

The MPC logo is a blue square with the white letters 'MPC' inside. It is positioned on the left side of the top banner image, which shows a marina with many sailboats and a city skyline in the background.

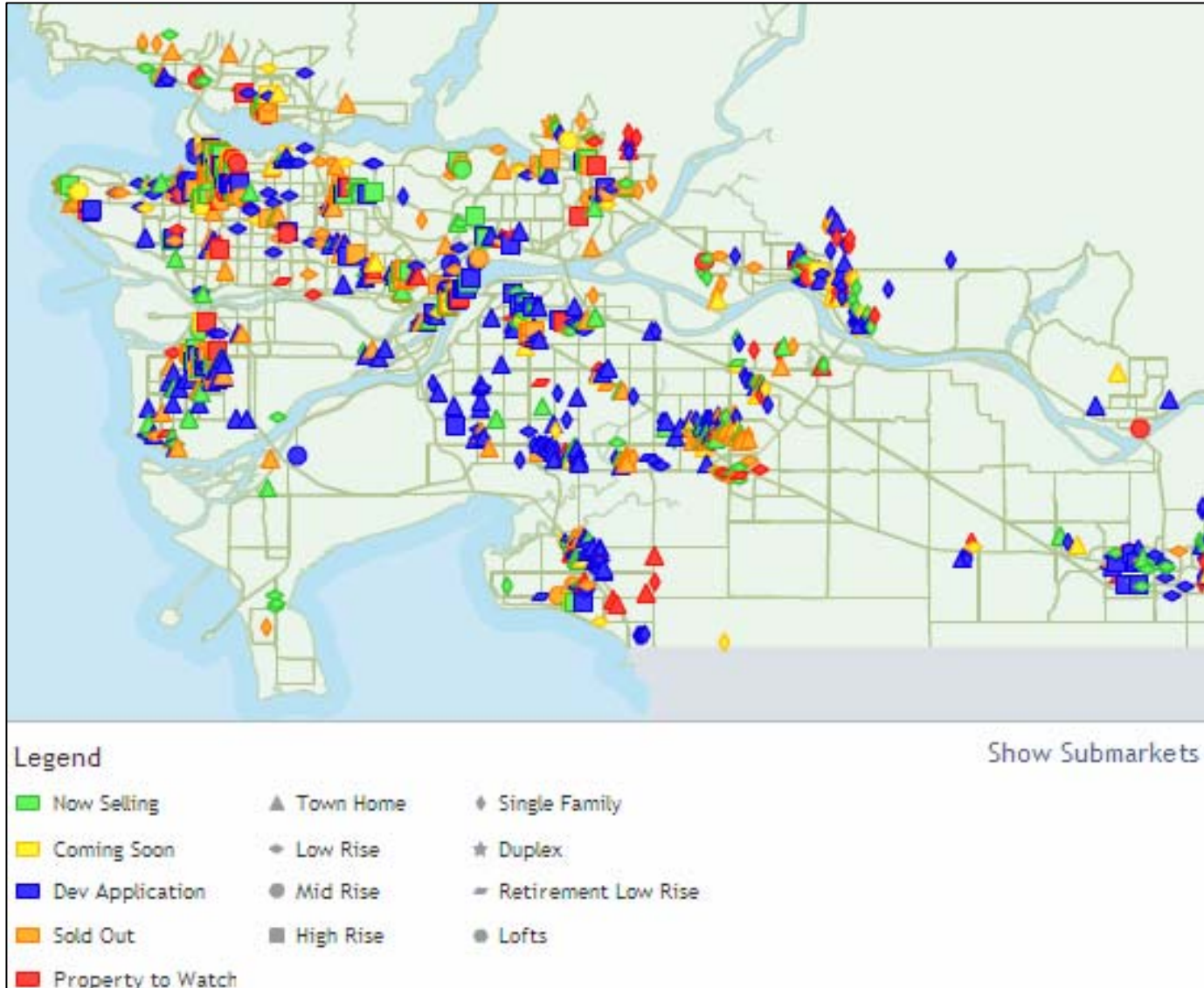
MPC

The Housing Market Outlook 2007

THINK BEFORE YOU ACT!

