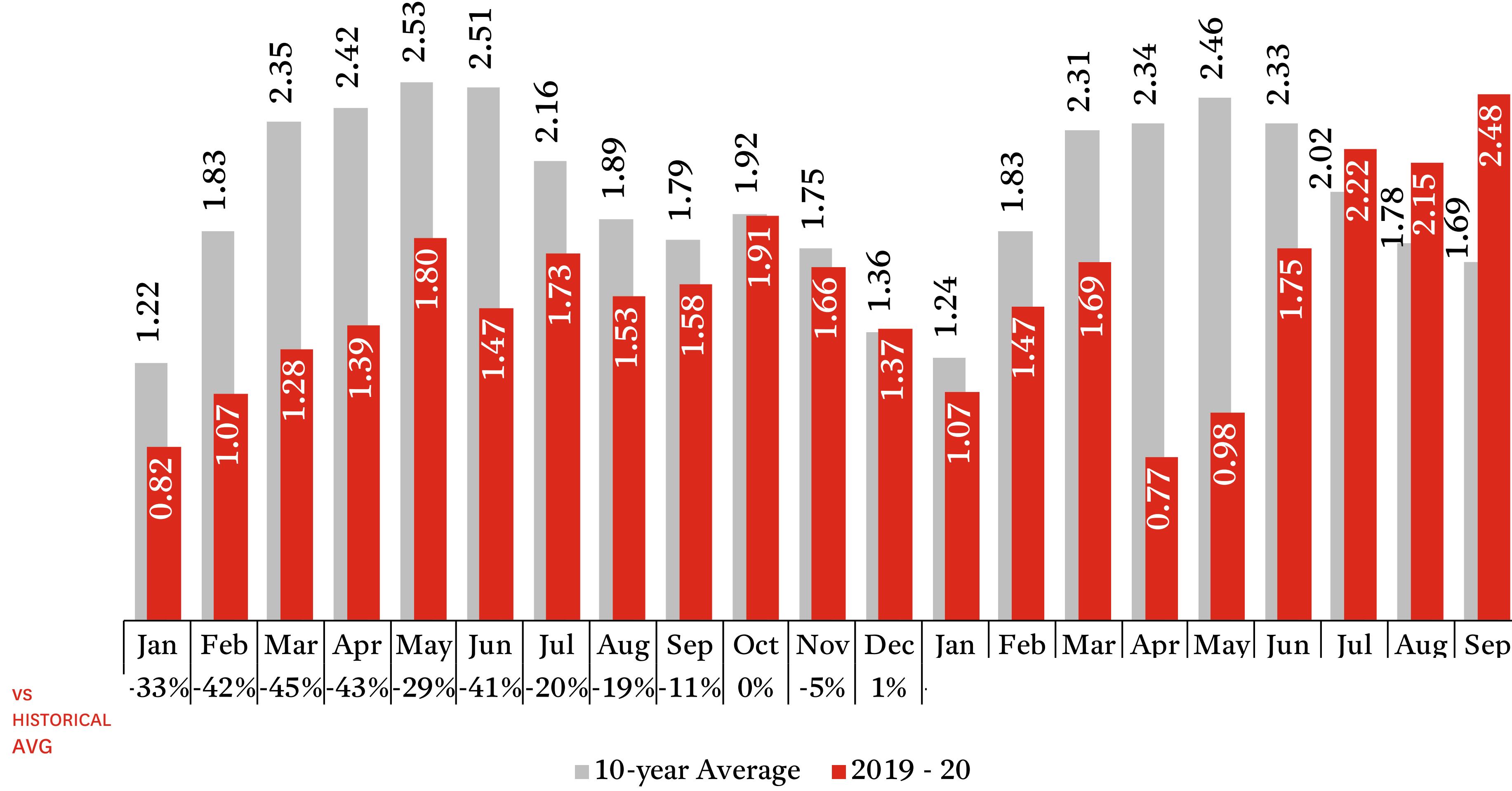
# residential home sales

VANCOUVER REGION: A TALE OF TWO MARKETS



# build-up of pent-up demand

MLS SALES PER 1,000 RESIDENTS, VANCOUVER REGION (REBGV & FVREB)

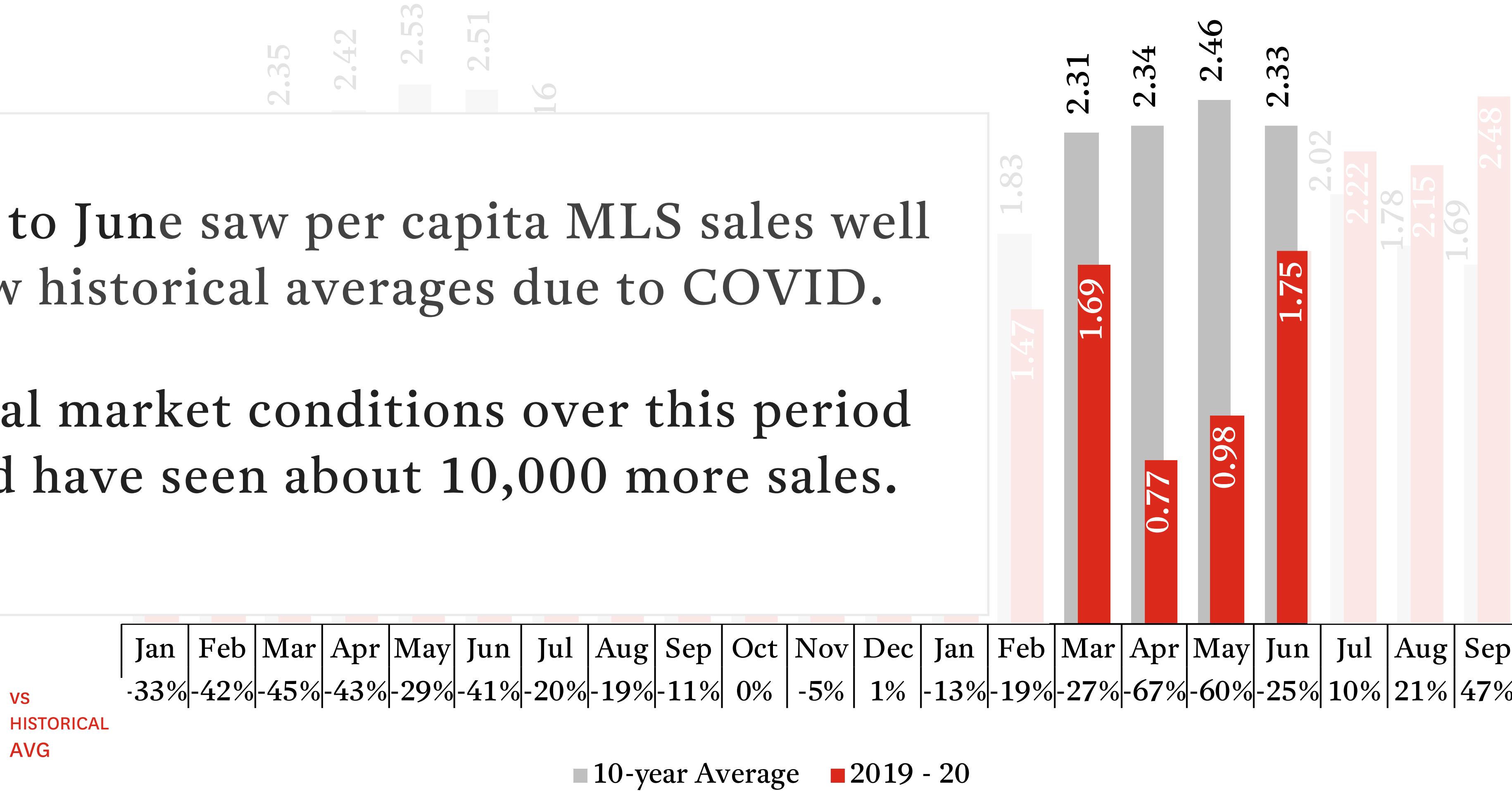


# build-up of pent-up demand

MLS SALES PER 1,000 RESIDENTS, VANCOUVER REGION (REBGV & FVREB)

