

# BC APARTMENT INSIDER

The Insider Report | Issue 12 | Mar 2020

## BY THE NUMBERS Greater Vancouver 2018 vs. 2019

Capitalization Rates

▲ 3.12%

Average Price per suite

▼ \$287,292

Total Sales Volume

▼ \$874 Million

Vacancy Rate

▲ 1.1%

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"NAME THIS  
APARTMENT BUILDING"  
**CONTEST** p.14

## PURPOSE-BUILT RENTAL BUILDINGS:

*Why is this the **hottest**  
commercial real estate trend  
in Canada?*

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**Meet the Insider Team**

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**Current Listings**

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**Year In Review: 2019  
Multi-Family Sales**

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**Estate-planning for  
Real Estate: Tips For  
An Aging Population**

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Macdonald

COMMERCIAL

# WHAT'S INSIDE?

**in·sid·er** /in'sīdər/

(n.) a person within a group or organization, especially **someone** **privy** to **information** moreso or unavailable to others.

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## OUR MISSION IS

To **Connect** People  
To **Deliver** Exceptional Service;  
To Relentlessly **Negotiate** the Expectations of our Clients  
And To look back on **Good Deals**.

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# MEET THE TEAM

## **Dan Schulz - Vice President**

**Dan Schulz** joined Macdonald Commercial in 2012. Prior to Macdonald, Dan was with Colliers International for 14 years, where he held the title of Associate Vice President. Since entering the commercial real estate brokerage industry on September 21st, 1998, Dan has focused his activities on multi-family investment and development properties across British Columbia.

Dan also has expertise in the sale of hotels, mobile home parks, and the strata wind-up process. To date, Dan is consistently among the top sales people in the industry and has accumulated sales of over \$800M. Dan is the creator and writer of the BC Apartment Insider multi-family market report.

Dan holds a BA (Honours) in Economics from Queen's University and is affiliated with the Urban Development Institute and Landlord BC. He was Macdonald Commercial's Leading Salesperson in 2014 and achieved Macdonald Commercial's Excellence Award 2014, 2015, 2017, 2018 and 2019.



## **Chris Winckers - Senior Associate**

**Chris Winckers** is a true Vancouverite and brings his 10 years' experience working in the sports and recreation industry for North America's largest private sector ice sports facility to commercial real estate sales. He has come to learn the "ins and outs" of the Lower Mainland through his experience as a lifelong resident and adds his expertise in unique and recreational properties to the Team sales mix.

**Chris** has an SFU Communications degree, hits the hockey rink in the winter and sails in the summer, as a member of the West Vancouver Yacht Club.



## **Carl Chen - Associate**

**Carl** brings a multi-disciplinary strength to the Team and is tenacious in finding the right approach for each deal. He's tech savvy, forward-thinking and had half a decade of experience in the financial services industry before moving on to real estate brokerage in 2014.

**Carl** is fluent in Mandarin, has an SFU degree in Molecular Biology and Biochemistry, and hitchhiked 7000 km across Iran & Turkey with his wife.



## **Chris Tigas - Associate**

**Chris** hails from Toronto and moved to Vancouver in 2008 to attend UBC. He brings an open mind, hunger for success, a hard-working mentality and over 10 years of sales experience to the team. He is driven to finding creative solutions to every challenge.

*"When you see only problems, you're not seeing clearly."* – Phil Knight founder of Nike

