

# HAVE YOU READ THE NEWS TODAY?

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*(KEY POINTS FROM THE SPEECH HAVE BEEN HIGHLIGHTED FOR YOUR CONVENIENCE)*

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# HAVE YOU READ THE NEWS TODAY?

*(KEY POINTS FROM THE SPEECH HAVE BEEN HIGHLIGHTED FOR YOUR CONVENIENCE)*

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- AND YOU PAID MONEY
- TO LISTEN TO A GUY THAT IS RUNNING A MARKETING CAMPAIGN FOR PETER WALL IN EAST VANCOUVER WITH THE TAG LINE "IF YOU LIVED HERE - YOU WOULD BE HOME BY NOW"
- WE HAVE A LOT OF STATS TODAY SO PUT DOWN YOUR PENS AND I WILL HAVE ALL OF THIS UP ON OUR WEBSITE NEXT WEEK.
- WELL MY TALK IS CALLED HAVE YOU READ THE NEWS TODAY?
- AND IF YOU READ THE NEWS THIS MORNING -YOU WOULD SEE IN THE GLOBE AND MAIL THAT I AM ON MY RANT ABOUT THE VANCOUVER ART GALLERY.
- IN THE VANCOUVER SUN THIS MORNING, I AM SCOLDING CHINATOWN FOR NOT RESTORING HERITAGE BUILDINGS.
- THE LESSON LEARNED IS DON'T CALL BOB WHILE HE IS WRITING HIS UDI TALK BECAUSE HE'S A LITTLE BITCHY AND IN MALCOLM PARRY'S COLUMN I AM DOING WHAT I AM SUPPOSED TO DO "SELL CONDOMINIUMS".
- THE PROBLEM IS THAT I FIRED MY THERAPIST AND I NOW LIVE IN PUBLIC THERAPY.
- OH BOY, YOU CANNOT IMAGINE HOW DIFFICULT IT IS FOR ME TO ONLY SPEAK FOR AN HOUR.
- I HAVE THOUSANDS OF IDEAS AND THOUSANDS OF OBSERVATIONS THAT I WOULD LIKE TO SHARE WITH ALL OF YOU.
- I HAD TO ARRIVE LATE TO THIS LUNCH BECAUSE EVERY TIME I RECEIVE MORE INFORMATION CONVERSATIONS WITH ALL OF YOU - I WANT TO INCLUDE IT, IN MY TALK/
- I AM CONVINCED MORE THAN EVER OF SOMETHING THAT I REMARKED ON LAST YEAR AND THAT IS IN ALL OF OUR STATS, WE HAVE FOUND THAT THERE IS NO ONE GENERAL COMMENT TO DESCRIBE THE OVERALL MARKETPLACE.
- THERE ARE NOW TWO DISTINCT MARKETS THAT HAVE EMERGED IN THE GVRD.

- EVIDENT MORE THAN EVER IS THAT THERE ARE MARKETS THAT ARE RELIANT ON LOCAL INCOMES AND THEN THERE ARE MARKETS THAT ARE NOT RELIANT ON LOCAL INCOMES.
- DOWNTOWN BEING THE OBVIOUS

AND THEN THERE IS ALSO MAINLAND CHINA THE WEALTH OF THIS DEMOGRAPHIC IS UNPRECEDENTED AND I DO NOT THINK THAT ANY OF US REALLY UNDERSTAND IT.

- FROM TALKING TO WEST SIDE REALTORS WOULD VENTURE TO GUESS BUYERS FROM MAINLAND CHINA ARE RESPONSIBLE FOR 60% OF ALL SALES ON THE WESTSIDE OVER \$1.7 MILLION.
- THERE IS A HOUSE CURRENTLY LISTED IN SHAGHNASSY FOR \$21 MILLION AND ...ALTHOUGH NOT SOLD YET. THEY HAVE HAD 2 WRITTEN OFFERS OVER \$15 MILLION...BOTH FROM MAINLAND CHINA. SERIOUSLY, I THINK "CHINA LIKES US!"
- I HAVE BEEN DOING AN ANNUAL ADDRESS TO THE URBAN DEVELOPMENT INDUSTRY FOR THE PAST 10 YEARS AND LAST YEAR, IN MY CLOSING REMARKS BEFORE SAYING: "EVERYTHING IS GOING TO BE ALRIGHT".
- I SAID 1ST TIME BUYERS - PAY ATTENTION TO THEM. THEY DIDN'T LOSE ANY MONEY.
- AND BOOMERS PAY ATTENTION TO THEM BECAUSE THEY HAVE CHANGED.
- THEY HAVE CHANGED AND HAVE YOU?
- THAT BABY BOOMER BORN IN 1946 TO 1964 IS 46 TO 64 YEARS OLD TODAY AND IF THEY WERE NOT SET BACK FINANCIALLY THEN THEIR FRIENDS AND NEIGHBORS WERE!
- BABY BOOMERS.....
- THIS DEMOGRAPHIC WAS OUR CONSUMER. DID YOU NOTICE I SAID "WAS"?
- TODAY, THEY ARE SOMEWHAT PARALYZED AND THEY ARE ALREADY SPENDING DIFFERENTLY
- IN THIS NEW-ECONOMY, POST 2008 - THEY ARE ASKING THE TOUGH QUESTIONS.
- PRE 08 THEY WERE SOMEWHAT UNCONSCIOUS.

## THIS BABY BOOMER NOW FINDS IT SOCIALLY ACCEPTABLE TO SAY I CAN'T - I CAN'T AFFORD TOO AND THIS NEW CONSERVATISM WILL TRANSLATE INTO LESS RISK.

- THEY ARE GOING TO WANT FUNDAMENTALS. THEY CANNOT AFFORD TO LOSE WHAT IS LEFT AND THE BABY BOOMER NO LONGER BELIEVES AS IN PRE 2008 THAT THEY CAN HAVE IT ALL.
- SO MY JOB IS TO TRANSLATE THESE OBSERVATIONS INTO...
- I CAN PICK ANYTHING SO LET'S APPLY THIS NEW KNOWLEDGE TO THE DESIGN OF A 1 BEDROOM CONDO. DO YOU GO WITH A SMALLER 450 SQ FT 1 BEDROOM BASED ON PRICE PER DOOR?
- OR DO YOU DESIGN A BIGGER 750 SQ FT 1 BEDROOM WITH A REAL DINING ROOM AND A BEDROOM THAT CAN ACTUALLY FIT A DRESSER AND A CHAIR?
- I DO NOT BELIEVE THAT WE HAVE DESIGNED A DOWNTOWN 1 BEDROOM THAT FITS A CHAIR IN IT SINCE 1992 WHEN BOOMERS WERE 24 TO 46 YEARS OLD.
- EVERY ASSUMPTION THAT WE HAVE MADE ABOUT HOUSING NOW THAT THE BABY BOOMER IS CONSCIOUS MUST BE RE-EVALUATED AND ALSO, WE JUST DO NOT HAVE INFLATION RIGHT NOW TO INSURE OUR WRONG DECISIONS AS IN THE OLD-ECONOMY AND WE ALSO HAVE A CONSUMER WITH A DIFFERENT MINDSET.
- THE WAY THE WORLD IS PRINTING MONEY, WE JUST MIGHT SEE INFLATION FASTER THAN YOU THINK.
- INDULGE ME FOR A MINUTE, MY OFFICE HAS BANNED ME FROM SAYING "IN 1986, WE HAD EXPO AND WE HANDED OUT OUR BUSINESS CARD TO THE WORLD AND THE THEY KEPT IT AND THEY CAME BACK."
- WELL, I BROUGHT A FRIEND "EXPO ERNIE".  
(Bob walked over and unveiled a "Rusty" Expo Ernie)
- YOU THOUGHT WE WERE GOING TO TALK ABOUT THE OLYMPICS.
- IF YOU ARE UNDER 30 YEARS OLD, YOU MOST LIKELY HAVE NEVER SEEN ERNIE. BEFORE I TALK ABOUT ERNIE.
- 2 YEARS AGO, ON MAY 15TH 2008
- I ENDED MY UDI TALK WITH I SUGGEST THAT WE ALL RUN OUT AND BUY AN OLYMPIC PIN BECAUSE WHETHER YOU WEAR ONE OR NOT... WE ARE ALL GOING TO WEAR THE RESULTS AND JUST HANG ON!