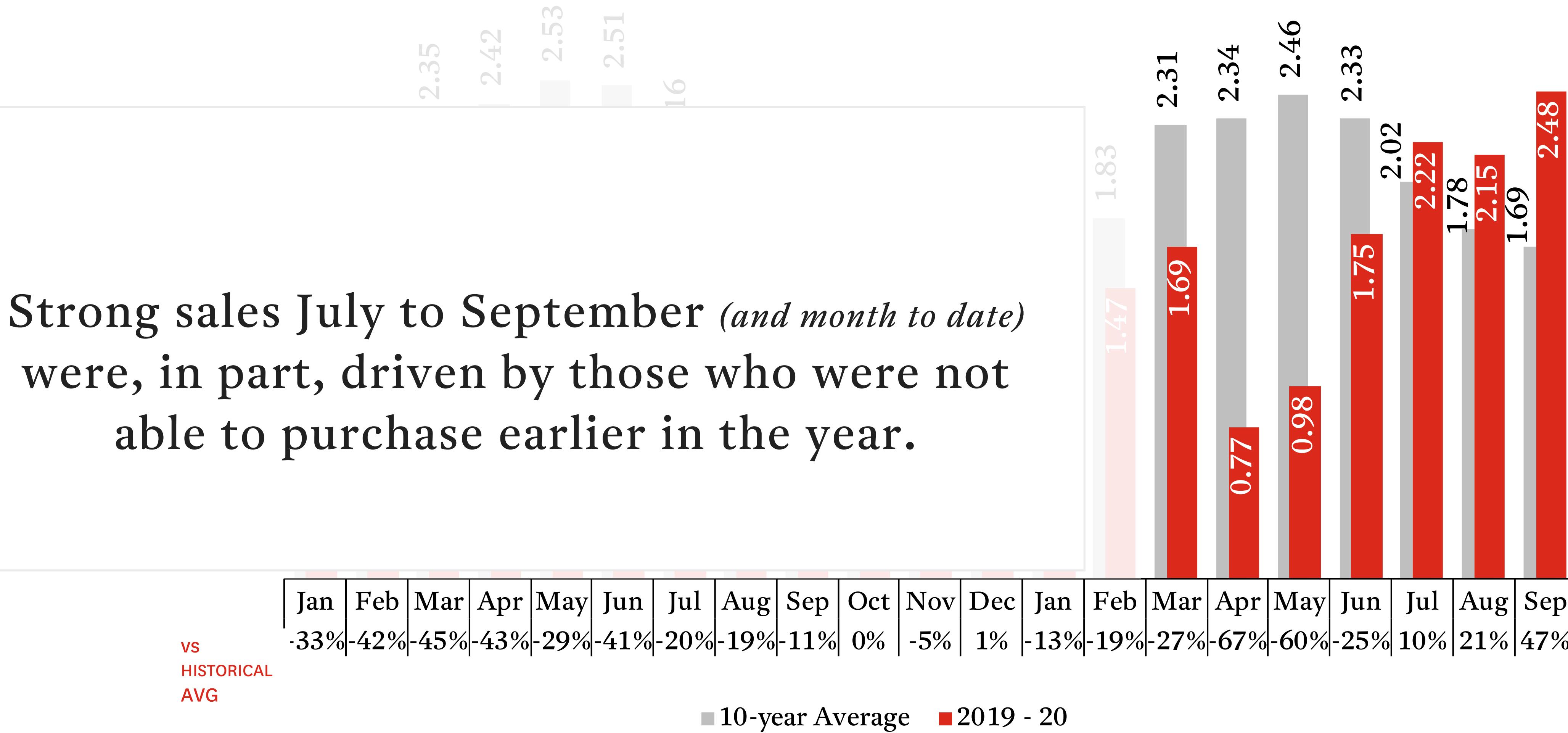
March to June saw per capita MLS sales well below historical averages due to COVID.

Normal market conditions over this period would have seen about 10,000 more sales.



# build-up of pent-up demand

MLS SALES PER 1,000 RESIDENTS, VANCOUVER REGION (REBGV & FVREB)



# daily change in sales & inventory

VANCOUVER REGION TO SEPT 23, 2020

## MLS SALES ACTIVITY

MLS Dashboard 

Homes Sold by Day 

\* 2020 \* 2019 \* 2018

August

September

we expect October sales to be upwards of 5,900 total sales, which would be 50% above the past decade average for an October market (*and the highest number of Oct. sales in almost two decades*).

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27

29

31

MTD: 4,996

+ 68% from 3,475 MTD in 2019

+ 65% from 3,029 MTD in 2018

MTD: 5,748

+ 59% from 3,638 MTD in 2019

+ 123% from 2,583 MTD in 2018

1

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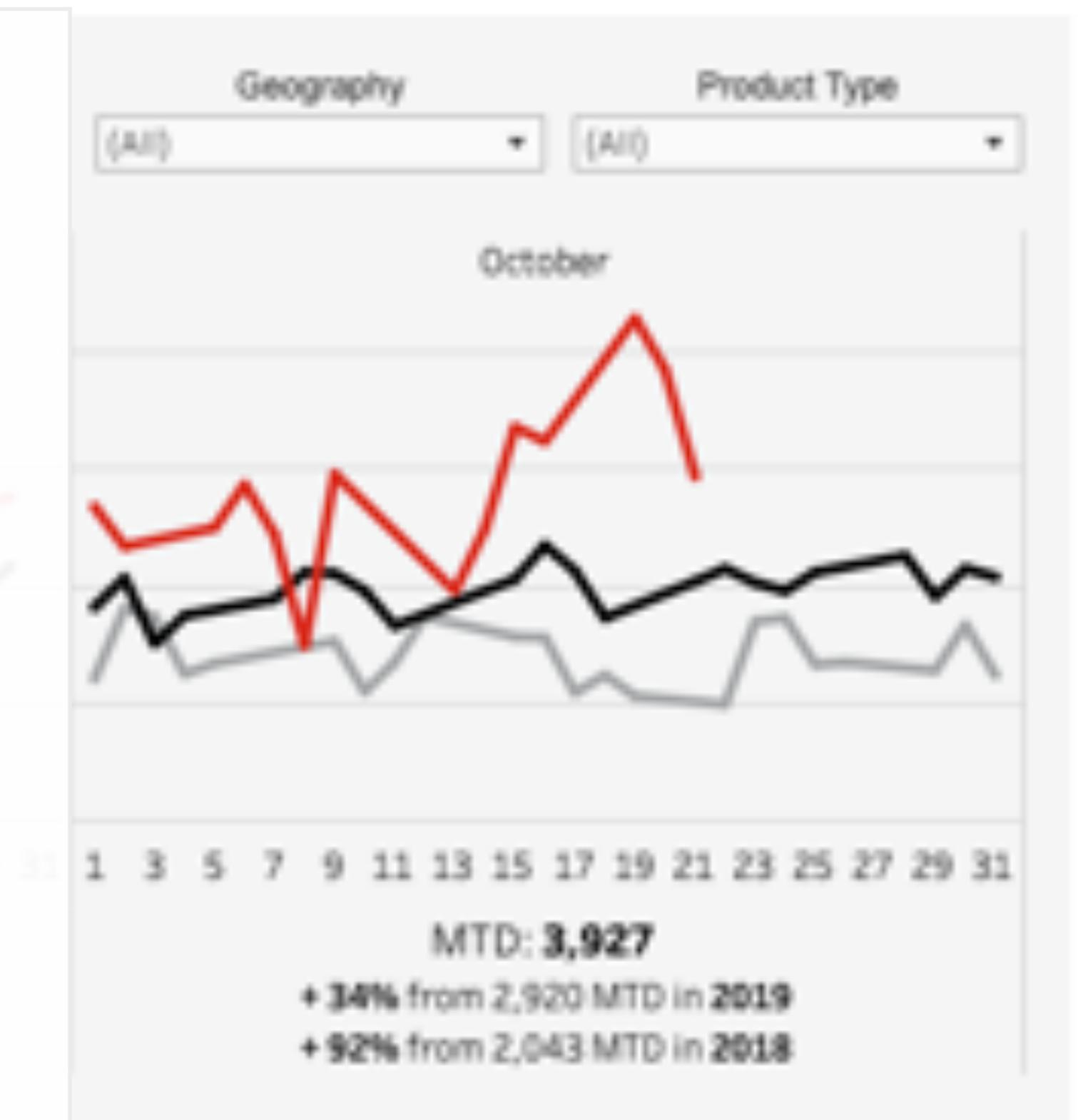
29

31

MTD: 3,927

+ 34% from 2,920 MTD in 2019

+ 92% from 2,043 MTD in 2018



## 'Bloody terrifying': COVID-19 will raise household debt levels and 'drag on GDP growth,' CMHC warns

*As many as 20% of mortgages could go into arrears if the economic situation in Canada does not improve, Canada Mortgage and Housing Corp.'s Evan Siddall said*



May 19, 2020  
11:50 PM EDT

Filed under  
News

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OTTAWA — Canada's consumer debt levels are set to soar as homeowners struggle to pay down pricey mortgages, adding to debt strains that were troublesome even before the COVID-19 pandemic, the country's national housing agency says.