Jennifer Podmore – MPC Intelligence

The State of the Nation



A LOOK AT TODAY

Fifth Consecutive Year of Growth
Affordability Factors on the Rise
Shrinking House Sizes
Buyer Education
The Return of the First Timers



2006 YEAR END

	Total Homes	Now Selling	Available to Date	To Be Released	Homes Sold	Availability Rate	Dev Apps	Coming Soon
Totals	71,341	22,039	4,802	2,694	14,450	22%	40,628	8,674
Single Family	6,807	2,539	350	664	1,525	14%	3,709	559
Duplex	185	84	11	0	73	13%	101	0
Townhome	10,584	3,890	859	1,101	1,930	22%	5,927	767
Low Rise	14,545	5,260	1,496	226	3,538	28%	7,594	1,691
Mid Rise	4,111	985	282	0	703	29%	2,155	971
High Rise	34,123	9,017	1,767	703	6,538	20%	20,771	4,335
Lofts	300	158	39	0	119	25%	0	142
Retirement	686	106	9	0	97	8%	371	209

Concrete Condominiums

Under Development For Sale

2005 9075 Units

2006 9017 Units

Unsold Condos

2005 3321 Units

2006 1767 Units

Sold Condos

2005 5754 Units

2006 6538 Units

Available Inventory