- I CALLED JACK POOLE IN DECEMBER 2003, JUST AFTER NOW LIBERAL SENATOR LARRY CAMPBELL HAD BEEN ELECTED AS MAYOR OF "MY CITY" - "OUR CITY".
- IN NOVEMBER 2002, LARRY WAS ELECTED BECAUSE HE'S "LARRY" ..... AND QUITE POSSIBLY BECAUSE LARRY MADE AN ELECTION PROMISE TO HOLD A REFERENDUM IN FEBRUARY 2003 ON WHETHER VANCOUVER SHOULD STAY IN THE RACE WITH OUR 2010 WINTER GAMES NOMINATION AND SELECTION SCHEDULED FOR JULY 2003.
- REMEMBER, AT THIS POINT SALZBURG, AUSTRIA, KOREA...AND VANCOUVER WAS IN THE RUNNING.
- THE PURPOSE OF MY CALL TO JACK WAS TO OFFER SUPPORT TO THE "YES" CAMPAIGN THAT DAVE PODMORE WAS CHAIRING.
- I PROPOSED RUNNING FULL PAGES IN THE VANCOUVER SUN AND PROVINCE NEWSPAPERS UNDER MY SIGNATURE - AS A PRIVATE CITIZEN WITH NO VANOC, NO OLYMPIC, NO RENNIE LOGO'S URGING VANCOUVERITES TO GET OUT AND VOTE "YES".
- I HAD 4 CONDITIONS FOR THIS, THEY WERE:
  1. THAT NOBODY COULD PROOF READ MY AD BEFORE PUBLICATION.
  2. I WANTED TICKETS TO THE OPENING CEREMONIES
  3. I WANTED TICKETS TO THE CLOSING CEREMONIES
  4. AND I WANTED A TOUR OF JACK AND DARLENE'S YET TO BE BUILT POINT GREY ROAD HOME.
- AGAINST EVERYBODY'S RECOMMENDATIONS WANTED TO RUN MY ADS REALLY EARLY.
- I BELIEVED THEN JUST AS I DO NOW THAT AS CANADIAN'S, WE ARE JUST A LITTLE PASSIVE AGGRESSIVE .WE ARE RELUCTANT TO TAKE A STRONG POSITIVE STANCE PUBLICLY WITHOUT A CONSENSUS AND I FELT THAT A TIDAL WAVE OF NEGATIVE COULD RISE UP AGAINST THE OLYMPICS.
- IF THE YES CAMPAIGN DIDN'T COME OUT REALLY STRONG OR REALLY LOUD AND REALLY EARLY, I FELT THAT NOT ONLY VANCOUVER AND WHISTLER, BUT BRITISH COLUMBIA AND CANADA COULD BE TARNISHED FOREVER FOR ENTERING A RACE THAT IT COULD NOT COMPLETE.
- I REALLY BELIEVED THAT THE OLYMPICS WERE NEEDED TO INSURE GREATER VANCOUVER AND BRITISH COLUMBIA FOR OUR FUTURE AND FOR OUR GRAND CHILDREN'S EMPLOYMENT.

- VANCOUVER IS NOT A HEAD OFFICE CITY. VANCOUVER IS NOT A MANUFACTURING TOWN. VANCOUVER IS NOT A FINANCIAL CENTER.
- WE ARE AN AMAZING PLACE TO VISIT AND WE ARE AN AMAZING PLACE TO WORK FROM.
- WELL I RAN MY 16 FULL PAGE AD PROGRAM STARTING MID JANUARY 2003 ALONG WITH A NUMBER OF OTHER VOCAL CITIZENS AND CORPORATIONS. SOME FOR AND SOME AGAINST.
- AND THEN ON FEB. 22 2003.....THERE WAS AN UNPRECEDENTED 64% VOTER TURNOUT. WITHOUT YOUR "YES" VOTE, THERE WAS NO NEED FOR SYDNEY CROSBY TO SCORE IN OVERTIME.
- WELL, A COUPLE MONTHS LATER, I HELD A DINNER AT MORTON'S STEAKHOUSE ATTENDED BY JACK POOLE AND 20 OTHERS. I CANNOT REMEMBER, BUT I DO NOT THINK THAT THERE WERE ANY IOC VOTING MEMBERS THERE.
- WE SAT DOWN AND I WENT AROUND THE TABLE AND INTRODUCED MY 20 OR SO GUESTS AND WHEN I GOT TO MAYOR LARRY CAMPBELL.I INTRODUCED LARRY AS OUR NEWLY ELECTED MAYOR AND CREDITED LARRY FOR HOLDING A REFERENDUM THAT RAISED THE CONSCIOUSNESS OF VANCOUVERITES.
- TODAY...I BELIEVE LARRY GOT THE BUY IN THAT QUITE POSSIBLY COULD BE THE REASON THAT VANCOUVER WAS SELECTED OVER KOREA AND AUSTRIA.
- AND WHEN I INTRODUCED JACK POOLE, I WAS PROUD TO SAY THAT JACK POOLE ALONG WITH DAVE PODMORE GAVE ME THE CHANCE OF A LIFETIME TO LAUNCH THE JOYCE SKY TRAIN DEVELOPMENT IN 1995 TO BUILD OUT 2 DISPLAY HOMES IN A WAREHOUSE.

SERIOUSLY, IT WAS ONE OF THOSE CAREER OPPORTUNITIES THAT FORM A CAREER AND I CANNOT POSSIBLY KNOW IF JACK POOLE HAS TOUCHED YOUR LIFE PERSONALLY- BUT I DO KNOW THAT JACK DID TOUCH EVERYONE'S LIFE IN THIS ROOM WITH THE OLYMPICS. I THINK WE ALL OWE A BIG THANK YOU TO JACK POOLE.

- BY THE WAY, I DID GET MY TOUR OF THE POINT GREY ROAD HOME AND I DID RUN IN THE TORCH RELAY AND I DID ATTEND THE OPENING AND CLOSING CEREMONIES.

- OKAY ON THAT TOPIC OF PASSIVE AGGRESSIVE, I DO NOT BELIEVE THAT VANCOUVERITES AND CANADIANS FOR THAT MATTER REALLY GOT ON BOARD AND I MEAN REALLY GOT ON BOARD WITH THE OLYMPICS.
- NOT UNTIL DAY 4 OF THE OLYMPICS WHEN THE WORLD WIDE COVERAGE UNANIMOUSLY AGREED THAT VANCOUVER WAS THE GREATEST WINTER GAMES EVER.
- THE OLYMPICS GALVANIZED VANCOUVERITES.
- GALVANIZED BRITISH COLUMBIANS
- AND GALVANIZED CANADIANS.
- WE DID SPEND THE MONEY WHEN WE HAD IT IN OUR OLD ECONOMY AND I WOULD NOT WANT TO BE LONDON AND HAVING TO PUT ON AN OLYMPICS IN THIS NEW-ECONOMY. WE SPENT \$1 BILLION ON SECURITY.
- LONDON WILL SPEND WHAT... \$9 -\$12 BILLION ON SECURITY.
- MAYBE, JUST MAYBE WE HAD A SAFE OLYMPICS BECAUSE PRIME MINISTER JEAN CHRÉTIEN DIDN'T TAKE US INTO IRAQ.
- THIS WAS POSSIBLY ONE OF THE MOST ASTUTE POLITICAL DECISIONS THAT WE WILL SEE IN OUR LIFETIME.
- IF WE HAD FOLLOWED AMERICA AND BRITAIN INTO IRAQ, I DOUBT THAT WE WOULD HAVE HAD AS SAFE AN OLYMPICS AND I KNOW THAT OUR SECURITY BUDGET WOULD HAVE DOUBLED OR QUADRUPLED.
- OKAY LET ME GET BACK TO ERNIE, JEREMY SHAW A YOUNG ARTIST IN THE COMPANY'S COLLECTION FOUND THE MISSING ERNIE ON VANCOUVER ISLAND.
- THE IRONY IS....THAT IN 1986, WHEN TODAY'S MILLION DOLLAR STRATHCONA HOME WAS ONLY \$99,000. WE ALTHOUGH ERNIE WAS THE FUTURE, ERNIE REPRESENTED WHERE TECHNOLOGY WAS GOING.
- AND JUST LOOK AT ERNIE - ALL RUSTED OUT AND FORGOTTEN. HE IS NOT CURRENT TODAY AND PROBABLY WASN'T CURRENT BY THE TIME EXPO CLOSED ITS DOORS.
- BACK IN 1986, NOBODY WAS THINKING OF THE iPad.

## WHEN IT COMES TO TECHNOLOGY OR THE ENVIRONMENT OR YOUR DEVELOPMENTS WHAT ARE TODAY'S ERNIE'S.

- ERNIE - SITS AT THE END OF MY DESK AND HELPS REMIND ME TO BE VERY CAREFUL.