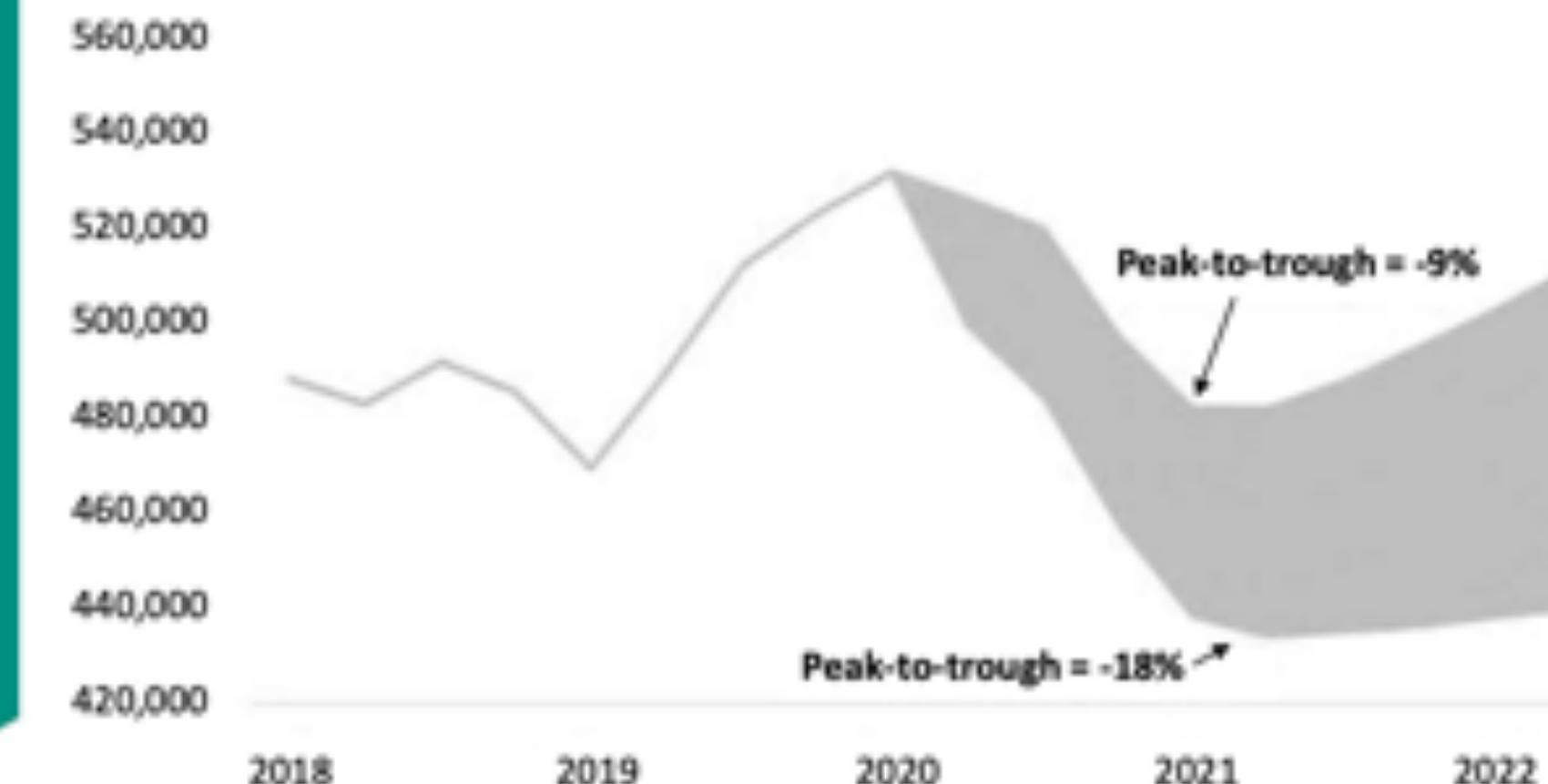
In testimony before the House of Commons Finance committee on Tuesday, Evan Siddall, president and CEO of the Canada Mortgage and Housing Corporation (CMHC), said the country could see claims from defaulted mortgages reach \$9 billion as a result of the coronavirus. As many as 20 per cent of mortgages could go into arrears if the economic situation in Canada does not improve, Siddall said.

## House Price Forecast

Down 9-18%  
peak to trough

Existing home prices: Canada

Nominal House Price (\$)

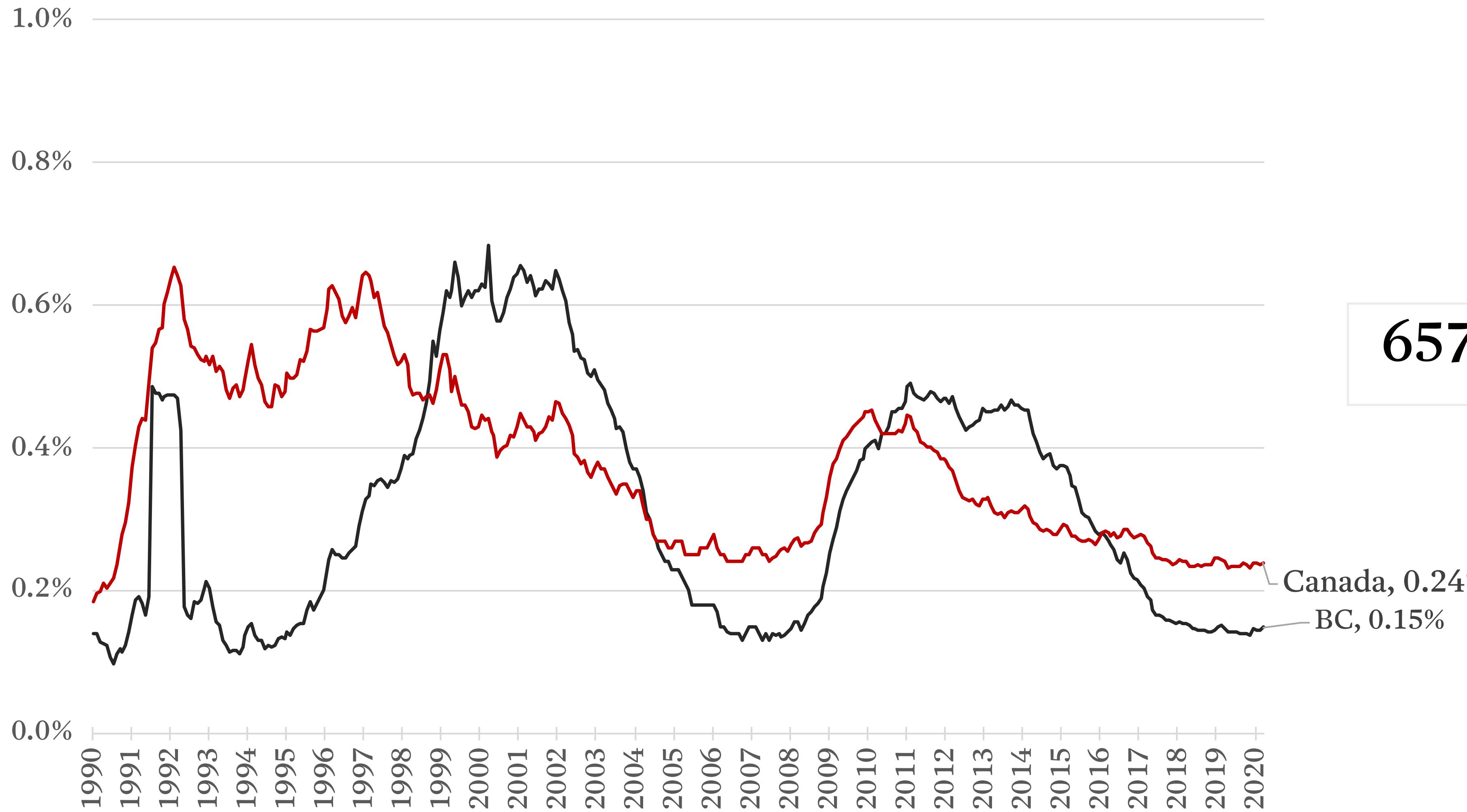


“

A team is at work within CMHC to help manage a growing debt “deferral cliff” that looms in the fall, when some unemployed people will need to start paying their mortgages again.