2005 36.5%

2006 19.7%



Woodframe Condominiums



Under Development For Sale

2005	2935 Units
2006	5260 Units

Unsold Condos

2005	1317 Units
2006	1496 Units

Sold Condos

2005	1558 Units
2006	3538 Units

Available Inventory

2005	44.8%
2006	28.2%

Townhome Product



Under-construction

2005

2732 Units

2006

3,890 Units

Unsold Homes

2005

860 Units

2006

859 Units

Sold Homes

2005

1872 Units

2006

1930 Units

Available Inventory

2005

31.4%

2006

22.1%

Single Family Development



Under-construction

2005	1872 Units
2006	2539 Units

Unsold Condos

2005	840 Units
2006	350 Units

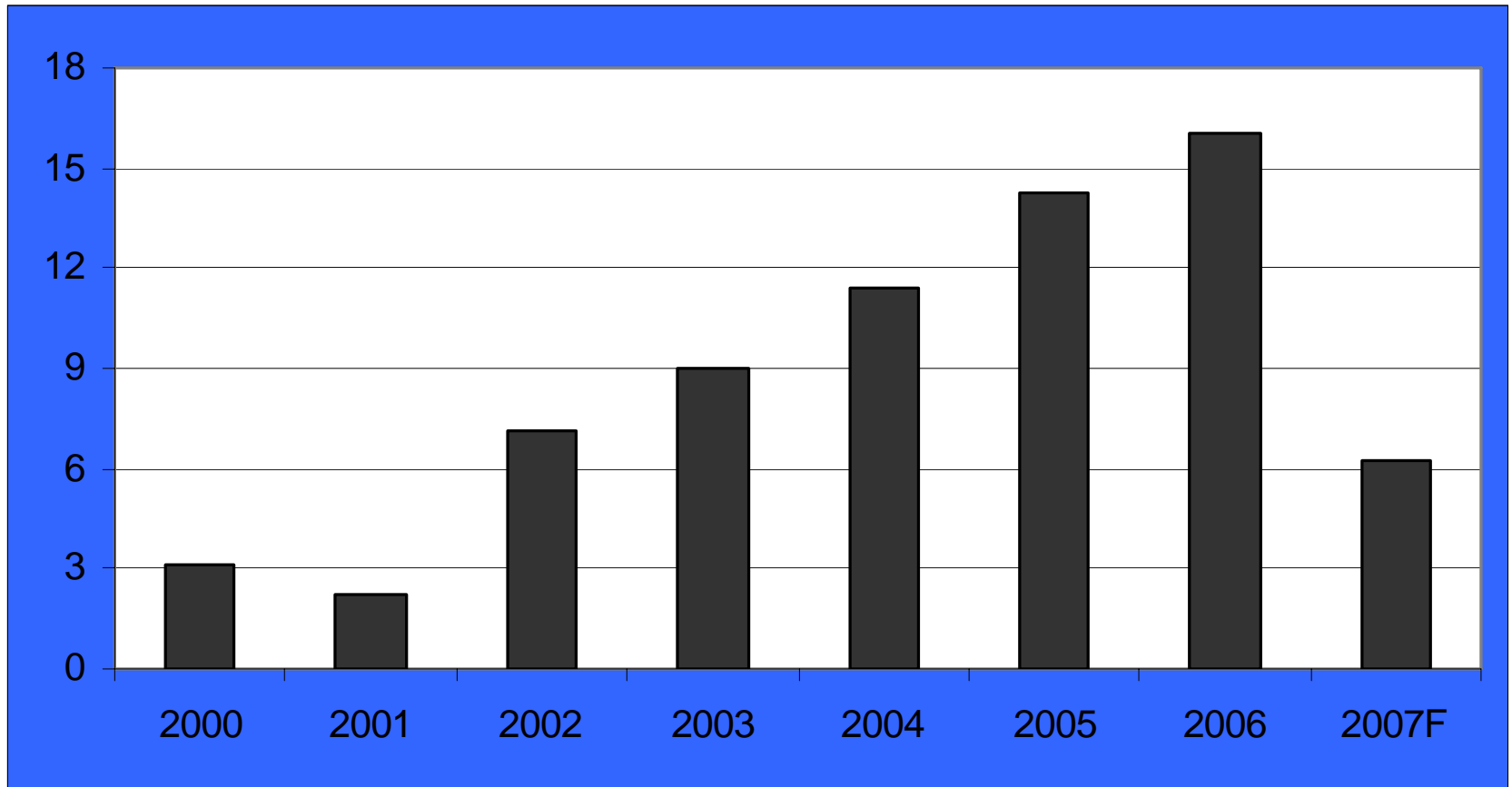
Sold Condos

2005	1032 Units
2006	1525 Units

Available Inventory

2005	44.8%
2006	14.3%

Where is Pricing




Source: MLS

Where We Were

	2005
Downtown	\$555
Vancouver Westside	\$490
Vancouver Eastside	\$380
North Shore	\$450
Burnaby/New West	\$375
Richmond	\$385
Tri-Cities	\$375
Surrey/Langley	\$335