- WHEN THE CONVERSATION ROLLS AROUND TO TOPICS LIKE SOCIAL MEDIA, IF I AM NOT ON FACE BOOK THEN HOW CAN I POSSIBLY MAKE DECISIONS ON HOW TO COMMUNICATE WITH A FACE BOOK DEMOGRAPHIC - WHEN SO MUCH OF IT IS A FOREIGN LANGUAGE TO ME UNLESS YOU UTILIZE ALL OF TODAY'S COMMUNICATION HIGHWAYS AS A STEADY DIET - YOU ARE OUT OF THE FOCUS GROUP.
- WE TEND TO SURROUND OURSELVES WITH "OURSELF"! WHETHER IT IS TEXT, EMAIL, TWITTER OR YOUTUBE. YOU ARE GOING TO NEED AN INTERPRETER FOR THE TALENT THAT YOU ARE GOING TO HIRE AROUND YOU.
- TAKE THE 1ST TIME BUYER DEMOGRAPHIC -THEY ARE GOING TO TELL US HOW TO COMMUNICATE WITH THEM. IT WILL NOT BE ONE SIZE FITS ALL WITH SOCIAL MEDIA.
- YOU KNOW EXACTLY 10 YEARS AFTER ERNIE; IN APRIL 6, 1996-
- I MARKETED "IAN GILLESPIE'S RESIDENCES ON GEORGIA"
- AS THE MOST TECHNOLOGICALLY ADVANCED RESIDENCES IN THE WORLD. BUYERS LINED UP AROUND THE BLOCK TO BUY 493 CONDOS WITH 20 VCR NOT DVD BUT 20 VCR PLAYERS IN THE BASEMENT CONNECTED TO EVERY RESIDENCE ON GEORGIA HOME VIDEO ON DEMAND WAS BORN THAT DAY AND IT DIED AT THE 1ST STRATA MEETING
- LEAVING TECHNOLOGY....

THIS YEAR AS WITH MY PAST TALKS - ANDY RAMLO AND THE URBAN FUTURES TEAM ARE RESPONSIBLE FOR MY DATA ON, POPULATION, IMMIGRATION AND HOUSING STARTS.

- IT IS REALLY LOOKING LIKE 2010 HOUSING STARTS ARE RUNNING PARALLEL TO THE YEAR 2000. IN THE YEAR 2000, WE WERE JUST COMING OUT OF THE COLLAPSE OF THE NASDAQ AND IN 2000 CONDOMINIUM AND RENTAL APARTMENT STARTS WERE AT AN ALL TIME LOW.
- I WILL JUST TOUCH ON RENTAL SUPPLY FOR A MOMENT, AS WE START TO PROVE OUT HOUSING STARTS HAVE DROPPED OFF DRAMATICALLY. WHERE WILL OUR RENTAL STOCK COME FROM BECAUSE WE ALL KNOW THAT THE INVESTOR HAS BEEN OUR SUPPLIER OF RENTAL STOCK FOR YEARS? COMBINE THIS WITH FEDERAL CHANGES TO LENDING REQUIREMENTS ON NON-PRINCIPLE RESIDENCES AND INCREASINGLY HIGH DOWN PAYMENTS REQUIRED.

- IN MAINLAND CHINA, A 2ND HOME REQUIRES 50% EQUITY. THESE ARE GOVERNMENT MEASURES TO COOL MAINLAND CHINA'S OVERHEATED HOUSING MARKET WHERE PRICES WENT UP 11% IN MARCH ALONE AND DON'T EVEN QUESTION THE WEALTH AND MONEY COMING THROUGHOUT VANCOUVER.
- THE INVESTOR HAS SUPPLIED RENTAL STOCK OF OVER 45% IN MOST DEVELOPMENTS AFTER CLOSING. THE NUMBERS ARE VERY DIFFICULT TO WORK FOR DEVELOPERS TO BUILD RENTAL.
- MAYOR GREGOR ROBERTSON'S STIR PROGRAM - A SHORT TERM INCENTIVE RENTAL PROGRAM THAT BONUSES DENSITY TO DEVELOP RENTAL UNITS HAS APPLICATIONS FOR 658 RENTAL UNITS CURRENTLY IN VARIOUS STAGES.
- IN 2000 THERE WERE 8300 HOUSING STARTS
- THAT IS 47% - 3934 WERE CONDOMINIUMS
- BY 2007 THAT NUMBER JUMPED TO 21 800 STARTS OF WHICH 63% OR 13800 WERE CONDOS.
- AT THE OLYMPIC VILLAGE OPEN HOUSE LAST SATURDAY, A REALTOR UPON RE-INTRODUCING HERSELF TO ME REMINDED ME THAT IN THE EARLY 80'S SHE HAD INVITED ME TO AN AGENTS OPEN HOUSE FOR A CONDOMINIUM AND THEN WENT ON TO REMIND ME THAT I DECLINED TO ATTEND HER AGENTS OPEN. THE REASONING FOR TURNING HER DOWN WAS THAT I HAD TOLD HER I DON'T SELL CONDOMINIUMS BECAUSE THEY DON'T COME WITH LAND.
- REMEMBER, I MAN THAT ADHERES TO A POSITION PREVIOUSLY STATED WHEN TIMES CHANGE IS AN "ERNIE".

THE 3 ABSOLUTE HIGH WATER MARKS RECORDED FOR HOUSING STARTS IN THE LAST 20 YEARS WERE: 1989 WITH 20,700 STARTS, 1993 WITH 21,300 STARTS AND 2007 WITH 21,784 STARTS.

- IN 2007 STARTS WERE ALMOST 3X THAT OF THE YEAR 2000.
- I BELIEVE THAT 2007 WAS THE EXACT MOMENT WHERE WITHOUT THE COLLAPSE OF THE US ECONOMY
- WE COULD HAVE BEEN HEADED INTO THE DIRECTION OF OVERSUPPLY

- BUT ISN'T THIS INTERESTING WHEN THE DEVELOPER RAN TO THE SIDELINES IN 2008 AND THE COLLAPSE OF THE U.S. HOUSING MARKET SINGLE HANDEDLY PREVENTED ANY POTENTIAL OLYMPIC OVERHANG?
- THIS WAS WHEN IN THE SUMMER AND FALL OF 2008, WE AT RENNIE, WENT TO ALL OF OUR CLIENTS AND WE ALL AGREED IF YOU ARE NOT PREGNANT ABSTAIN.
- DON'T BUILD. GIVE THE DEPOSITS BACK.
- THE AQUILINI'S -RICHARDS ON RICHARDS IS AN EXAMPLE THAT WAS CANCELLED IN THE SUMMER OF 2008 AT \$775 PER SQUARE FOOT THEN CAME BACK AS THE 1ST PRESALE OF 2009 IN LATE JUNE WITH SOME REDESIGN AT \$625 PER SQUARE FOOT AND WE ARE NOW SITTING TODAY AT 80% SOLD.
- PETER WALL ALSO WENT TO THE SIDELINES RETURNING 100+ DEPOSITS IN EARLY 2009 IN THE 1<sup>ST</sup> PHASE OF HIS 400 UNIT -WALL CENTER FALSE CREEK DEVELOPMENT. TODAY IT IS REDESIGNED FROM 400 CONDOMINIUM TO A 500 CONDOMINIUM DEVELOPMENT ON SCHEDULE TO COME BACK TO MARKET THIS SUMMER
- BOTH AQUILINI AND WALL ARE TAKING ADVANTAGE OF LOWER CONSTRUCTION COSTS.
- PETER WALL PURCHASED THE ELDORADO HOTEL SITE AT NANAIMO AND KINGSWAY A PROJECT THAT ALMOST STARTED SELLING IN 2008 UNDER THE NAME OF "THE HILLS". THE NEW NAME IS 2300 KINGSWAY. WE WILL NOW LAUNCH ON MAY 29. WE RAN ONE AD IN APRIL AND THEN WE WERE TOLD THAT THE ONSITE PRESENTATION CENTER WOULD NOT BE READY UNTIL LATE MAY SO WE STOPPED ADVERTISING.

WE PUT THE BUILDING MODEL IN OUR CHINATOWN OFFICE AND HAVE HAD AN AMAZING RESPONSE. DURING PREVIEWS, WE JUST RAN OUR SECOND AD LAST SATURDAY AND THE EARLY RESPONSE CONVINCES ME THAT 80% OF THE 312 CONDOMINIUMS WILL BE SOLD IN 30 DAYS.

- WHY??? AFFORDABILITY -THERE IS AN INSATIABLE DEMAND FOR AFFORDABILITY. WHETHER IT IS FROM 1ST TIME BUYERS OR THE BABY BOOMERS LOOKING TO GET SOME MONEY INTO A HARD ASSET. 2300 KINGSWAY WITH 188 HOMES UNDER \$300,000 IS BEING REALLY WELL RECEIVED.