**Chris** is an avid snowboarder, ultra-marathon runner, studied the Brain and Cognition at UBC, and is a new Father.



# SALES



## **SOLD 627 Lilac Ave, Kamloops**

Cap rate: 5.5%  
Sale Price: \$7,000,000.00



## **SOLD 4001 34A St, Vernon**

Cap rate: 5.67%  
Sale Price: \$9,350,000.00



## **SOLD 2180 Haultain, Victoria**

Cap rate: 4.7%  
Sale Price: \$3,500,000.00



## **SOLD 6900 Inkman Rd, Agassiz**

Cap rate: 4.8%  
Sale Price: \$3,360,000.00



## **SOLD 250 Victoria Rd, Nanaimo**

Cap rate: n/a  
Sale Price: \$3,500,000.00



## **SOLD 1830 Alberni St, Vancouver**

Strata Dissolution  
Sale Price: \$52,000,000

# PURPOSE-BUILT RENTALS:

## *The* hottest trend in Canadian commercial real estate

The annual Western Canada Apartment Investment Conference organized by Canadian Real Estate Forums was held this last April at the Edmonton Convention Centre. It was a great opportunity for industry members from each city to come together and examine their current rental market, discuss challenges faced, and provide an outlook on the future of rental investments in Western Canada. Speaking on the panel this year was **BC Apartment Insider's founder Dan Schulz** (for Vancouver), along with Paul Caput, IPA (Calgary) and Samuel Dean, JLL (Edmonton). Key revelations about the current and pending market conditions were illuminated. The hottest trend emerged as the need for new-build rental properties.

There's little doubt the rental shortage has now taken the lead in issues challenging the markets within and beyond these three cities: it's a reality across Canada and also for our neighbours to the south. The hot question is, "How do we deal with it?" The answer may be a case of "simple, not easy." The simple solution of building more rental units comes up against how to best get that done - which requires economic, logistical and political responses. Despite this pending crisis having been on the radar for years, it's surprising that activating necessary change has been slow or often delayed.

While there's been a general growth trend over the last 5 years in multi-family housing starts in BC, the 4% increase in Metro Vancouver rental starts in 2019 was attributed to the shortage, social housing investments and incentives to build. But is this enough to handle demand? The factors contributing to this shortage - such as immigration, the influx of tech companies (and other sectors) bringing in large employee bases, lack of affordability for detached homes for new homebuyers, fluctuations in tax rates and others - are conditions that are likely to remain in play for some time. Many developers and commercial real estate firms have come on-board to address the issue. Nicole Roberts, President of Cubicland Developments in Victoria has made her firm's focus to build, convert and infill with affordable rental housing - though it's not been without significant, often surprising obstacles. She reflects that "it needs to be made easier for us at a municipal level. Last year, Seattle released 17,000 new rental units while Vancouver and Victoria combined released only 1,700. The issue is the same in all these cities, but the hoops we as developers have to jump through to provide these needed housing units can make it a non-starter."

In Vancouver, Macdonald Commercial R.E.S Ltd worked in conjunction with Jameson Developments to bring the new-build, 96-unit rental property *The Saint George* to the North Vancouver market. This tripled the number of rental units in that city in one fell swoop.

Whatever the factors are that have contributed to this specific type of housing crisis in Vancouver, in Canada, and beyond - opportunities to contribute meaningfully to the solution are available in many sectors related to the building, converting, and renovating of rental units. This also signals new opportunities for current and new Investors on both the buying and selling sides of the multi-family market.



Paul Caput, Samuel Dean & Dan Schulz onstage in Edmonton, 2019

# CURRENT LISTINGS



**2418 East Broadway, Vancouver**  
**Gardenia Villa**  
**250-Unit Investment Property with Holding**  
**Income and Redevelopment Potential**