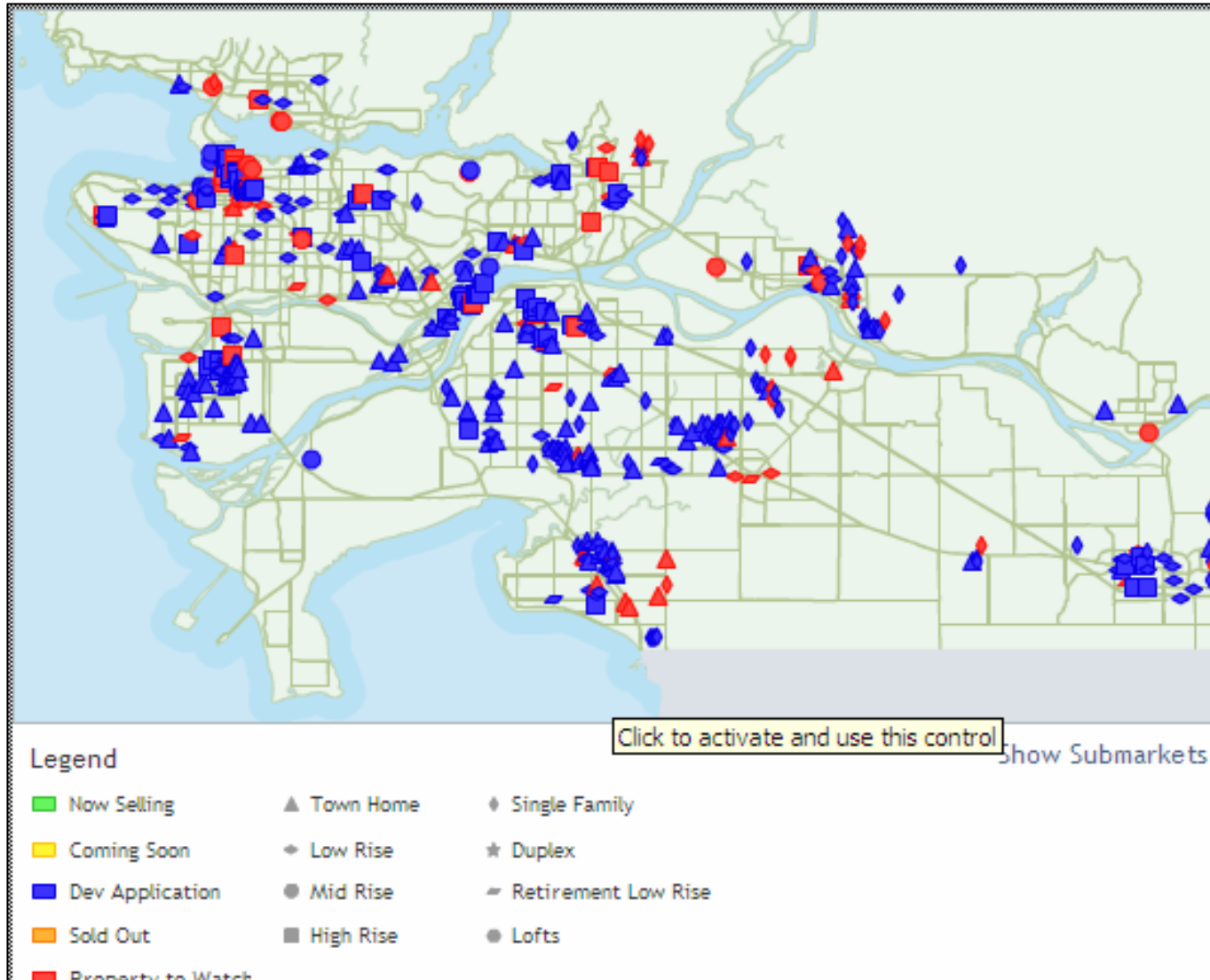
Where We Are

	2005	2006
Downtown	\$555	\$775
Vancouver Westside	\$490	\$645
Vancouver Eastside	\$380	\$450
North Shore	\$450	\$525
Burnaby/New West	\$375	\$460
Richmond	\$385	\$455
Tri-Cities	\$375	\$450
Surrey/Langley	\$335	\$360



Where are
we going
from
here?