- OR THE SUCCESS IN THE END COULD BE ATTRIBUTED TO THE BRILLIANT 1960'S OF OLD SCHOOL REAL ESTATE TAGLINE "IF YOU LIVED HERE YOU WOULD BE HOME BY NOW".
- DID YOU KNOW THAT THERE IS NOT A SINGLE BOARDROOM THAT WE SIT IN THAT IS DESIGNING FOR THE HYPER LUXURY MARKET?
- RIGHT NOW EVERYBODY IS DESIGNING INTO AFFORDABILITY.
- I AM NOT SAYING THAT WE SHOULD ALL RUN OUT AND DESIGN INTO THE LUXURY MARKET, BUT WHAT THIS DOES TELL ME IS THAT ONCE THE CURRENT STANDING INVENTORY IS ABSORBED, IT WILL TAKE UNTIL AT LEAST UNTIL 2014 OR 2015 BEFORE WE SEE ANY COMPLETIONS IN THE HYPER LUXURY MARKET.
- HOLBORN'S - JOO KIM TIAH WILL STRADDLE THESE MARKETS WITH THE RE-INTRODUCTION OF THE RITZ CARLTON SITE WITH THE SAME ARTHUR ERICKSON DESIGN AND NEW HOTEL FLAG COMING TAKING THE PREVIOUSLY DESIGNED TYPICAL 3 AND 4 UNITS PER FLOOR TO 7 CONDOS PER FLOOR. THE ULTIMATE PIED A TERRE --WATCH FOR EARLY 2011 PREVIEWS.
- CURRENTLY THERE ARE 154 CONDO'S LISTED OVER \$2 MILLION IN DOWNTOWN VANCOUVER. THERE WERE 8 SALES IN APRIL AND 9 SALES IN MARCH OVER \$2 MILLION.
- THERE IS A LOT OF UNSALABLE PRODUCT IN THIS PRICE RANGE. INVENTORY IS ACTUALLY 25% LESS THAN IT APPEARS.
- FOR VANCOUVER'S WESTSIDE THERE ARE 141 CONDOMINIUMS LISTED OVER \$1 MILLION.
- 18 MONTHS AGO OUR BOLD MOVE WAS TO BE VERY VOCAL ABOUT A POSITIVE VIEW OF THE MARKET AND LIFE THAT IF YOU WERE STILL STANDING IN SEPTEMBER 2009 THAN YOU MADE IT THROUGH BECAUSE THE WORLD WOULD HAVE IDENTIFIED ITS PROBLEMS AND IT STOPPED CREATING NEW ONES.
- I AM SURE I SAID EXCEPT FOR GREECE!
- THEY'RE TO BLAME FOR A 3 CENT DROP
- THIS MORNING IN OUR DOLLAR
- TAKING THIS POSITION WAS
- ACTUALLY EASY BECAUSE
- WE HAD THE STATS TO FORM AN OPINION
- YOU KNOW IT TOOK 7 YEARS FROM 2000'S
- RECORD LOW OF 8300 STARTS FOR METRO VANCOUVER
- FOR STARTS TO PEAK IN 2007 AT 20,000 +STARTS

- AND JUST 2 YEARS LATER
- IN 2009
- STARTED TO PLUMMET
- IN 2009 TO 8338 STARTS
- EQUALLY THE RECORD LOW
- HOUSING STARTS OF 2000

YOU HAVE TO REALIZE  
THIS ISN'T A PROJECTION  
THESE RECORD LOW 2009 STARTS  
ARE THE ONLY COMPLETION FOR 2011 AND 2012?  
TRYING TO UNDERSTAND INVENTORY  
IN MOST OLYMPIC CITIES IS A DIFFICULT ENOUGH TASK  
THERE IS NORMALLY A HARD STOP AFTER THE OLYMPICS  
BEFORE MARKETS STABILIZE  
WHAT REALLY HAPPENED HERE IN GREATER VANCOUVER  
IS 1000'S OF CONDOMINIUMS WHERE PUT ON HOLD  
OR CANCELLED IN 2008

- AND A CANCELLED OR SHELVED DEVELOPMENT
- STABILIZES A MARKET FASTER THAN
- A SOLD OUT DEVELOPMENT
- WHILE ELIMINATING POTENTIAL INVENTORY
- THIS IS OBVIOUSLY BRUTAL ON AFFORDABILITY
  
- THERE REALLY IS NO PRECEDENT
- FOR AN OLYMPIC CITY
- TO MEASURE REAL ESTATE
- VALUES
- COMING OUT OF A WORLD ECONOMIC
- DOWNTURN
  
- UNLESS YOU LOOK
  
- THE CONDO SUPPLY OF
  
- THE WINTER GAMES OF 1932
- AFTER THE 1929 MARKET COLLAPSE
- OKAY
- LET'S TALK ABOUT THE OLYMPIC VILLAGE
  
- PUTTING MY

- IF YOU'RE STILL STANDING PHILOSOPHY
- INTO PRACTICE
- COMBINED WITH KNOWING THAT
- HOUSING STARTS WHERE RAPIDLY COMING OFF
  
- IN LATE 2008
- PETER AND SHAHRAM MALEK AGREED
- THAT WE WOULD PUT OFF THE RE-LAUNCH
- OF THE OLYMPIC VILLAGE UNTIL SEPTEMBER 09
  
- AND OUR ADVERTISING
- WAS JUST TO KEEP THE BALL IN THE AIR
  
- AND THE BRAND PROTECTION
  
- WHAT WE DID DO WITH THE OLYMPIC VILLAGE
- TO ENHANCE THE BRAND WAS
  
- TRACIE MCTAVISH AND I
- TOURED APPROX 20 PEOPLE PER WEEK
- THROUGH THE OLYMPIC VILLAGE
- EVERY FRI @ 2
- FOR 6 MONTHS
- A "CALMING THE WATER" CAMPAIGN
- AND WE CHANGED PEOPLE'S OPINIONS
  
- THIS WASN'T CONTROVERSIAL PRODUCT
- THERE WAS CONTROVERSIAL FINANCING
  
- WELL THE VANCOUVER REAL ESTATE MARKET
- CAME BACK WITH A VENGEANCE
- BEYOND ALL OF OUR PROJECTIONS
- WE ARRIVE TO SEPTEMBER 2009
- WITH A REALLY STRONG MARKET
  
- YET 6 WEEKS LATER
- WE HAD TO HAND OVER THE OLYMPIC VILLAGE TO
- VANOC AND THE ATHLETES
  
- WE ALL ELECTED TO RE-LAUNCH
- MILLENNIUM WATER THE OLYMPIC VILLAGE
- LAST SATURDAY MAY 15<sup>TH</sup>
  
- I WOULD LIKE TO GO THROUGH
- MY DOWNTOWN COMPLETION NUMBERS FIRST
- AND THEN

- I WILL GET BACK TO THE VILLAGE IN A MINUTE
- I THINK THE DOWNTOWN NUMBERS
- WILL PUT THE VILLAGE INTO PERSPECTIVE

ALL OF MY INVENTORY NUMBERS ARE PREPARED BY  
SANDRA CAWLEY

OF BURGESS CAWLEY SULLIVAN

I THINK THAT SANDRA AND I HAVE BEEN  
BATTLING OVER 20\$ PER SQUARE FOOT  
ON APPRAISALS FOR OVER 20 YEARS NOW  
SANDRA IS ALWAYS HIGHER THAN ME

- DOWNTOWN VANCOUVER
- FOR 2007
- THIS WAS THE YEAR
- THAT STARTS OVERALL
- WERE AT AN ALL TIME HIGH
- THROUGHOUT GREATER VANCOUVER
- THERE WERE 3300 COMPLETIONS FOR 2007
- THEN FOR 2008
- COMPLETIONS DROPPED OFF 30% TO 2300
- FOR 2009
- COMPLETIONS DROPPED OFF TO 1967
- 2009 COMPLETIONS
- INCLUDED
- WOODWARD'S
- IT WAS ONLY 14 MONTHS AGO
- THAT EVERYONE IN THIS ROOM
- WOULD HAVE QUESTIONED
- APPRAISALS AND COMPLETIONS
- AT WOODWARD'S
- BY THE TIME WOODWARD'S HAD CLOSED 450 SALES LAST SUMMER
- THERE WERE ONLY 12
- RESALE'S BACK ON THE MARKET
- THERE IS AN UNBELIEVABLE BUY IN
- INTO THIS EMERGING MARKET WITH A CONSCIENCE

