



## Suburbs lead condo development

Sales in Surrey, Delta, Ladner and Tsawwassen post 30 per cent of the sales

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Surrey and surrounding municipalities topped Vancouver as the Lower Mainland's top centre for condominium development in 2007, according to a new report.

Developers in Surrey, Delta, Ladner and Tsawwassen sold 5,150 condo units last year, the development-industry research firm MPC Intelligence reported this week. That's almost 30 per cent of all 17,900 condos sold by project promoters in 2007.

Downtown Vancouver, by contrast, saw 2,055 sales, about 11.5 per cent of all units put on the market. Including Vancouver's east and west-side neighbourhoods, there were 3,500 sales.

MPC Intelligence noted that the highest number of those sales in Surrey and its environs were for concrete highrise developments.

That result is not surprising, Jennifer Podmore Russell, report author and MPC Intelligence managing partner, said in an interview, considering comparative costs between downtown Vancouver and the suburbs.

"I'd speculate that comes from attractive price points [that developers] can offer in Surrey," Podmore Russell said, "as well as the continued escalation of prices downtown becoming prohibitive for many buyers."

Podmore Russell added that prices for concrete highrise construction in Surrey are running about \$475 per square foot, versus \$800 per square foot for the newest developments being released for sale in downtown Vancouver.

MPC Intelligence tracks all new housing in the marketing phase, which for the Lower Mainland is virtually all condo pre-sales.

The burgeoning condo community around Surrey's Central City, where more than a dozen apartment towers are currently under construction, is becoming an attraction on its own, Podmore Russell added. Buyers, she said, see that Central City is an area that is maturing into more of an urban

core with services and access to transportation.

Seeking condo homes with easy access to transit has become a stronger theme among buyers, Podmore Russell added, as people seek to be less dependent on cars as much for practical financial purposes as environmental concerns.

If a household gets rid of a car, she said, "you have an extra \$500 every month to theoretically put towards a mortgage, which is what a lot of people are doing."

Podmore Russell said there are signs that more buyers intend to live in the units they purchase, versus speculators who count on their apartments to appreciate in value prior to completion.

While she doesn't have hard evidence, Podmore Russell said the salespeople on development sites deal with more clients who are immediately looking to secure mortgages, which is a sign they intend to live in what they're buying, and fewer buyers are trying to snap up multiple units, which is a sign of speculation.

Podmore Russell said there has been an increase in the number of pre-sale units being put back on the market by their initial purchasers, but not an alarming amount. "Real buyers will eventually be required to absorb these homes and these units will potentially create competition for future development," she wrote in her report.

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