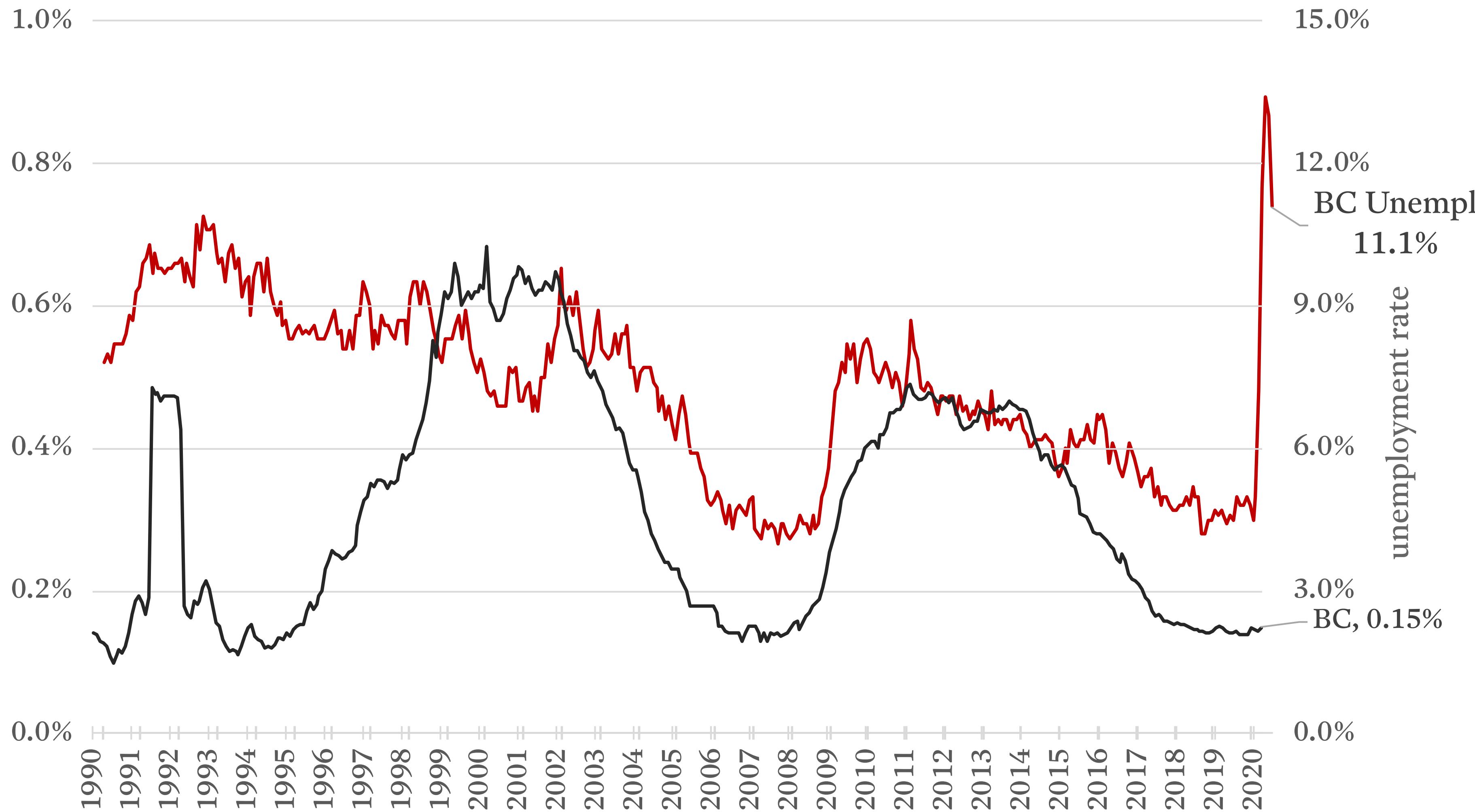
# mortgage arrears rate

MORTGAGE ARREARS, THREE OR MORE MONTHS *(march)*



# mortgage arrears rate

MORTGAGE ARREARS, THREE OR MORE MONTHS *(march)*





## why this matters

To some degree, current levels of market activity are a result of a suppressed spring market due to COVID.

We will need to look to the coming months as COVID-related federal Government and bank deferral programs end to see what the overall market impact is.

FALL 2020  
road map

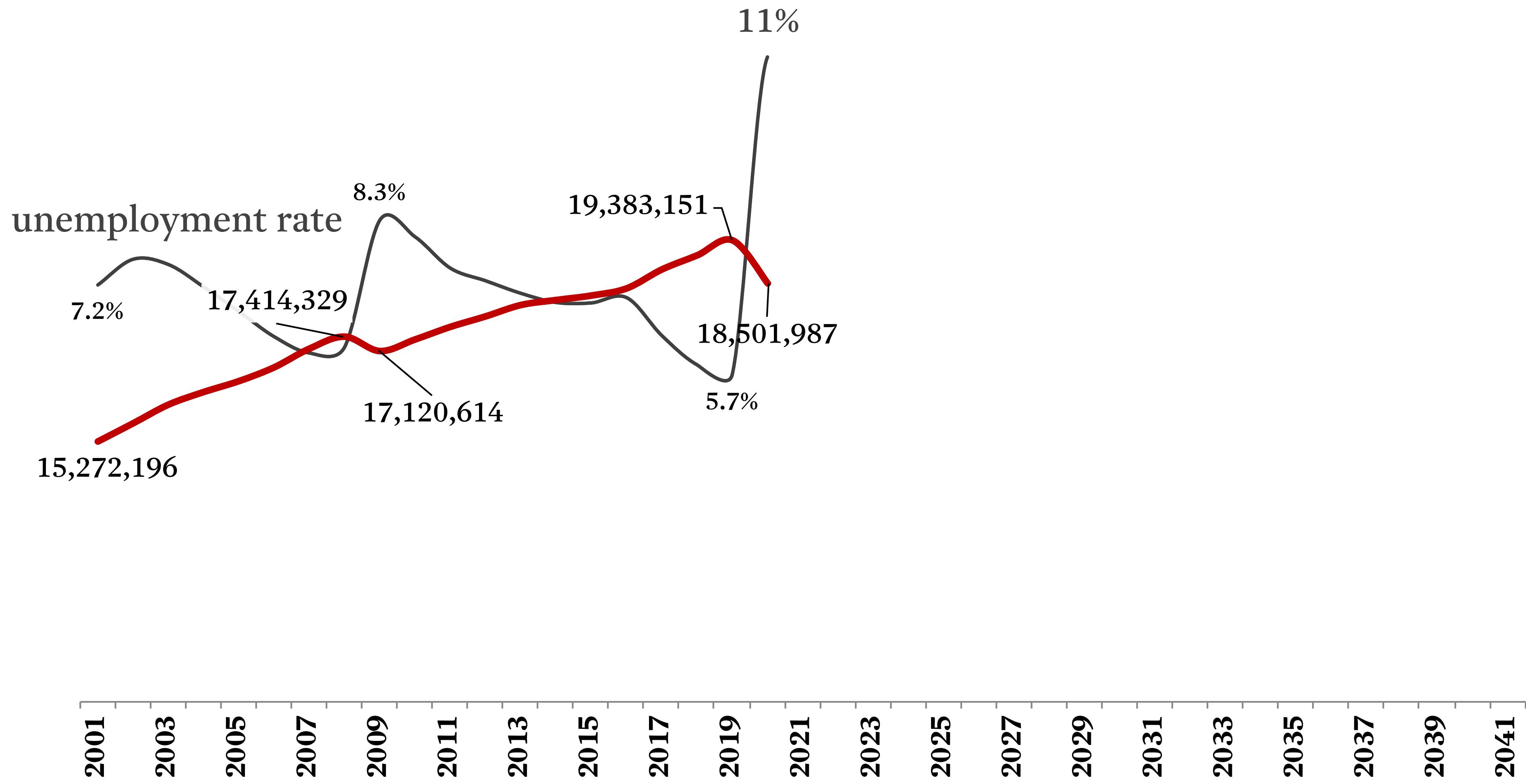
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# total employment