- AS A COMPARABLE
- WHEN 300 CONDOS CLOSED AT SHANGRI-LA
- THERE WERE
- OVER 80 LISTINGS BACK UP FOR RE-SALE

## OF THE OVER 500+ WOODWARD'S CLOSINGS

## THERE WERE 17 SALES IN THE LAST 4 MONTHS

## AVERAGING \$657 PER SQUARE FOOT

- INVESTOR CONDOS AT WOODWARD'S ARE
- ACHIEVING 2.65 PER SQ FOOT PER MONTH RENT
- IAN GILLESPIE ALLOWED
- US TO MARKET WOODWARD'S AS AN
- INTELLECTUAL PROPERTY
- I BELIEVED THAT
- THE FUTURE OF REVITALIZING
- FORGOTTEN NEIGHBORHOODS
- IS TO HAVE THE FORTUNATE WALK
- THE STREETS WITH THE LESS FORTUNATE
- A PROFESSOR AT UBC
- RECENTLY GAVE ME A STUDY
- THAT SAYS THAT THERE IS NO EVIDENCE
- THAT THIS SOCIAL ENGINEERING WILL WORK
- THE DIFFERENCE WITH A WOODWARD'S MODEL
- IS THAT WE ARE MOVING THE FORTUNATE
- INTO A NEIGHBORHOOD THAT HAS AN INVENTORY
- OF LESS FORTUNATE HOUSING STOCK
- FAILED MODELS TEND TO
- MOVE THE LESS FORTUNATE
- INTO AN AREA THAT HAS
- STABILIZED HOUSING STOCK FOR THE FORTUNATE
- WHETHER IT IS THE
- DOWNTOWN EASTSIDE OR POINT GREY ROAD
- EVERYBODY
- HAS A PROTECTIONIST OUTLOOK OF
- NOT IN MY BACK YARD



- WE HAVE TO UNDERSTAND
- THIS HOMELESS ISSUE
- FOR THE HOMELESS
- THIS IS THE ONLY MAJOR CITY IN CANADA
- THAT THEY CAN LIVE IN
- IT'S ABOUT CLIMATE
- AND WHETHER IT'S THE CITY
- OR THE PROVINCE
- THE DOLLARS ARE GETTING REALLY TOUGH TO FIND

THE WATER COOLER CONVERSATION  
IS MORE TAXES  
OR LESS SERVICES  
GET USED TO IT  
IT IS GOING TO BE BOTH

- AND CREATIVE SOLUTIONS
- LIKE THE 200 NON MARKET UNITS AT WOODWARD'S
- OR
- L 'HERMITAGE
- WHERE MILLENNIUM RE-BUILT 47 SRA'S ON SITE
- THE CONCEPT IS REALLY NO DIFFERENT THAN
- THE SHANGRI-LA OR FAIRMONT
- THE PROFIT FROM THE CONDOMINIUM SALES
- ALLOWS FOR THE SUBSIDY OF THE ASSET BELOW
- THIS IS A HOUSING MODEL THAT WORKS FOR THE MARKET AND NON MARKET
- HERE IS AN INTERESTING STAT

THERE ARE OVER 24,000 HOUSEHOLDS RECEIVING  
MONTHLY CASH SUBSIDIES THROUGH RENTAL  
ASSISTANCE PROGRAMS

- YOUR NEIGHBOR JUST MIGHT BE ON THE PROGRAM
- THESE ARE THE TYPES OF PROGRAMS IN OUR
- PROVINCE THAT CREATE PROUD LIVES
- MINISTER COLEMAN IS HERE AND
- MAYOR GREGORY ROBERTSON'S HERE

- AND NEXT WEEK
- ALONG WITH THE STREET TO HOME BOARD
- THAT I SIT ON
- I BELIEVE THAT WE ARE GOING TO HEAR ABOUT
- SOMETHING REALLY BIG NEXT WEEK ON THE NON MARKET HOUSING FRONT
  
- I COULD GIVE IT AWAY BUT THEY ARE BOTH A LITTLE BIGGER THAN ME
  
- BACK TO DOWNTOWN
- THE DECLINING COMPLETIONS THROUGH 07 08 09
- ARE ALL STANDING AT 99% SOLD
- RESULTING IN NO OVERHANGING INVENTORY
  
- HERE IS THE NUMBER THAT IS REALLY FRIGHTENING
- COMPLETIONS IN 2007 OF OVER 3000
- DROP 70% FOR THIS YEAR
- 2010
- TO 884 AND 96% ARE ALREADY SOLD
  
- THERE ARE 784 COMPLETIONS FOR 2011
- WHICH INCLUDE
  
- CONCERT'S PATINA 95% SOLD
- BRUCE LANGERIES
- HOTEL GEORGIA 60% SOLD
- AND PETER WALLS CAPITOL 100% SOLD
  
- AND UNLIKE LAST YEAR
- NOBODY IS
- QUESTIONING
- OLD ECONOMY
- CLOSING ISSUES
- LIKE APPRAISALS
- MARKET CONFIDENCE
  
- AND IN JUST 19 MONTHS AND 16 DAYS
- WE WILL BE IN 2012
  
- COMPLETIONS FOR 2012
- DROP TO 493 CONDOMINIUMS
- WITH 67% SOLD ALREADY
  
- INCLUDING
- BOSA'S
- JAMESON HOUSE
- SITTING AT 80% SOLD

- CCAA CREDITOR PROTECTION
- LEGALLY HELD JAMESON BUYERS IN
- BUT YOU KNOWS WHAT REALLY HELD BUYERS IN
- IT WAS THE MARKET REBOUNDED
- AND GREAT PRODUCT
  
- AND FOR 2013
- COMPLETIONS WILL INCLUDE
- THE ROLSTON
- AND TERRY HUI'S COSMO
- THE 700 COMPLETIONS FOR 2013
- ARE SITTING AT 72% SOLD
- TO PUT THIS IN PERSPECTIVE
  
- COMPLETIONS FOR DOWNTOWN CONDOMINIUMS
- FOR 2013
- ARE 79% OFF 2007
  
- REMEMBER SUPPLY IS FURTHER CURBED WHEN
- THE GAP BETWEEN STARTS AND COMPLETIONS IS
  
- 24 MONTHS - 30 MONTHS
- FOR HIGH RISE CONSTRUCTION
- AND 15 MONTHS FOR LOW RISE
  
- SANDRA AND I
- HAVE IDENTIFIED A TOTAL OF
- 3051 CONDOMINIUMS FOR DELIVERY BEYOND 2014
- THAT ARE IN THE
- DEVELOPMENT PERMIT APPLICATION STAGE
  
- AND OF THE 3051 IDENTIFIED
- 2175 ARE ON TERRY HUI'S
- AT CONCORD PACIFIC
- OR AS I HAVE RENAMED IT
  
- THE EXPO ERNIE SITE
  
- FOR FUTURE SITES DOWNTOWN
- THEN THERE ARE 2666
- CONDOMINIUMS
- INCLUDING
- JIM PATTISONS
- DOWNTOWN TOYOTA SITE
  
- YOU KNOW JIM PATTISON HAS THE

- PRISTINE EXPO ERNIE AT HIS OFFICES
- IF MY ERNIE WAS PRISTINE
- THE METAPHOR JUST WOULDN'T WORK

GIVEN THE TIGHT SUPPLY  
AND LIMITED SITES IDENTIFIED  
YOU ARE NOT GOING TO FIND  
ANY BARGAINS ON LAND DOWNTOWN  
UNLESS THERE IS A COMPLETE  
RETHINK ON DENSITY AND RESIDENTIAL ZONING

- THE CONVERSATION AT BREAKFAST WITH NABIH FARIS YESTERDAY WAS
- WOULD YOU PAY
- \$200 PER BUILDABLE SQUARE FOOT
- AGAIN TODAY
- WITH DOWNTOWN DEMONSTRATING
- SUCH RESTRICTIVE SUPPLY
- WHERE WILL ALL THE WORKERS IN
- OUR NEW OFFICE TOWERS LIVE
- WITHOUT BEING TOTALLY RELIANT ON
- THE CAR
- WE CAN VENT THAT RESIDENTIAL PRESSURE TOO
- ALONG THE CANADA LINE
- ALONG THE FUTURE MILLENNIUM LINE EXTENSION TO UBC
- I BELIEVE ONE OF THE SIDE BENEFITS OF THE OLYMPICS
- IS THAT LOCALS BECAME A LITTLE MORE USER FRIENDLY WITH PUBLIC TRANSPORTATION
- DOWNTOWN CAN ALSO VENT TO
- SOUTH EAST FALSE CREEK
- AND THE OLYMPIC VILLAGE
- FUNNY HOW EVERYTHING
- ENDS UP BEING ABOUT THE OLYMPIC VILLAGE
- AND THEN THERE IS
- VANCOUVER EAST