Where We Are Going



Where We Are Going

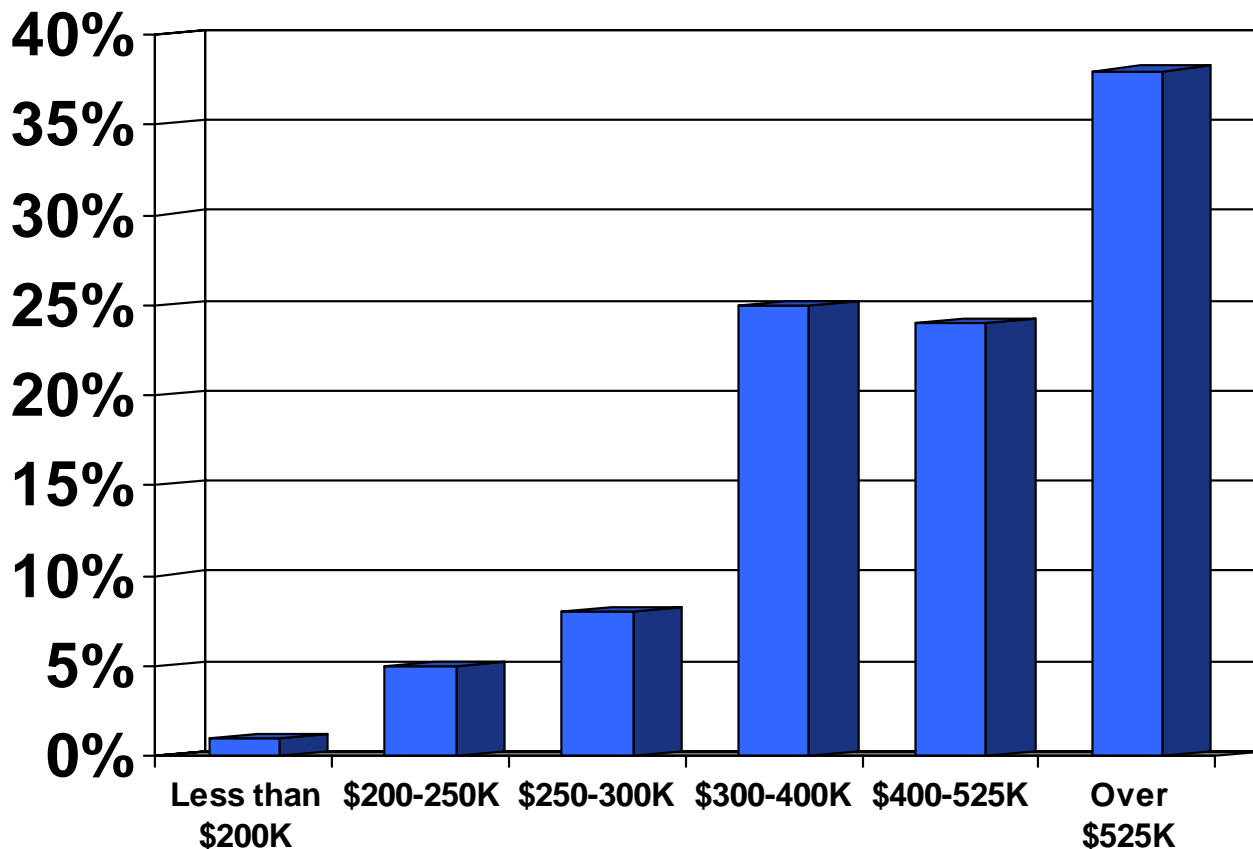
	2005	2006	2007
Downtown	\$555	\$775	\$825
Vancouver Westside	\$490	\$645	\$775
Vancouver Eastside	\$380	\$450	\$475
North Shore	\$450	\$525	\$565
Burnaby/New West	\$375	\$460	\$500
Richmond	\$385	\$455	\$475
Tri-Cities	\$375	\$450	\$470
Surrey/Langley	\$335	\$360	\$390



Who Will Drive the 2007 Market?

SURVEY SAYS.....

How Much Are You Willing To Pay?



SURVEY SAYS.....

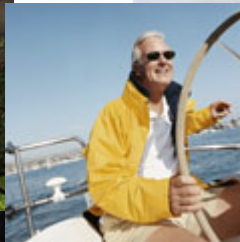
Top Thing You Look for In a New Home

1. Location
2. Price
3. Building Integrity/ Quality of Construction
4. Builder Reputation
5. Size of Home
6. Floorplan



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END USERS



First Time Home Buyers

- Singles and Couples (no kids)
- Aged mid to late 20's
- Mix of couples and singles – no kids
- Will comprise a mix of both Caucasian and visible minorities, most of which will be Canadian
- Moving from rental situation or directly from home
- Lead active social and recreational lifestyles
- Attracted to the more diverse development with concentrated shopping, recreation and lifestyle amenities
- Desire to own is key motivation for purchasing decisions
- Price down payment and monthly mortgage will weigh heavily in decision making
- Will sacrifice space for ownership
- Not averse to buying presale
- Proximity to transportation and central location to major commuter routes and rapid transit is appealing to this group
- Many of these couples will be single automobile households



Entry Level Professionals

- Singles and couples aged early to mid 30's
- Double income couples looking to build equity
- Career building stage, high likelihood that at least one member of the couple is self employed
- Lead active social and recreational lifestyles
- Attracted to the more diverse development with concentrated shopping, recreation and lifestyle amenities
- Not averse to buying presale
- Proximity to transportation appealing
- Looking for higher specification level and prestige of location
- Ability to recognize the future value of emerging areas
- Affordability and value are key buying considerations