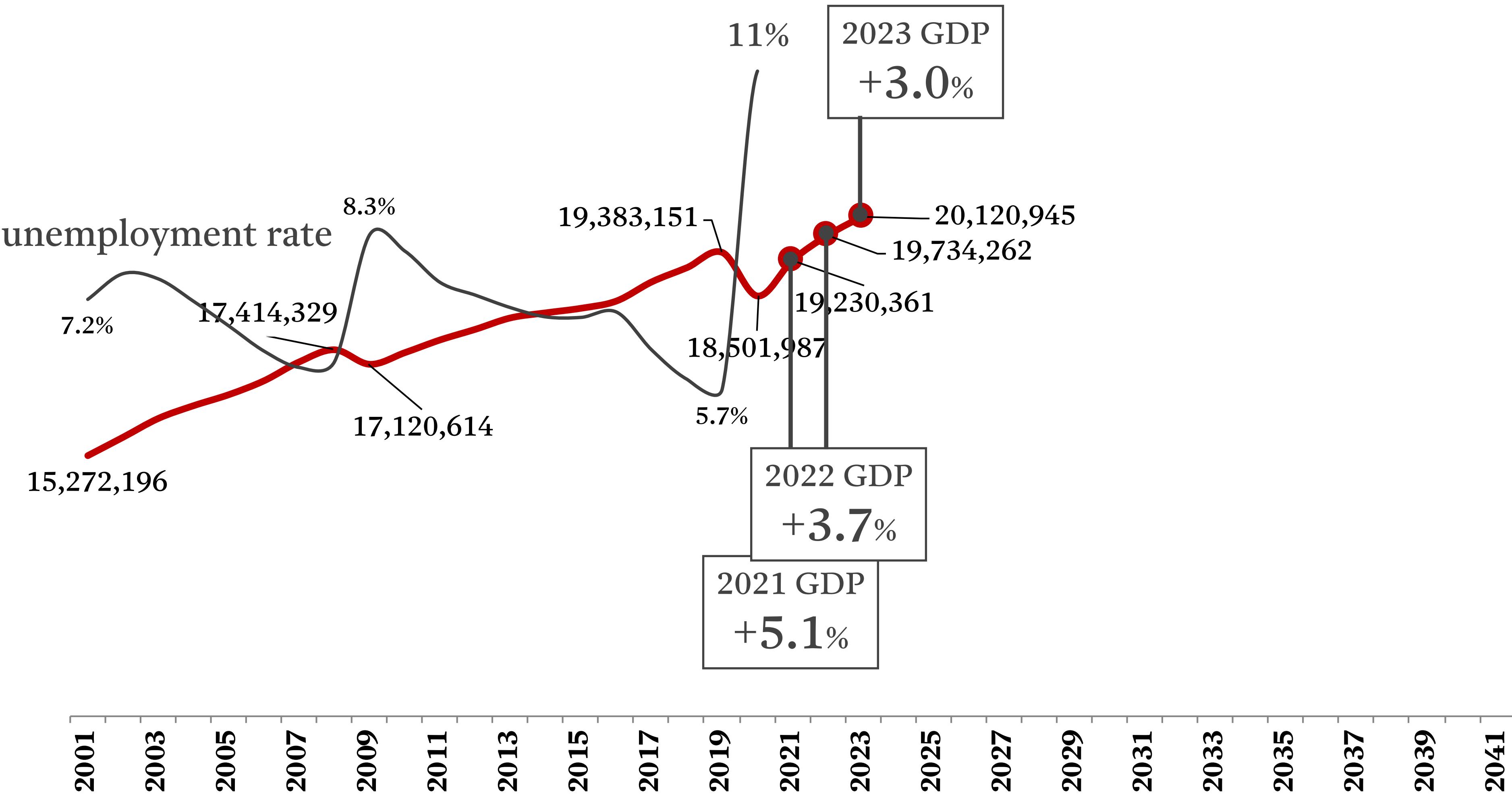
CANADA

2020?