- I STILL BELIEVE THAT WE SHOULD TAKE
- HASTINGS STREET TO 1ST AVENUE
- AND CLARK TO COMMERCIAL
- AND BUILD A NEW WEST END
- ESPECIALLY IF YOU HAVE WATCHED THE RESISTANCE TO RENTAL TOWER APPLICATIONS IN THE WEST END

## WE ARE GOING TO SEE TRANSPORTATION AS THE #1 AMENITY IN HOME SELECTION IN THE FUTURE

- ANDREW GRANT AND PCI WILL LAUNCH
- 400 SMALL SUITES WITH US
- EARLY NEXT YEAR
- AT THE CORNER OF CAMBIE AND MARINE DRIVE
- WITH THE CANADA LINE RIGHT IN YOUR LOBBY
- CREATING A 24/7 COMMUNITY WITH
- 240,000 OF RETAIL
- 240,000 OF OFFICE
- AND 125,000 SQ FT OF RENTAL
- THE CAMBIE AND MARINE DEVELOPMENT
- REALLY
- THIS IS ABOUT AS GREEN AS YOU CAN GET
- TOMORROW'S GREEN
- AND DIVERSE DEMOGRAPHICS
- AS SOCIALLY GREEN
- POSSIBLY EQUALS ENERGY AS THE FOCUS
- COMPLETIONS FOR VANCOUVER EAST
- FOR 2009
- WERE 530 93% SOLD
- THE 316 COMPLETIONS FOR 2010 ARE
- 77% SOLD
- WE HAVE IDENTIFIED
- 5640 CONDOMINIUMS IN VANCOUVER EAST
- FOR FUTURE DEVELOPMENTS
- THIS SOUNDS LIKE A LOT OF INVENTORY FOR EAST VANCOUVER COMING
- 5000 OF THEM ARE IN 2 DEVELOPMENTS
- THE EAST FRASER LANDS
- AND HOLBORNS LITTLE MOUNTAIN
- INSURING VERY ORDERLY PHASING

- WHILE THE OTHER
- 640+ HOMES COME FROM 20 DEVELOPMENTS
- JOO KIM'S
- LITTLE MOUNTAIN
- IS RAMPING UP ITS COMMUNITY INVOLVEMENT
- AND WITH
- JAMES CHENG
- ON BOARD AS ARCHITECT
- WE SHOULD SEE
- VERY DIVERSIFIED APPROACHES TO
- CREATING SOME REAL AFFORDABILITY
- ON SITE
- AND ADDRESSING THE INCOMES AND NEEDS OF THE CURRENT COMMUNITY
- MAYBE SIMILAR TO WOODWARD WHERE NEIGHBORING POSTAL CODES WERE OFFERED
- PRIORITY PRICING AND PRIORITY ACCESS
- I REAL ALTERNATIVE TO DOWNTOWN
- WILL BE FOR SOUTHEAST FALSE CREEK
- WHERE THE OLYMPIC VILLAGE IS
- IT IS A WALK TO WORK LOCATION
- WITH CANADA LINE
- AND EXPO LINES
- AND THE SEAWALL AT YOUR DOORSTEP
- PCI'S
- EXCHANGE ON 1ST AVENUE HAS
- ONLY 5 REMAINING
- WE HAVE SOLD OVER 25 IN THE LAST 60 DAYS
- ACHIEVING \$715 PER SQUARE FOOT
- FOR 2010 SOUTH EAST FALSE CREEK COMPLETIONS
- THERE IS
- THE OLYMPIC VILLAGE
- I THINK I LEFT OFF ON THE
- OLYMPIC VILLAGE STORY ABOUT 10 MINUTES AGO
- THE OLYMPIC VILLAGE
- CAN ATTRACT
- THE SAME BUYER TRAIT
- AS THE EXCHANGE
- AND THAT BUYER TRAIT IS

- THE BUILD IT AND THEY WILL COME BUYER
- VANCOUVER IS A PRE-SALE CITY
- THANK GOD
- YOU KNOW EVERY NIGHT
- I PUT MY HANDS TOGETHER
- AND SAY
- GOD
- THANK YOU FOR TIGHTER LENDING POLICIES
- AND HIGHER PRE-SALE CONDITIONS
- FROM CANADIAN FINANCIAL INSTITUTIONS
- SO THAT ONE DAY
- I CAN HAVE A PRIUS WITH A DRIVER
- VANCOUVER IS A PRE-SALE CITY
- YET NOT ALL BUYERS
- ARE PREPARED TO PURCHASE OFF PLANS
- AND THE OLYMPIC VILLAGE
- IS WELL POSITIONED
- TO ATTRACT
- THAT BUYING SECTOR
- THAT WANTS TO
- MEASURE
- FOR THE COUCH
- AND IMAGINE WHERE THE LAZY BOY
- WILL GO
- AND EXPERIENCE THE VIEWS
- AT THE OLYMPIC VILLAGE
- THERE ARE 737 CONDOMINIUMS
- AND 250 NON MARKET HOMES

ON THE 250 NON MARKET HOMES  
THE CITY RECENTLY MADE AN ANNOUNCEMENT  
TO TAKE ½ OF THE 250 HOMES  
AND DESIGNATE THEM AS  
HOUSING FOR SERVICE WORKERS  
POLICEMAN FIREMAN  
NURSES AND TEACHERS

- THE CITY HAD TO MAKE A DECISION

- THE NON MARKET HOMES
- THE 250 UNITS WERE BUILT DURING AN
- OLD ECONOMY
- AND WE ARE IN A
- THIS NEW ECONOMY
- SO THE SAME PATH COULD NOT BE TAKEN
- THE TALK WAS
- IF THE CITY WAS TO SELL OFF THESE HOMES
- THEN THE CITY WOULD WIN OVER
- THIS ROOM
- THE BUSINESS COMMUNITY
- YET
- WITH THE CITY RETAINING THIS HOUSING STOCK IN SOME FORM
- AND MORE IN LINE WITH WHY WE ELECTED GREGOR
- THE CITY WILL MAINTAIN THE CONFIDENCE
- OF THE COMMUNITY WITH A SOCIAL CONSCIOUS

AT ELECTION TIME  
THE BUSINESS COMMUNITY  
HAS NO MEMORY  
BUT THE SOCIALLY CONSCIOUS COMMUNITY  
WOW DO THEY.....EVER HAVE A MEMORY

- OF 737 CONDOS @ THE OLYMPIC VILLAGE
- WE OPENED THE VILLAGE LAST SATURDAY
- WITH 263 SOLD IN 07 AND 08
- WE HAD OVER 16,000 VISITORS
- AND I AM LIGHT ON MY NUMBER
- WE RAN OUT OF 10,000 PASSPORTS AT 3:00PM
- THIS WAS RELIVING THE OLYMPIC SPIRIT
- COMBINED WITH REAL ESTATE JUNKIES
- AND REAL BUYERS
- I NEEDED MILLENNIUM NEEDED
- 10,000 PEOPLE GOING TO DINNER THAT NIGHT
- AND SAYING WOW
- WE OPENED WITH



- AVENUES OF THE WORLD
- A STREET OF DREAMS TYPE CONCEPT
- THERE ARE 9 DESIGNER HOMES
- RANGING FROM
- SUITES ON A 100 MILE FURNISHINGS DIET
- RIGHT THROUGH
- TO FRONT ROW SEATS
- WITH \$400,000 IN FURNISHINGS
- IN ARTHUR ERICKSON'S
- CANADA HOUSE ON THE WATER
  
- IF I SAID I COULD SELL THIS COMMUNITY
- IN 3 MONTHS
- THE PRESS WOULD SKEWER ME
- YOU THE INDUSTRY WOULD SKEWER ME
  
- I AM USING 2 YEARS AS A SELLOUT
  
- IT'S ACTUALLY JUST LIKE DATING
- UNDER PROMISE AND OVER ACHIEVE
  
- WELL WE SOLD 31 ON SATURDAY
  
- OUT OF THE 200 WE RELEASED IN 3 BUILDINGS
- THAT WERE OFFERED FOR THE 1ST TIME
- I AM REALLY HAPPY
- THE OWNERS MILLENNIUM ARE REALLY HAPPY
- THE LENDER THE CITY ARE REALLY HAPPY

