

Attachment 5

Real Estate Analysis Summary

ATTACHMENT 5: REAL ESTATE ANALYSIS SUMMARY

This report is intended to provide an overview of the analysis conducted. The analysis used five indicators, described below:

1. Following the adoption of the heritage policy, the Queen's Park neighbourhood saw the lowest decrease in the assessed **property values** among similar properties throughout the city. A decrease was seen throughout the region in 2016-2017. The city overall saw an average property decrease of above 6%. The decrease in Queen's Park was roughly 4% (from 2017-2019), where other similar neighbourhoods, such as Moody Park and Glenbrook North saw decreases from 11-18%, respectively. Property value was based on BC Assessment data.
2. Analysis of the **sales volume** (total number of real estate sales) shows that sales trends in the neighbourhood remained consistent with city-wide and regional trends throughout the time period studied (2014-2019). The predicted decrease in sales, noted in the 2018 economic analysis, does not appear to have occurred. In fact, relative volume of sales in the Queen's Park neighbourhood in 2019 was higher than other areas in the city and the region.
3. **Ease of sale** (the number of days a property is listed on the real estate market) also does not appear to have been impacted by the adoption of the Heritage Conservation Area: through 2019, houses in the neighbourhood sold on average 15% more quickly than similar properties elsewhere in the region. Though, it is important to note that newer or non-protected properties sold another 15% more quickly than older or protected houses. Though this was also true prior to the implementation of the heritage protection.
4. The benchmark real estate **market price** in the neighbourhood was higher from June 2016- June 2018 (which coincides with the adoption of the Heritage Conservation Area and incentives program) than in the year before adoption (2015-2016). In the later years (2018 and 2019), market prices in the neighbourhood declined in line with city-wide and regional trends. Though, market prices remained substantially higher than elsewhere in the city (on average approximately \$525,000, or roughly 30% greater). These prices are currently comparable (within 10%) to similar properties elsewhere in the region.
5. There was a yearlong period of lower **relative market price growth** in the neighbourhood which coincides with the adoption of the Heritage Conservation Area (2017). This means that there was a lack of increase in market price for properties in the Queen's Park neighbourhood, where elsewhere in the city the sale prices for similar properties increased by nearly 10%. Notably, market price did not decrease in this period, and remained some of the highest in the city.

At this time, staff analysis cannot confirm that the heritage policy was the source of the lower price gains through to 2018, which could also be attributed to the higher cost of Queen's Park properties overall: higher cost properties tend to be more easily impacted by downward market trends. Similarly, market trends resumed in the neighbourhood in 2018 (around the time of the adoption of the incentives program) yet this could have alternatively been due to external factors, such as general market uptake. Staff analysis is based on correlation (similar timing) rather than scientific causality, due to the extent of data available.

Housing markets are complex and there are usually multiple factors driving increases or decreases, so it is difficult to isolate the impact of one policy change, especially at the neighbourhood level. There has been a large amount of housing and fiscal policy change over recent years which may impact the Queen's Park neighbourhood including: the adoption of the Official Community Plan, the approval of laneway and carriage houses as an outright entitlement, the foreign homebuyers tax, mortgage qualification changes, increase in loan insurance premiums, and mortgage rate changes. This wide range of factors can contribute to changes in assessed land values, sales volumes, and sales prices.