# total employment

CANADA

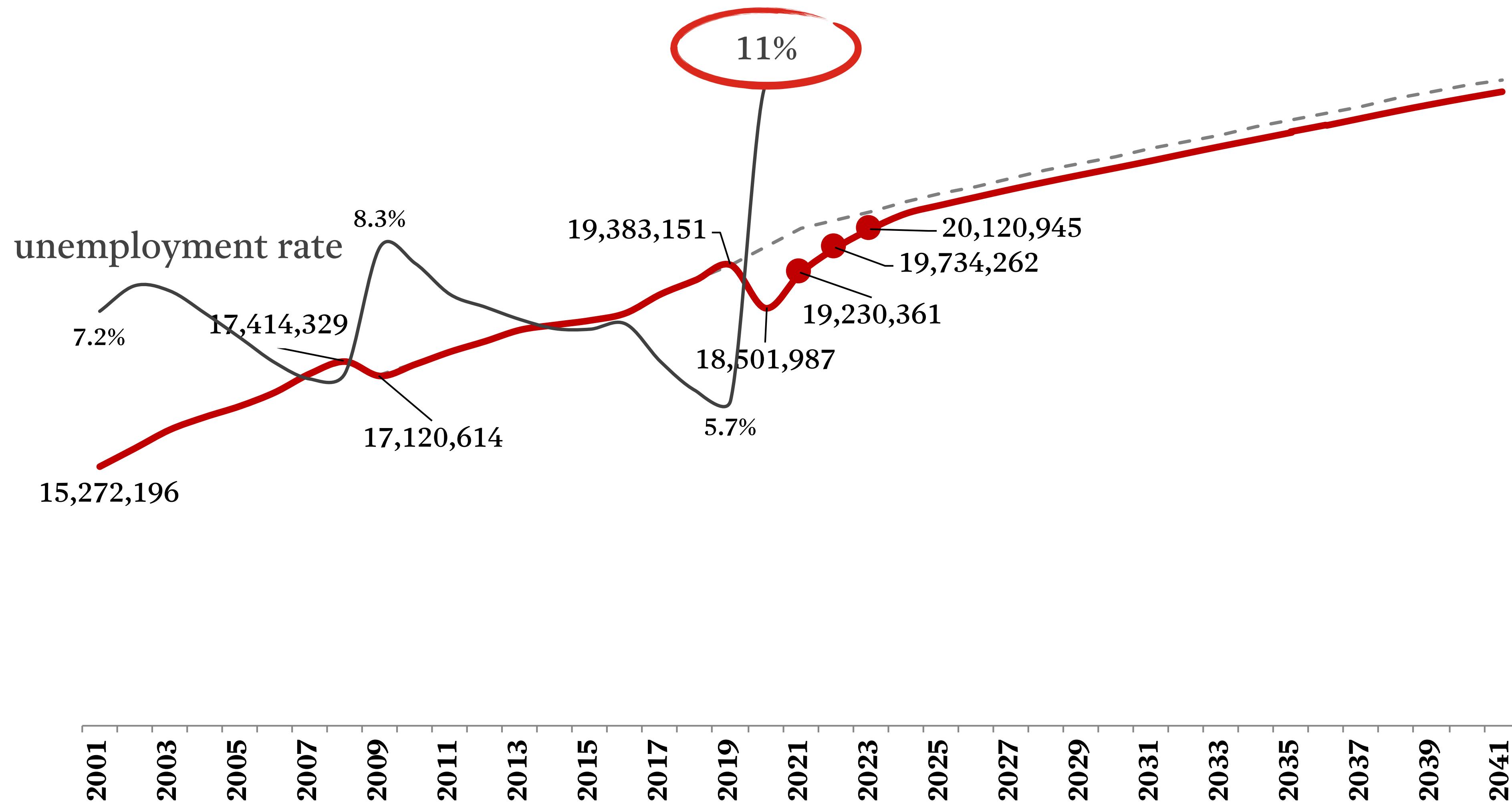


2023



# total employment

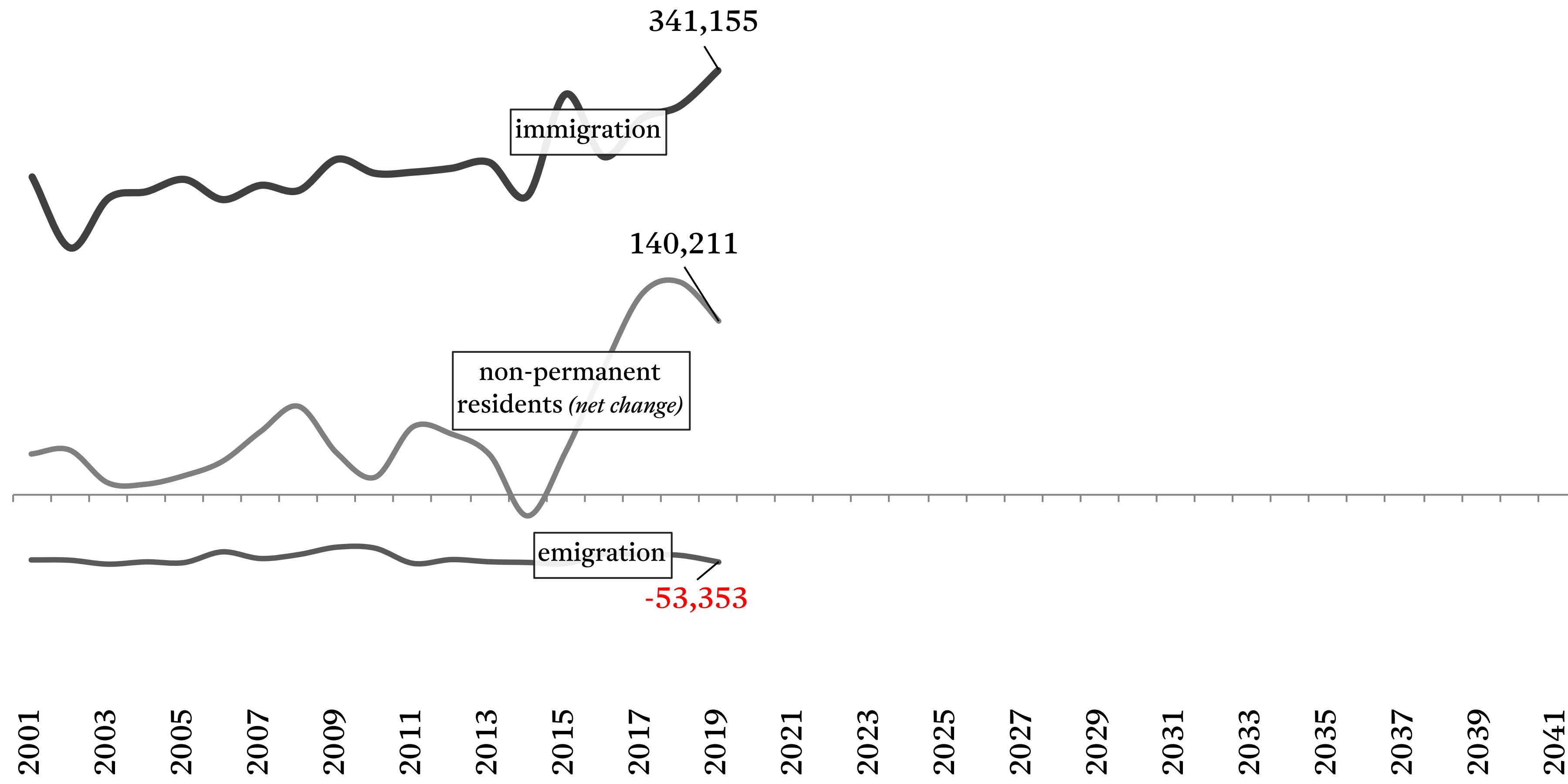
CANADA



# international migration flows

CANADA

2019

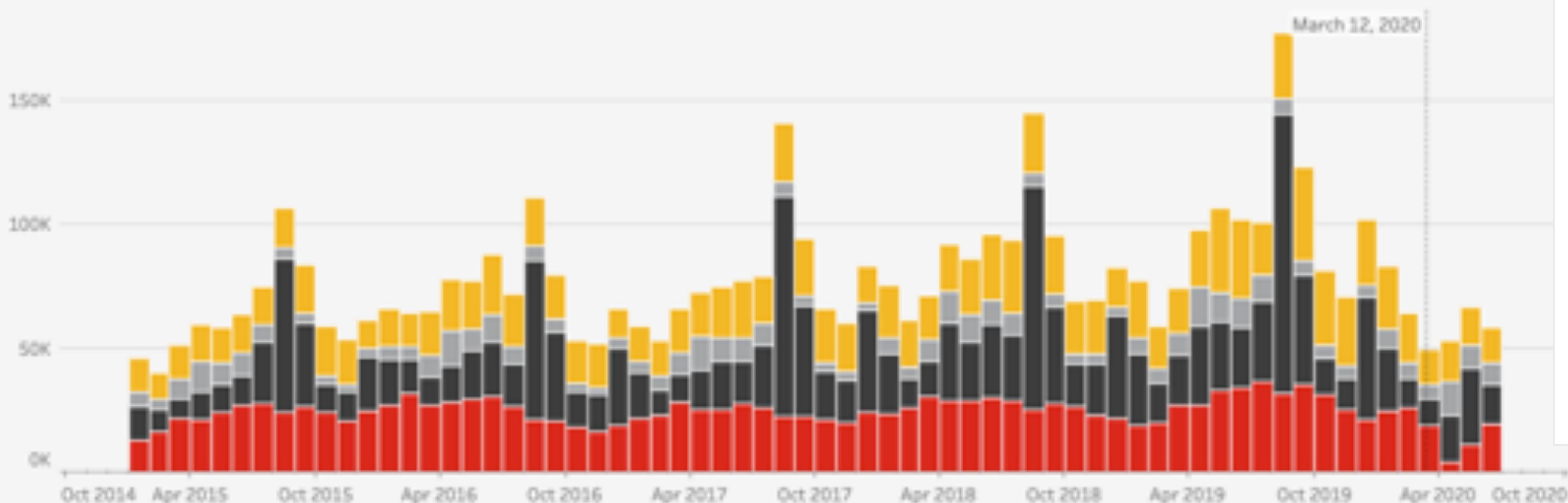


## IMMIGRATION

### Total Immigration in Canada

SOURCE: GOVERNMENT OF CANADA

● Permanent Residents ● Study Permit ● Temporary Foreign Workers ● Work Permit



MARCH - JUNE

Work

↓ 37%

Study

↓ 26%

PR

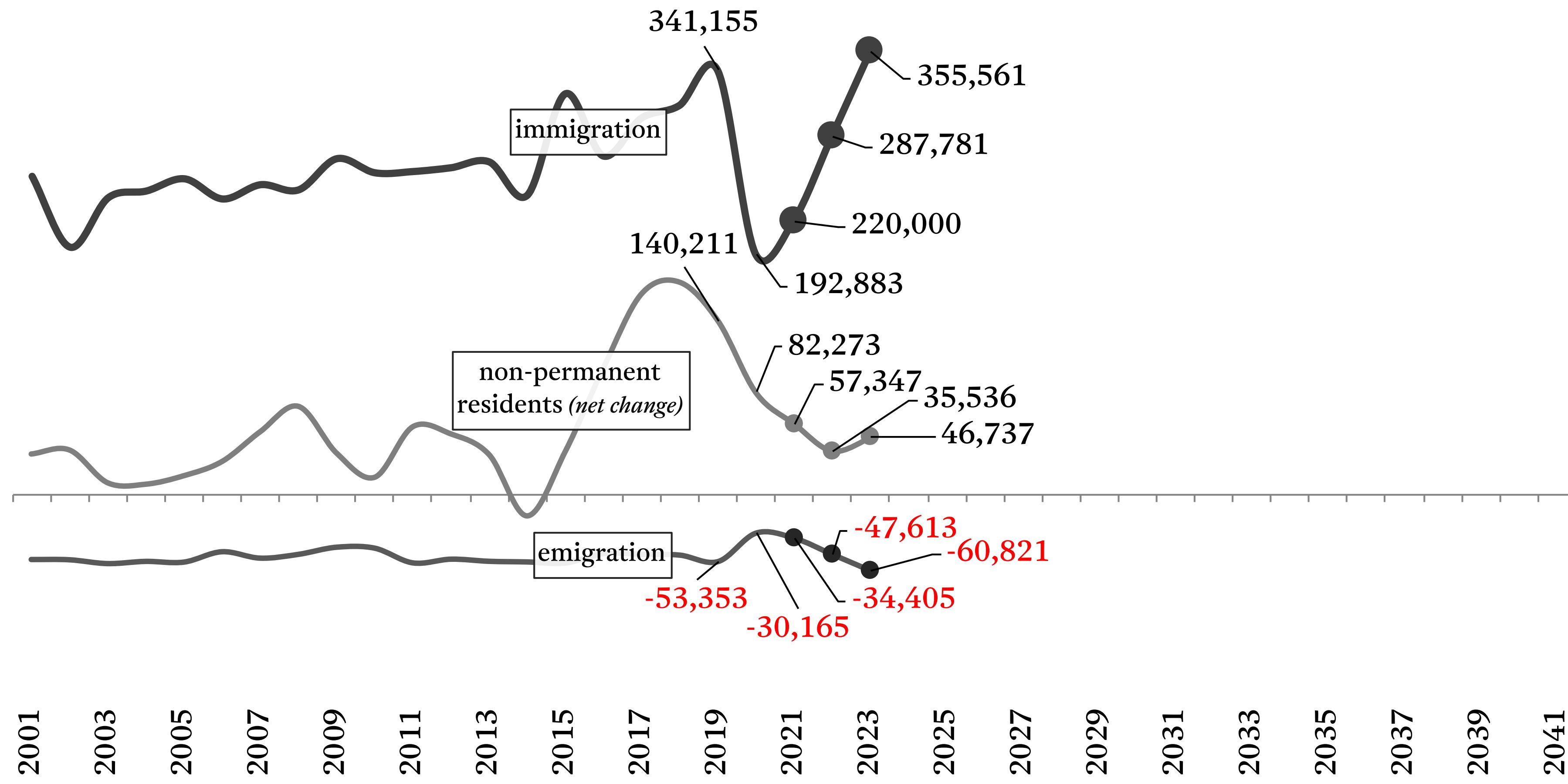
↓ 56%



# international migration flows

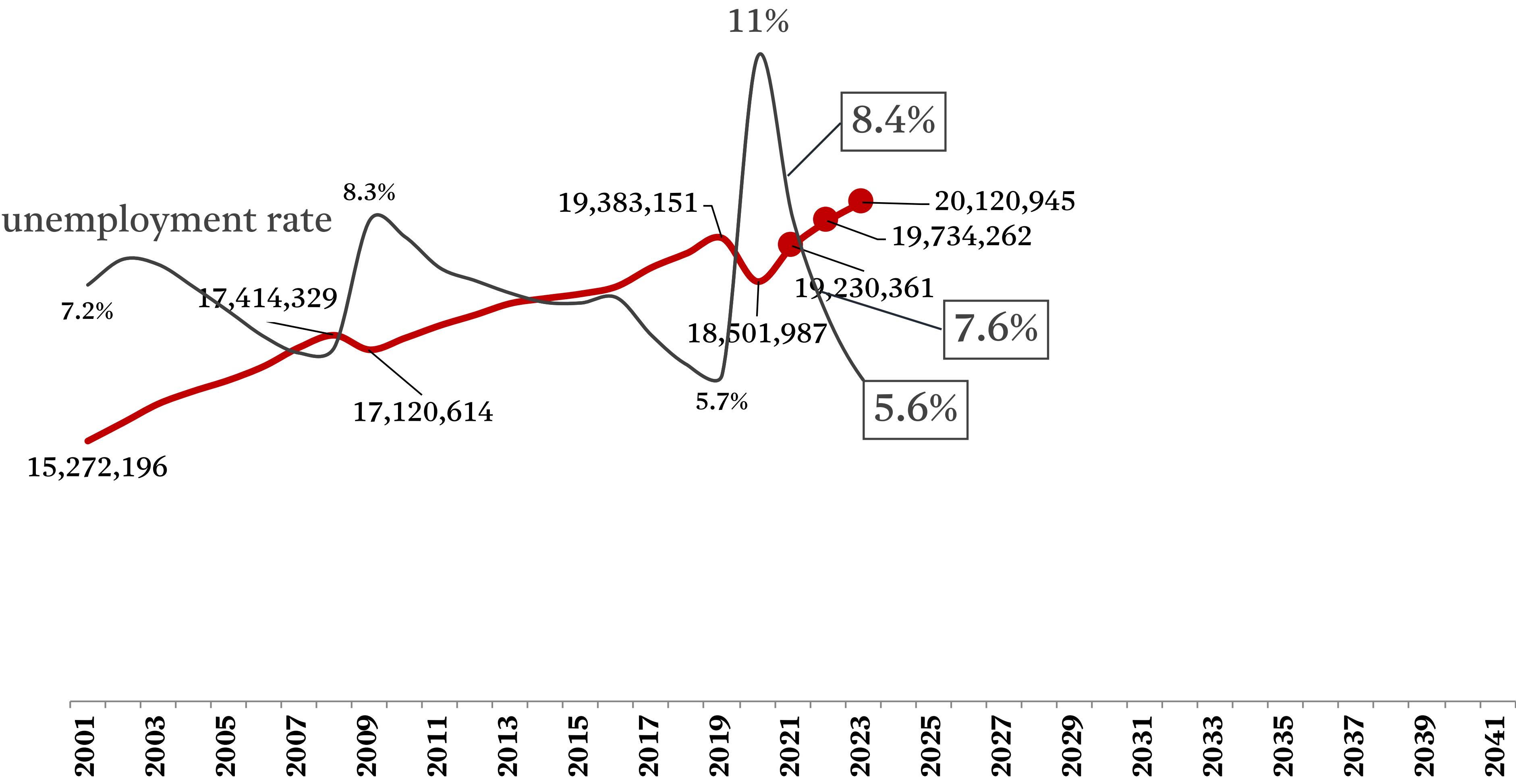