## THE THING WITH THE OLYMPIC VILLAGE IS THAT THERE WAS A FINANCING ISSUE NOT A PRODUCT ISSUE

- WOODWARD'S WAS PIONEERING
  
- SELLING HOMES ON THE WATER IN VANCOUVER
- IN A LEED PLATINUM COMMUNITY
- IS NOT PIONEERING
  
- BEFORE I CARRY ON WITH SEFC

## THERE IS A TRANSPARENCY THAT THE MARKET IS DEMANDING

- WE ARE NOW MARKETING A DEVELOPMENT THAT
- WE JUST TOOK OVER IN KELOWNA
- INVUE
- THAT HAD PRE SALES REPORTED
- OF OVER 60+ OUT OF 92
- AND FELL BACK TO 30 SOMETHING SOLD
- IN VICTORIA
- WE ARE DOING
- THE BAYVIEW
- SIMILAR STORY
- NOT ALL SALES CLOSED
- AND IN SEATTLE
- WE ARE MARKETING
- THE ESCALA
- REPORTED SALES 73
- THE ESCALA WAS COMPLETED LAST OCTOBER
- ONLY 6 CLOSED OF 289
- OLD ECONOMY CONDO VALUE \$350,000,000
- NEW ECONOMY VALUE \$240,000,000
- IN ALL 3 CASES
- WE HAVE GONE TO THE PRESS AND EXPLAINED
- NEW ECONOMY
- OLD ECONOMY
- YESTERDAY AND TODAY
- ROB MACDONALD IS
- TAKING HAS THE SAME APPROACH
- WITH HIS ONE LEXINGTON
- DEVELOPMENT IN PHOENIX
- WHAT'S HAPPENING
- IS THAT THE CONSUMER NEEDS
- SOMETHING TO HANG THEIR HAT ON
- SOME RATIONAL REASONING
- AS TO WHY PRICING HAS COME OFF
- IN SEATTLE WE WENT TO
- THE MEDIA AND TOLD OUR STORY
- THE OLD ECONOMY IS GONE
- AND IN THIS NEW ECONOMY
- YOU HAVE TO DO MORE THAN CHANGE THE PRICE

- OUR AD CAMPAIGN AND OUR URL IS
- SOMETHINGISCHANGINGATESCALASEATTLE.COM
  
- AND SIMILAR TO THE BAYVIEW IN VICTORIA
- THE CLUBHOUSE AND EXTREME AMENITIES
- WERE REPOSITIONED AND
- MAINTENANCE FEES WERE BROUGHT IN LINE
- CATERING TO THE NEW-ECONOMY BABY BOOMER
  
- WHAT EACH DEVELOPMENT HAS IN COMMON
- IS THAT EVEN THOUGH THERE IS
- A REVERSAL OF FORTUNE IN EACH DEVELOPMENT
- AND OWNERSHIP CHANGES
  
- THE CONSTANT IN EACH DEVELOPMENT
- IS THAT IN
- PHOENIX
- SEATTLE
- KELOWNA
- AND VICTORIA
  
- THE GREAT UNDERLYING
- FUNDAMENTALS
- OF EACH CITY REMAINS IN TACT
  
- OKAY
  
- SOUTH EAST FALSE CREEK INVENTORY
- THE 800 FOR 2011 ARE 41% SOLD
- BEYOND 2011
- 1961 CONDO'S IDENTIFIED
- IN DEVELOPMENT SITES OR CURRENTLY IN A REZONING
  
- BEFORE WE LOOK AT SURREY
- LETS UNDERSTAND THIS ECONOMIC GENERATOR
- CALLED HOUSING
  
- CONSTRUCTION STARTS
- EFFECT US ALL WAY BEYOND HOUSING
  
- HOUSING WAS 6.3% OF
- THE PROVINCES GROSS DOMESTIC PRODUCT IN 2008
  
- THEN YOU REALIZE 10% OF OUR LABOUR FORCE
- 126,000 WORKERS

- IN BRITISH COLUMBIA
- IN 2009
- WHERE IN CONSTRUCTION TRADES
- AND 60% OF ALL CONSTRUCTION BY VALUE
- IS RESIDENTIAL ..... 60%
- LUIGI AQUILINI TOLD ME YEARS AGO
- AS LONG AS CONSTRUCTION IS HAPPENING
- THERE WILL BE PEOPLE TO BUY
- REFERRING TO THE CONSTRUCTION WORKERS
- AS BUYERS
- I THINK IT WAS HENRY FORD
- WHO SAID
- WE HAVE TO BUILD ENOUGH CARS
- TO HIRE ENOUGH WORKERS
- TO BUY THE CARS WE PRODUCE
- THE AFOREMENTIONED
- WAS FOR PLANNING DEPARTMENTS
- IN CITIES AND REGIONAL DISTRICTS TO MAYBE
- LOOK AT THEIR ROLE
- AS THAT OF ECONOMIC STIMULUS
- NOT TO MENTION INCREASING
- YOUR CITY'S TAX BASE
- JUST A THOUGHT
- HST
- HST IS JUST ANOTHER
- STRAW ON THE RESIDENTIAL CAMEL'S BACK
- YOU KNOW WHAT HST DID
- IT MADE US FORGET ABOUT THE CARBON TAX
- ON HST
- THERE IS CURRENTLY A GST GAP NOW
- OF 5% BETWEEN
- A NEW HOME AND A USED HOME

THAT GAP IS GOING WIDEN WITH HST  
WHICH LEADS ME TO BELIEVE THAT  
OCCUPIED HOUSING SHOULD GO UP IN VALUE  
BY 2% ON JULY 2<sup>ND</sup>  
NARROWING THE NEW TO USED

- HOUSING COST GAP...POST HST
- DEVELOPERS ARE GOING TO HAVE TO ADDRESS
- HST DURING ITS INTRODUCTION
- IN DEVELOPMENTS THAT HAVE A LOT OF COMPLETION
  
- YOU WILL SEE
- A RANGE OF INCENTIVES.....FROM OFFERING
- THE GST PORTION PAYABLE ONLY
- THROUGH TO NO HST
  
- ON RARE OFFERINGS WITH LITTLE COMPLETION
- EVENTUALLY HST WILL BECOME JUST LIKE GST
- PURCHASER PAYS
- BACK TO NUMBERS
  
- SURREY COMPLETIONS
- FOR 2008
- THERE WERE 1550 COMPLETIONS
- THAT ARE 94% SOLD UP SIGNIFICANTLY FROM 12 MONTHS AGO AT 73% SOLD
- FOR 2009
- 93% OF THE 1706 CONDOS COMPLETED ARE SOLD
- STANDING INVENTORY
- HAS REALLY CLEANED ITSELF UP
  
- FOR 2010 IS 2200 COMPLETIONS
  
- AND IS CURRENTLY SITTING AT 69% SOLD
  
- FOR 2011 2012 AND 2013 DELIVERY
- THERE ARE 2050 CONDOS IN 16 DEVELOPMENTS
- SLATED FOR COMPLETION
- 34% OF THAT HOUSING STOCK
- WILL BE IN TERRY HUI'S PARK PLACE
- FOR SURREY
- FOR FUTURE DEVELOPMENTS
- WE HAVE IDENTIFIED
- WITH A TOTAL OF 10,600 CONDOMINIUMS

- AND 78 OF THE IDENTIFIED 103 DEVELOPMENTS
- WILL HAVE LESS THAN 100 UNITS
- SURREY IS ON MUCH STEADIER GROUND
- WITH COMPLETED INVENTORY REALLY DROPPING
- AND WITH DOWNTOWN AND VANCOUVER HAVING SUCH LIMITED SUPPLY
- WE WILL RELY ON SURREY FOR OUR AFFORDABILITY
- FOR LOCAL INCOMES
- I WILL PUT SOUTH SURREY WHITE ROCK
- BURNABY
- AND RICHMOND
- UP ON THE WEBSITE
- THERE IS REAL PRESSURE ON THE COST OF ENTRY
- FOR BOTH THE DEVELOPER AND THE CONSUMER
- FOR THIS IMPORTANT JOB SECTOR
- AND ECONOMIC GENERATOR

THE DEVELOPER  
IS FACED WITH  
RESTRICTIVE ZONING POLICIES  
EVER INCREASING DEVELOPMENT COST LEVIES  
GREEN INITIATIVES THAT ARE WAY BEYOND  
THE CONSUMERS UNDERSTANDING  
AND BEYOND THE CONSUMER VALUING THEM

- TIGHTER LENDING CRITERIA
- INCLUDING
- HIGHER PRESALE REQUIREMENTS OR MORE CAPITAL
- PRE-SALE CONTRACTS UNDER MUCH TOUGHER SCRUTINY
- INCLUDING HIGHER DEPOSITS OF 20%+
- NO MULTIPLE BUYERS
- AND A MUCH HIGHER DEGREE ON COST OVERSIGHT
- THE CONSUMER ON THE OTHER HAND

TODAY'S HOMEBUYER  
IS FACED WITH  
LIMITED SUPPLY  
IN THE ENTRY PRICE RANGE  
THE HOMEBUYER IS FURTHER CHALLENGED WITH  
INCOMES  
THAT DO NOT KEEP UP WITH HOUSING COSTS  
HENCE MY 2 MARKET THEORY