**Asking Price: \$110,000,000**



**620 Pine St, Nanaimo**  
**12-Suite Apartment Building**

**Cap Rate: 4.77-5.98%**  
**Asking Price: \$1,699,000**



**377 Hospital St, New Westminister**  
**Centrally-located 5-Unit Apartment Building**

**Cap Rate: 2.58%**  
**Asking Price: \$2,700,000**



**524 East 11th Ave, Vancouver**  
**Renovated Triplex in Mount Pleasant**

**Cap Rate: 3.3%**  
**Asking Price: \$2,388,000**



**250 Victoria St, Nanaimo**  
**32-Suite Fully-Renovated Apartment Building**

**Cap Rate: 5.2%**  
**Asking Price: \$6,950,000**

# CURRENT LISTINGS

## 220 & 240 Turner St, Hope 26-Unit Apartment Complex

Cap Rate: 5.1%  
Asking Price: \$3,300,000



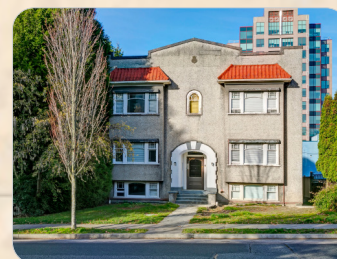
## 3652, 3654, 3656 Pt. Grey Rd, Vancouver Triplex in Prime Point Grey

Asking Price: \$3,888,000



## 1325 West 10th Ave, Vancouver 10-Suite Apartment Building in Kitsilano

Asking Price: \$5,000,000



## 2629 West 4th Ave, Vancouver 10-Suite Apartment Building in South Granville

Asking Price: \$5,888,000



## 116 Prideaux St, Nanaimo 27-Suite Strata-Titled Apartment Building

Cap Rate: 5.14%  
Asking Price: \$5,950,000



# 2019 APARTMENT BUILDING SALES

January 1 - Dec 31, 2019 | Greater Vancouver Area

Property address	Units	\$ per unit	Sold price	Sale date
<b>Vancouver   Kitsilano</b>				
2466 West Broadway	10	\$505,000	\$5,050,000	2019-01-02
2464 West 2nd Avenue	10	\$660,000	\$6,600,000	2019-01-31
1676 West 10th Avenue	11	\$460,545	\$5,066,000	2019-03-19
1935 Cypress Street	10	\$499,500	\$4,995,000	2019-05-29
2044 West 3rd Avenue	11	\$436,364	\$4,800,000	2019-07-17
2425 York Avenue	25	\$530,000	\$13,250,000	2019-08-26
1635 West 12th Avenue	20	\$417,500	\$8,350,000	2019-09-09
<b>Total / Average</b>	<b>97</b>	<b>\$501,273</b>	<b>\$48,111,000</b>	
<b>Vancouver   South Granville, Fairview</b>				
2636 Fir Street	11	\$213,636	\$2,350,000	2019-04-01
1025 West 11th Avenue	8	\$606,250	\$4,850,000	2019-05-28
1017 West 7th Avenue	7	\$307,143	\$2,150,000	2019-09-30
1230 West 12th Avenue	20	\$408,400	\$8,168,000	2019-11-15
<b>Total / Average</b>	<b>46</b>	<b>\$383,857</b>	<b>\$17,518,000</b>	
<b>Vancouver   West End</b>				
1171 Thurlow Street	45	\$195,699	\$8,806,439	2019-06-28
1629 Haro Street	40	\$462,500	\$18,500,000	2019-11-01
1121 Harwood Street	23	\$339,974	\$7,819,400	2019-12-19
<b>Total / Average</b>	<b>108</b>	<b>\$332,724.30</b>	<b>\$35,125,839</b>	
<b>Vancouver   Downtown, Gastown, Yaletown</b>				
25 East Hastings Street	76	n/a	\$8,232,000	2019-01-16
41 East Hastings Street	48	\$188,089	\$9,028,264	2019-03-29
139 East Cordova Street	46	\$89,565	\$4,120,000	2019-06-28
<b>Total / Average</b>	<b>170</b>	<b>\$138,827</b>	<b>\$21,380,264</b>	
<b>Vancouver   Strathcona, DTES</b>				
575 East Pender Street	30	\$93,333	\$2,800,000	2019-01-31
179 Main Street	9	\$85,389	\$768,500	2019-02-28
309 Alexander Street	24	\$152,083	\$3,650,000	2019-07-09
688 Alexander Street	9	\$222,222	\$2,000,000	2019-12-06
<b>Total / Average</b>	<b>72</b>	<b>\$138,257</b>	<b>\$9,218,500</b>	
<b>Vancouver   Grandview Woodland</b>				
1727 William Street	10	\$590,000	\$5,900,000	2019-01-28
2115 Triumph Street	18	\$288,889	\$5,200,000	2019-02-05
1771 East Georgia Street	40	\$318,750	\$12,750,000	2019-12-02
<b>Total / Average</b>	<b>68</b>	<b>\$399,213</b>	<b>\$23,850,000</b>	
<b>Vancouver   Hastings-Sunrise</b>				
2266 Trinity Street	20	\$325,000	\$6,500,000	2019-04-23
<b>Total / Average</b>	<b>20</b>	<b>\$325,000</b>	<b>\$6,500,000</b>	