CANADA

2023



# total employment

CANADA



2023





## why this matters

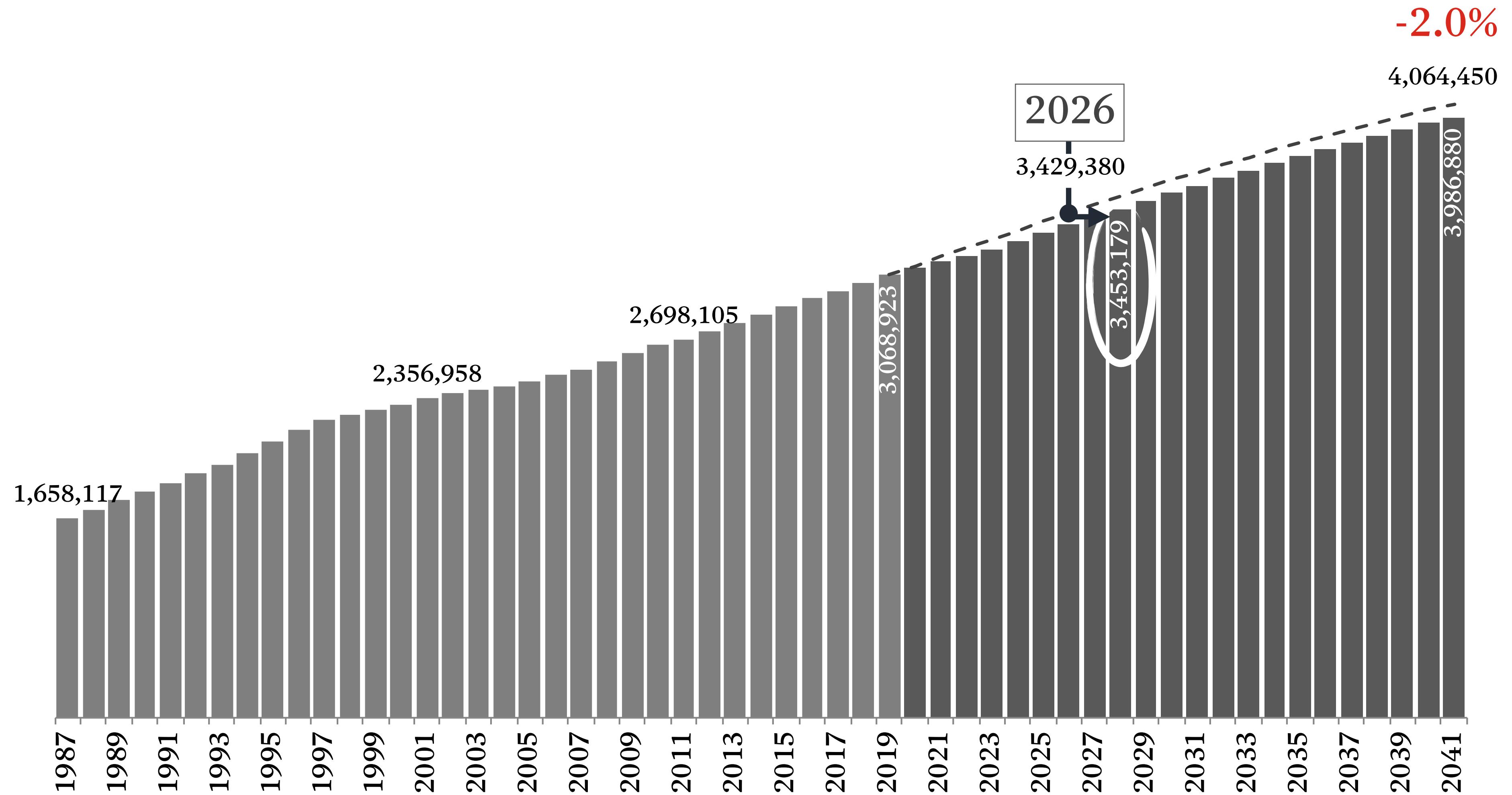
The great suppression could shift population growth back by 12-18 months nationally from previous projections.

That being said, COVID is not expected to have significant impacts on the general trajectory of Canadian demography.

WHY? most of the 37.6 million of us already here will continue to have birthdays and get older each and every year...

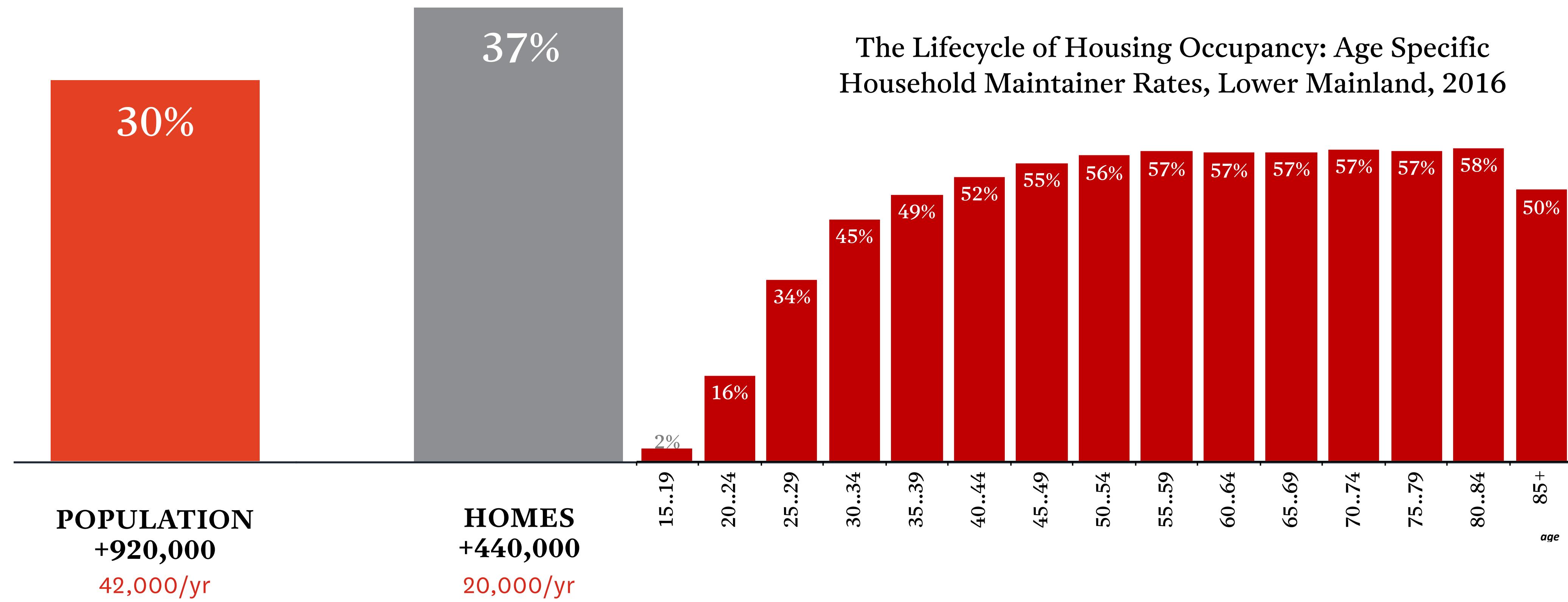
# total population

LOWER MAINLAND (GVRD, FVRD & SQUAMISH)