- LARGER DEPOSITS BEING REQUIRED
- HST THE REALITY
- HST THE MISUNDERSTANDING
- INTEREST RATE PRESSURE
- LAST MONTH - WE SAW
- AMORTIZATIONS LOWERED
- AND DOWN PAYMENT REQUIREMENTS INCREASED
- HOWEVER THESE INITIATIVES
- SEPARATE US FROM AMERICA
- AND PERHAPS FIRST TIME BUYERS SHOULD LOWER
- THEIR EXPECTATIONS ON THEIR 1ST PURCHASE
- MAYBE LESS GRANITE
- REMEMBER THE AHOP
- ASSISTED HOME OWNERSHIP PLAN IN THE 80'S
- CAPPED AT \$47,500 AND NO FIREPLACE ALLOWED
- NO TILE ONLY GRANITE
- NOW, WHERE WAS I?
- THE CONSUMER IS PAYING FOR GREEN FEATURES THAT THEY DO NOT VALUE YET.
- FOR BOTH THE DEVELOPER AND THE CONSUMER - THAT CONSTANT BANTER OF HIGHER TAXES OR LESS SERVICES.
- I HAVE ALREADY SAID BOTH.
- ESPECIALLY WHEN YOU LOOK AT THE POPULATION NUMBERS AND THEN ADD IN MY PARALYZED BABY BOOMER THEORY AND COMBINE THAT WITH YOU NEED A WORKFORCE TO PAY TAXES

IN 2008 THERE WERE 551,000 BRITISH COLUMBIANS  
BETWEEN THE AGE OF 55 AND 64  
BY 2018 - JUST 7.5 YEARS FROM NOW. THIS 55 - 64 YEAR  
OLD DEMOGRAPHIC WILL GROW BY 31.68%

FROM 551,000 TO 725,000

AND THE OUR 334,000....65-74 YEAR OLDS WILL INCREASE  
BY 59% TO 533,000

YET BC'S 35-54 YEAR OLD

OUR TAXPAYING ....

CONSUMING SECTOR WILL ONLY GROW BY ONLY 62,700  
THAT 62,700 IS A FRIGHTENING 4.6%

- I DON'T KNOW WHAT TO DO WITH THIS INFORMATION BUT WHEN I SEE THE SLOW GROWTH OF OUR WORKING AGED POPULATION
- ASIDE FROM RISING HEALTH CARE COSTS AND UNDERFUNDED PENSION PLANS
- BUT SOMEHOW EXPO ERNIE HERE IS A METAPHOR FOR THIS TOPIC.
  
- YESTERDAY'S INTERPRETATION OF THE FUTURE IS SERIOUSLY GONE AND SO HAVE ALL OF THE METRICS THAT WE HAVE ASSUMED.
  
- WE ARE GOING TO HAVE TO CHANGE HOW WE RUN OUR BUSINESS;
  
- HOW WE RUN OUR GOVERNMENTS
  
- AND THE WAY WE DESIGN CONDOMINIUMS.
  
- THIS IS ACTUALLY REALLY EXCITING TIME FOR OUR INDUSTRY, REDEFINING AND UNDERSTANDING AN ENTIRELY NEW MARKET SEGMENT OF AN AGING POPULATION THAT DOESN'T HAVE AS MUCH MONEY AS THEY THOUGHT THEY HAD COMBINED WITH HOW RISK ADVERSE THIS DEMOGRAPHIC HAS BECOME AND UNDERSTANDING HOW THEY WILL SPEND AND ON WHAT?



- I KNOW THAT IT WON'T BE MAINTENANCE FEES
- IF WE THOUGHT TECHNOLOGY CONSULTANTS WERE SPEAKING A FOREIGN LANGUAGE IN 1986
- GRABBING ONTO SOUND BITES LIKE THE MOST TECHNOLOGICALLY ADVANCED RESIDENCES IN THE WORLD NOW WE ARE DOING IT WITH GREEN.
- SOUND BITES AND CATCHY GREEN PHRASES
- IF YOU REMOVE THE FUNDAMENTALS LIKE BUILDING FOR PROFIT, THEN I WOULD SAY SOME DEVELOPMENTS ARE TOO GREEN AND SOME DEVELOPMENTS PRETEND TO BE GREEN
- HOW CAN WE QUESTION THE SUCCESS WHEN WE DON'T KNOW THE QUESTIONS TO ASK?
- WHAT WOULD HELP OUR INDUSTRY IS TO AUDIT A FEW GREEN DEVELOPMENTS - OPEN BOOK AUDIT. EXAM WHAT WORKED AND WHAT DIDN'T.
- ON MAY 17 2007 -3 YEARS AGO -
- WELL 3 YEARS AND 3 DAYS AGO TO BE EXACT.
- ON BEING GREEN AT MY ANNUAL ADDRESS TO THE UDI
- I SAID THE 1ST PHASE WE WOULD BE OPPORTUNISTIC WITH GREEN
- THE 2ND PHASE WE WOULD BECOME REALISTIC WITH GREEN
- AND THE 3RD PHASE WOULD BE GREEN BECAUSE THE PLANET WILL DEMAND IT.
- THE CONSUMER IS JUST ABOUT TO ENTER INTO ... A NEW GENERATION
- A SECOND GENERATION OF RESPONSIBLE GREEN.
- LET'S AUDIT LEED GOLD BUILDINGS LIKE THE OLYMPIC VILLAGE.
- MOVING THE CONSUMER ALONG TO COMPARE ENERGY COSTS AND THE MAINTENANCE FEES

I AM CONCERNED THAT WE ARE HITCHING OUR WAGON  
TO A FRANCHISE CALLED "LEED"  
ADMITABLY IT IS ALL WE HAVE RIGHT NOW  
JUST THE COST OF REGISTRATION, ADMINISTRATION,  
AND DOCUMENTATION IS WHAT A \$100,000+  
SMALL DEVELOPMENTS CANNOT AFFORD TO ABSORB

- WE CANNOT EXPECT THE CONSUMER TO WORK LONGER, DRIVE MORE AND ADD STRESS TO FAMILY LIFE TO PAY FOR THESE COSTS AND THEN BOAST "AFFORDABILITY".

- PERHAPS IT'S TIME FOR A "CANADIAN GREEN BUILDING CODE" THAT BREAKS DOWN INTO A BC GREEN BUILDING CODE, AN ALBERTA GREEN BUILDING CODE, A NATIONAL GREEN CODE -- THAT ALSO REGIONALIZES A CODE THAT ADDRESSES FUNDAMENTALS THAT REALLY GIVES US SENSIBLE AND ACHIEVABLE INITIATIVES FOR ENERGY CONSERVATION AND LIVABLE HOMES WHERE CONSUMERS AND THE DEVELOPERS ACTUALLY SPEAK THE SAME LANGUAGE.
- IN CLOSING, WE ALL GO TO GREAT LENGTHS TO AVOID CALLING VANCOUVER "WORLD CLASS".
- I HAVE HEARD WORLD ADDRESS, WORLD CITY, WORLD LEADER, URBAN RESORT, BEST PLACE TO LIVE, MOST EXPENSIVE PLACE TO LIVE, AND GREENEST PLACE ON EARTH.
- WE JUST RAN A 6 BILLION DOLLAR WORLDWIDE TELEVISION BRANDING CAMPAIGN - SAYING HOW BEAUTIFUL WE ARE.
- WHAT DID WE THINK WAS GOING TO HAPPEN?
- WE DIDN'T SHOWCASE OUR TOYOTA PLANT
- WE SURVIVE ON OUR SIMILARITIES YET WE ARE KNOWN FOR OUR DIFFERENCES AND METRO VANCOUVER IS DIFFERENT
- I BELIEVE THAT AS LOCALS WE JUST DO NOT GET IT.
- LOOK AROUND, WE NOW HAVE BEAUTIFUL "INFORMATION AND DIRECTIONAL" SIGNAGE ON STREET CORNERS THAT WERE NOT THERE LAST YEAR THROUGHOUT THE CITY.
- THEY ARE NOT UP FOR YOU AND ME. THE WORLD WAS WATCHING AND THE WORLD IS COMING.
- WITH ALL OF THE STATS AND ALL OF THE OBSERVATIONS' COULD PAINT A PICTURE OF RISING PRICES BUT THE WORLD HAS SOME HEAVY LIFTING TO DO YET AND WHAT I CAN TELL YOU THOUGHT IS THAT WITH THE CONTROLLED INVENTORY NUMBERS: "EVERYTHING IS REALLY GOING TO BE ALRIGHT"
- I JUST WANT TO THANK YOU FOR ALLOWING ME TO LIVE A DREAM COME TRUE TO ACTUALLY HAVE A VOICE AND ALL OF YOU TO LISTEN TO ME.