Sources: Commercial Edge, REAL Net. Although this information has been received from sources deemed reliable, we assume no responsibility for its accuracy, and without offering advice, make this submission subject to prior sale or lease, change in price or terms and withdrawal without notice.

**Vancouver | East Vancouver**

1415 East Broadway	42	\$338,095	\$14,200,000	2019-04-15
754 East Broadway	8	\$616,250	\$4,930,000	2019-07-03
1368 East 8th Avenue	16	\$575,000	\$9,200,000	2019-07-05
<b>Total / Average</b>	<b>66</b>	<b>\$509,782</b>	<b>\$28,330,000</b>	

**Vancouver | Mount Pleasant**

2636 Yukon Street	8	\$354,750	\$2,838,000	2019-02-26
55 East 12th Avenue	51	\$357,843	\$18,250,000	2019-06-03
<b>Total / Average</b>	<b>59</b>	<b>\$356,297</b>	<b>\$21,088,000</b>	

**Vancouver | Fraser, Main**

7440 Fraser Street	47	\$258,511	\$12,150,000	2019-10-09
4967 Main Street	8	\$421,250	\$3,370,000	2019-12-16
<b>Total / Average</b>	<b>55</b>	<b>\$339,881</b>	<b>\$15,520,000</b>	

**Vancouver | Marpole**

8687 Selkirk Street	11	\$477,273	\$5,250,000	2019-03-15
8755 Oak Street	15	\$259,667	\$3,895,000	2019-05-30
8770 Selkirk Street	26	\$323,077	\$8,400,000	2019-06-14
8616 Fremlin Street	9	\$400,000	\$3,600,000	2019-07-29
8635 French Street	7	\$407,143	\$2,850,000	2019-11-28
<b>Total / Average</b>	<b>68</b>	<b>\$373,432</b>	<b>\$23,995,000</b>	

**Vancouver | Kerrisdale**

2182 West 39th Avenue	21	\$476,190	\$10,000,000	2019-10-23
<b>Total / Average</b>	<b>21</b>	<b>\$476,190</b>	<b>\$10,000,000</b>	

**North Vancouver**

250 East 2nd Avenue	45	\$353,889	\$15,925,000	2019-01-23
228 East 15th Street	11	\$472,727	\$5,200,000	2019-06-10
236 East 15th Street	8	\$653,125	\$5,225,000	2019-08-29
155 East 19th Street	29	\$396,552	\$11,500,000	2019-10-01
1220 St. Georges Avenue	22	\$364,773	\$8,025,000	2019-11-04
<b>Total / Average</b>	<b>115</b>	<b>\$448,213</b>	<b>\$45,875,000</b>	

**West Vancouver**

1575 Esquimalt Avenue	31	\$554,839	\$17,200,000	2019-01-31
<b>Total / Average</b>	<b>31</b>	<b>\$554,839</b>	<b>\$17,200,000</b>	

**Burnaby**

7683 15th Street	90	\$186,233	\$16,761,000	2019-01-04
7165 Pandora Street	14	\$281,357	\$3,939,000	2019-01-25
6831 Arcola Street	13	\$287,262	\$3,734,400	2019-06-28
7070 Inlet Drive	117	\$277,778	\$32,500,000	2019-08-21
7360 Halifax Street	252	\$357,143	\$90,000,000	2019-08-30
3880 Pender Street	29	\$310,131	\$8,993,785	2019-10-15
6710 Sussex Avenue	10	\$363,000	\$3,630,000	2019-11-14
<b>Total / Average</b>	<b>525</b>	<b>\$294,701</b>	<b>\$159,558,185</b>	

