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Editors/Real Estate Reporters

• Please click on link to view Avison Young's *Spring 2019 British Columbia Multi-Family Investment Report*:

https://www.avisonyoung.ca/documents/95750/47239315/BCMultiFamilyReport_Spring2019

**Record British Columbia multi-family investment
dollar volume in 2018 obscures shifting market dynamics**

Avison Young releases its Spring 2019 BC Multi-Family Investment Report

Vancouver, BC -- Multi-family investment activity surpassed the billion-dollar mark for the second consecutive year in 2018 with 85 transactions valued at \$1.51 billion, setting a new dollar volume record. While the number of transactions in 2017, 89, still holds the record in terms of number of deals, the dollar-volume record of \$1.41 billion (which had actually been set in 2015) was finally surpassed in 2018.

Investment activity remained stable throughout 2018, but dollar volume increased in the second half of the year with 43 deals valued at \$842 million compared with 42 transactions worth \$673 million in the first half. (**Avison Young** only tracks multi-family investments trading at more than \$5 million.)

These are some of the key trends noted in Avison Young's ***Spring 2019 British Columbia Multi-Family Investment Report***, released today.

While pricing remained strong in 2018, low-yield deals were largely absent in the market in the second half as some investors started reconsidering their asset repositioning strategies. Political intervention, which started with the recommendations from the provincial Rental Housing Task Force – particularly the change to the province's rent increase formula that saw the current formula of inflation plus 2% reduced to inflation only – has had a significant impact on the multi-family market.

"Municipal elections in October 2018 also resulted in many local city councils adopting more of a pro-tenant stance," comments Avison Young Principal **Robert Greer**. "This has largely resulted in the exit of most of the aggressive value-add investors from the Metro Vancouver market."

Vendors that moderate pricing expectations in an environment of enhanced economic and political risk and who understand that market fundamentals remain strong in 2019 will find an active pool of potential buyers seeking to place capital in the multi-family asset class. While investors may be attracted to higher yields available outside Metro Vancouver markets in 2019, demand for quality, well-located product in the core remains undiminished and pricing attractive for vendors looking to capitalize.

The report also contains a Q&A with **Michael Ferreira**, Managing Principal with **Urban Analytics**, discussing the true state of Metro Vancouver's rental market and whether the projected rental housing starts are anywhere close to what is being called for by government.

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