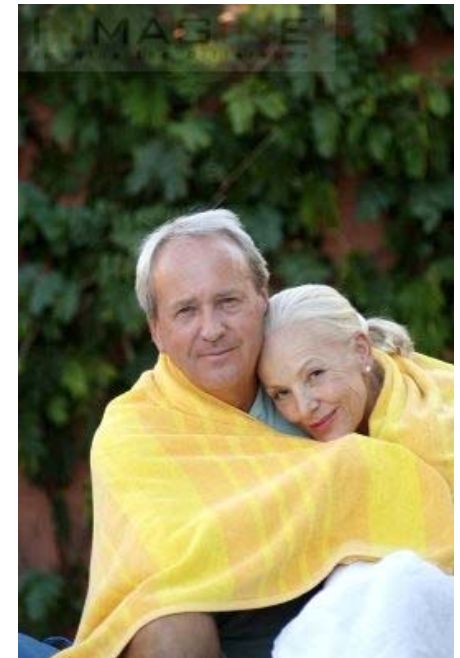
Start-up Families

- 30-something couples looking to start families or just started
- Looking for more convenience, good location and alternatives to single-family homes
- Attracted to new product for the promise of no maintenance living
- Many families will have dual-income or have some sort of second source of income
- Will be attracted to areas which offer options for child care, weekend recreation, shopping and amenity
- Will tend to purchase townhome and/or large condominiums
- Looking to be close to family
- Want a home which will accommodate them until they are able to afford a single family home
- Will tend to entertain at home
- Will look to live in a community with other young families



Active Empty Nesters

- Early 50's to mid 60's
- Locally established buyers downsizing from larger detached homes
- Desire a no-maintenance lifestyle
- More discriminating about finishing specification levels as well as views and orientations
- Buyers from markets to the west will be downsizing from larger detached homes and coming to the area because of word of mouth
- Much more discriminating about finishing specification levels as well as having homes located in the premium areas
- Will prefer larger view oriented units
- Will also request homes with two parking stalls
- More likely to request customizations to their homes
- Attracted to village style development and the master-planned community
- Purchases into the community will be part of the first stage of retirement
- Active couples – many of which do not intend to slow their pace of life
- Require adequate space for hosting family/friends for dinner parties and are also more concerned with have space for out of town guests



Retirees

- Aged mid 60's to late 70's
- Primarily couples with some widowed or divorced singles
- Are likely to still entertain
- Lead relatively still active in a social and recreational setting
- The "new" factor will be a motivating factor in their decision
- Will require an added bedroom or den for visiting family and a home office
- May request finishing appointments that recognize age-related disabilities – current or future
- The proximity of the hospital, golfing, groceries, and services will be variables in their decision of where to buy.
- These purchasers are buying a lifestyle and a convenient pedestrian friendly village will appeal to them.
- The ability do errands without driving will appeal to the mature purchaser.
- These purchasers are attracted to single level living
- Ready to start the next phase of their life they are looking for the lock and leave convenience which comes with condominium living as well as the ease of maintenance.
- On a whole this group will be less price-sensitive than younger purchasers and will concentrate of future value of the homes
- Desire a no-maintenance lifestyle
- Locally established buyers will be downsizing from larger detached homes and wish to remain in the area



CONDO BUYERS

Yuppies – Young Urban Professionals



CONDO BUYERS

Dinks – Dual Income No Kids



CONDO BUYERS

Dins – Dual Income No Sex



CONDO BUYERS



Opals – Older People with Active Lifestyles

BOTTOM LINE ON THE MARKET

- Moving into a more normalized market
- More certainty on construction costs long term
- No more trumping
- Real buyers dominate the market
- Prices – same today as they are tomorrow
- Slow and Steady wins the race
- Creativity and Good Marketing Key
- Success on Your Own Terms



Bottom Line on Consumers...



THEY GOT SMART

Bottom Line for Developers...



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MAKE IT WORK TODAY

Bottom Line for Suppliers...



IT'S ABOUT GOOD PRODUCT NOT
UPGRADES!

Think Before You Act

This report, along with other information is available at: www.thetrac.ca