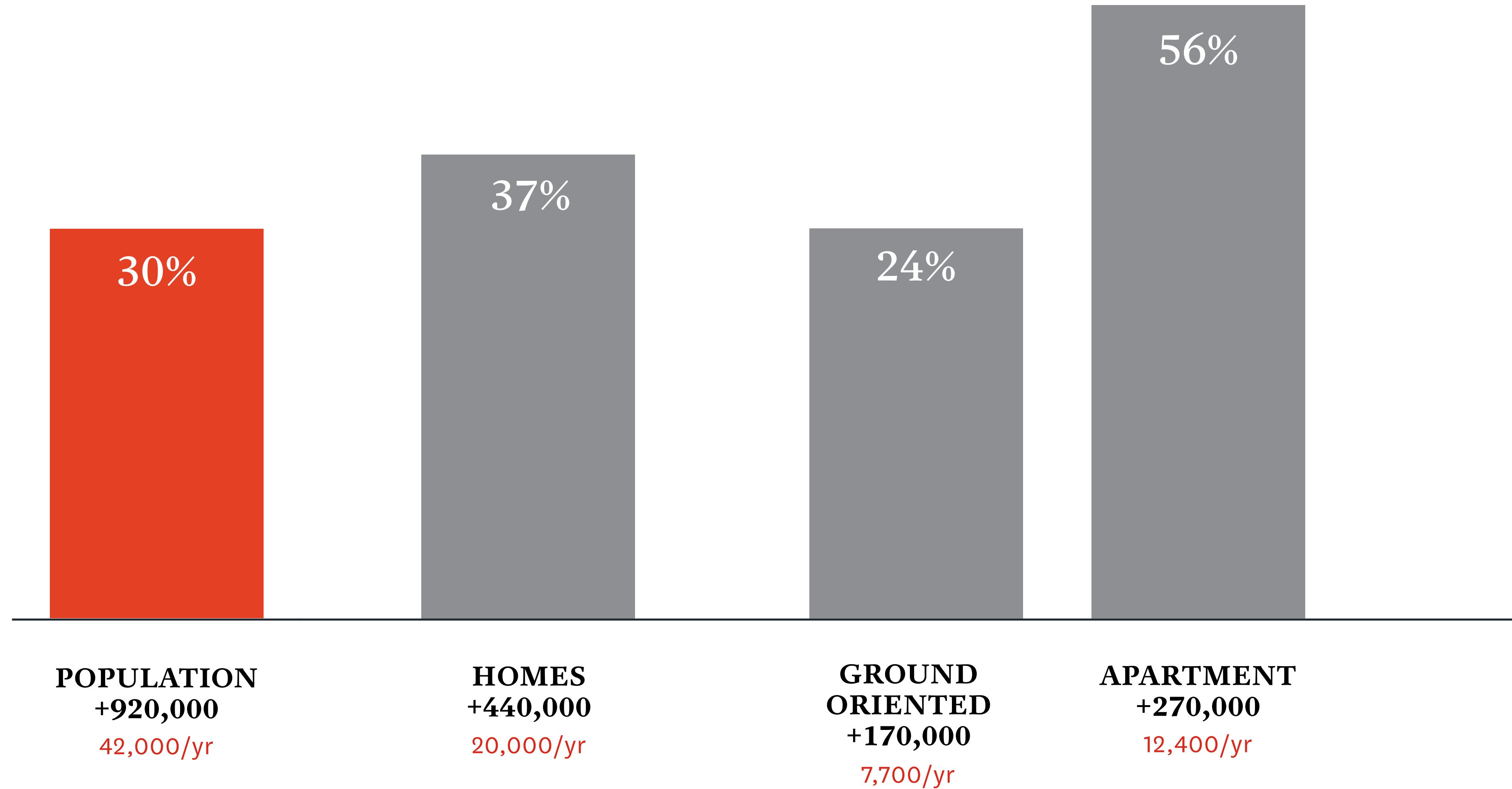
# housing 920,000 more residents

LOWER MAINLAND (GVRD, FVRD & SQUAMISH)



# housing 920,000 more residents

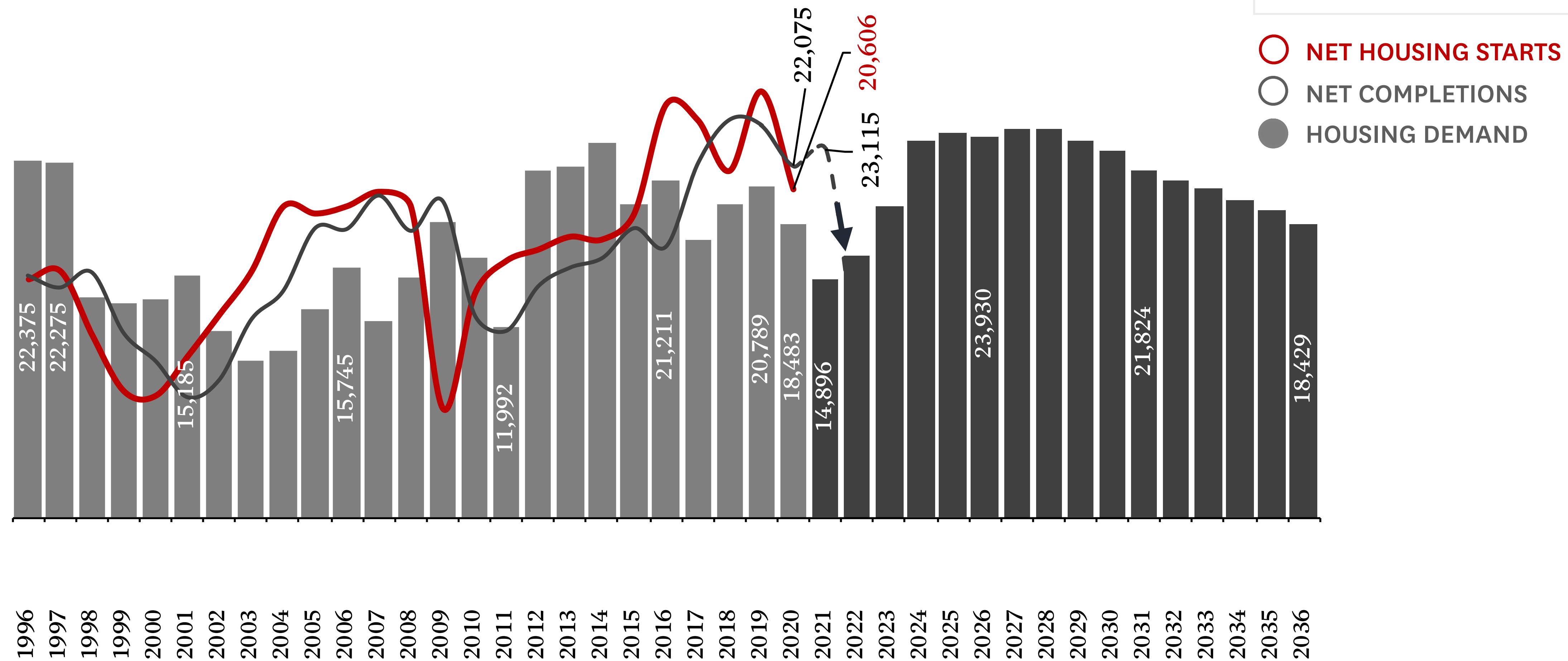
LOWER MAINLAND (*GVRD, FVRD & SQUAMISH*)



# housing supply and demand

LOWER MAINLAND (GVRD, FVRD & SQUAMISH)

to 2020 →





## why this matters

The Lower Mainland region will still need to build in the range of 20,000 net new homes each year AC (*after COVID*) to accommodate population growth and change.

Gross housing starts will therefore need to be in the range of 25,000 units annually.

We are currently in the range of 20k/yr.



Andy Ramlo

*thank you...*