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**New Westminster**

313 Carnarvon Street	13	\$250,000	\$3,250,000	2019-01-31
520 Ninth Street	33	\$234,848	\$7,750,000	2019-01-11
1117 Hamilton Street	21	\$202,381	\$4,250,000	2019-05-02
510 Ninth Street	36	\$192,361	\$6,925,000	2019-05-15
330 Ash Street	61	\$227,730	\$13,891,525	2019-09-12
700 Fourth Avenue	56	\$210,419	\$11,783,475	2019-09-17
1001 Sixth Avenue	14	\$270,000	\$3,780,000	2019-10-30
720 Queens Avenue	113	\$221,239	\$25,000,000	2019-11-01
101 Royal Avenue	48	\$279,167	\$13,400,000	2019-12-15

<b>Total / Average</b>	<b>395</b>	<b>\$232,016</b>	<b>\$90,030,000</b>
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**Port Coquitlam**

2060 Manning Avenue	22	\$186,364	\$4,100,000	2019-05-09
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<b>Total / Average</b>	<b>22</b>	<b>\$186,364</b>	<b>\$4,100,000</b>
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**Surrey**

5772 177B Street	79	\$180,380	\$14,250,000	2019-08-21
13555 96 Avenue	146	\$383,562	\$56,000,000	2019-09-24
15366 17 Avenue	165	\$233,308	\$38,495,900	2019-10-01
10272 127A Street	223	\$195,067	\$43,500,000	2019-10-09

<b>Total / Average</b>	<b>613</b>	<b>\$248,079</b>	<b>\$152,245,900</b>
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**White Rock**

1281 Foster Street	11	\$222,727	\$2,450,000	2019-11-01
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<b>Total / Average</b>	<b>11</b>	<b>\$222,727</b>	<b>\$2,450,000</b>
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**Langley**

20839 78B Avenue	191	\$364,398	\$69,600,000	2019-04-15
5393 201st Street	98	\$397,959	\$39,000,000	2019-06-20
20727 Fraser Highway	37	\$164,054	\$6,070,000	2019-07-02

<b>Total / Average</b>	<b>326</b>	<b>\$308,804</b>	<b>\$114,670,000</b>
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**Maple Ridge**

12014 220 Street	12	\$187,500	\$2,250,000	2019-06-18
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<b>Total / Average</b>	<b>12</b>	<b>\$187,500</b>	<b>\$2,250,000</b>
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**Abbotsford**

33465 South Fraser Way	28	\$155,821	\$4,363,000	2019-08-01
33412 Tessaro Crescent	12	\$333,333	\$4,000,000	2019-09-17

<b>Total / Average</b>	<b>40</b>	<b>\$244,577</b>	<b>\$8,363,000</b>
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**Chilliwack**

45699 Patten Avenue	22	\$123,864	\$2,725,000	2019-01-22
9219 Edward Street	36	\$156,250	\$5,625,000	2019-04-02
8977 Edward Street	36	\$179,236	\$6,452,500	2019-07-29
46565 Yale Road	8	\$220,000	\$1,760,000	2019-07-31

<b>Total / Average</b>	<b>102</b>	<b>\$169,837</b>	<b>\$16,562,500</b>
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Sources: Commercial Edge, REAL Net. Although this information has been received from sources deemed reliable, we assume no responsibility for its accuracy, and without offering advice, make this submission subject to prior sale or lease, change in price or terms and withdrawal without notice.

