

WHAT'S HAPPENING IN

British Columbia

Landlord prices drag sales down

Unrealistic asking prices by Vancouver-area landlords is the chief reason for a dramatic slump in sales of apartment buildings, according to a report from **CB Richard Ellis** (CBRE).

The report shows that sales of Metro Vancouver apartment buildings dropped 55 per cent in the first quarter of this year from the same period in 2007.

Daniel Sander, of the company's national apartment group said, "one of the key issues affecting the market is that current price expectations of apartment owners is at record levels in a marketplace that now has higher financing costs with much more stringent lending policies. There is a real disconnect between the buyers and sellers."

Sanders explained that many foreign buyers, who have been active in the city's multi-family market, are becoming much more conservative as they eye global real estate trends.

Without a downward adjustment in local prices, CBRE sees "no improvement" in Vancouver's apartment building sales over the next eight to 12 months.

Recent sales information released by CBRE, based on purchases by foreign buyers, shows just how high prices are becoming. A buyer from China paid \$10.1 million for a 43-suite rental building in Vancouver, while a U.S. buyer paid \$4.8 million for a 17-unit apartment building, or an average of more than \$282,000 per suite.