# REAL ESTATE PLANNING

## 3 CONSIDERATIONS + 2 HOT TIPS FOR YOUR LEGACY PROPERTY

What's better than owning an additional space to escape to as you navigate the pressures and bustle of everyday life? Depending on your bent, it could be your business premises or your cottage by the lake. While you may have invested in your family's future by acquiring real estate, have you invested in their future *happiness* with a plan for that real estate down the road? Whether you own commercial, residential or recreational property, real estate assets can pose unique challenges for your estate planning. Here are 3 general concepts and 2 specific tips to consider as you develop your approach.

**1. CONSULTATION** - This includes getting professional advice from a financial advisor or an estate lawyer AND talking with your family (if you wish to factor in their thoughts). On one hand, working with an expert is key to making informed choices based on current, relevant financial and legal information; on the other, getting a sense of what family members may want, need or have attachment to is key for balancing out the emotional factors of the process (you might be surprised what you discover). Both consultations provide invaluable insights and allow you to explore options, hone your own desires, and ultimately make informed decisions and choices that you'll be happy to put in place.

### \*\* 2 EXPERT TIPS \*\*

Victor Yoshida, Managing Director of [Concert CPA](#) (Vancouver) encourages real estate owners to *"stop and take a look at the current market conditions and political climate: there may be opportunities to reduce your overall tax rate or create the best tax advantage for your family when it comes to your estate planning (for commercial, residential or recreational properties)."*

#### Tip 1: Market Conditions

With the recent downward turn in the markets, there may be an advantage in implementing an **estate freeze** – which can allow future appreciation to accrue to your benefactors. (NB: This is a high-level insight - worth exploring deeper with your Expert.)

#### Tip 2: Political Climate

The reverse approach may be worth considering if the political climate indicates possible or probable changes in tax rates, i.e. it may be advantageous to trigger a capital gain early so taxes are paid at a lower rate (e.g. at the current 25% vs. 50% later).

**2. TIME** - It takes time to find the best fit of experts to work with, to gather family input, to make satisfying decisions, and to properly document your plan. It's also never too early or too late to set this process in motion - simply keep in mind it's not a last-minute endeavour. Think: *"Now is the new black."*

**3. COMMUNICATION** - You may wish to keep your final plan private or share it openly with those involved. Either way, there's value in letting your family know there *is* a plan in place, how it is documented, and where that documentation can be accessed when the time comes.

Keeping your will current and minding the special considerations real estate assets can pose is a unique kindness in service of the ones you love. Advisors, real estate brokers and families who have dealt with legacy real estate will attest that having a clear plan makes a significant difference at a time that's tender and/or unpredictable, at best. Keeping these 3 key planning considerations in mind and putting them into practice allows you to provide perhaps the greatest gift: a legacy of **family harmony**.

# COMING SOON!

Our **New Website** is preparing for launch early this year. We're excited to present our growing team, a modern new look and exciting features. We will continue to deliver valuable information and our most up-to-date opportunities in the multi-family commercial real estate market.

**Next Issue:** "2020 Vision: The Greenest City and Vancouver's Commercial Real Estate Market. Where Do We Stand?"

Look for **Issue 13** coming in June 2020.

**Stay tuned....**



## Vancouver 2050

**Build, Broker, Buy, Insure, Roof, Plub, Wire, Glaze and Property Manage this:**



**Our Great City Needs New, Energy-Efficient Rental Buildings.  
Lots of Them.**

Macdonald  
COMMERCIAL

# WE'RE ON A MISSION

To **Connect** People  
To **Deliver** Exceptional Service;  
To Relentlessly **Negotiate** the Expectations of our Clients  
And To look back on **Good Deals**.

*For all your apartment building & development site sales ...*  
**We look forward to working with you in 2020!**



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# BC

## APARTMENT INSIDER

### CAN YOU NAME THIS APARTMENT BUILDING?



**Hint:** Built in 1920,  
it was Dan's 1st  
Vancouver apartment  
building sale. Use this  
QR code, email him  
or post on our social  
media to make  
your guess - win  
lunch with Dan!



[bcapartmentinsider.com](http://bcapartmentinsider.com)



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