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West Side Homes & Market Review

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Market Overview

Listings are finally picking up so the spring real estate market appears to be starting a little earlier this year. The good news in the press may be fuelling this. Changes I've noticed so far this year are that sales are done quickly, often in less than 1 week with multiple offers. Old inventory gets sold when choices are limited and of course, the market has caught up to last year's over priced listings so they also sell.



Hi Everyone,

I hate to say it for fear I might jinx it but it does seem like winter may be slowing down at the sight of crocus, cherry blossoms, and the smell of spring filling the air. One can only hope although compared to the rest of N. America, we're doing just fine - as is our real estate market.

Karin

Single Family Homes

- It is a Sellers' market in the West Side and Richmond. Record prices are being paid every week. No matter what, demand will always be strongest for single family homes. Some developers are building single family homes in areas zoned for duplexes as it's less of a risk when it comes time to sell.
- A strong market with high prices always brings up the subject of a real estate bubble but with low interest rates and no signs of flipping, the market is being driven by legitimate need for housing.
- I do feel sad that with the huge prices being paid for lots that there is less renovation. Buyers paying millions of dollars for the land are far more inclined to build new than work around restrictions of an existing structure.

Condos

- Sales have picked up and if priced properly are selling quickly so days on market are lower. These are the Buyers most affected by the changes in the amortization period for mortgages so Buyers are motivated to get the deals in place by the March deadline.
- Millenium Lands is still a mess even with announcements of price reductions. Until residents are in place the commercial tenants will not move in but of course buyers are also looking for amenities-a vicious circle. With additional buildings just starting on the perimeter it will also be a construction zone for a couple more years. I'm sure it will take 3-5 years to get to where it should/can be.



Financing

- Changes to the amortization period down to 30 years kick in March 2011 so to avoid this new limit, buyers must have their contracts written before then. It does affect first time and lower price point buyers the most as it reduces buying power so that market will be stronger in the first quarter of 2011.
- Fixed rates have gone up again although financing is still cheap. Mortgage rates are double ours in other countries so we are still in good shape. Variable is still the route to go if the borrower can withstand some fluctuation; prime rate less a discount makes for very cheap financing.
- Lenders are aggressive in trying to retain good clients by approaching them prior to renewal with very attractive financing offers. It pays to have a good credit rating!

Immigrant/Foreign Buyer Market

- Mainland Chinese Buyers continue to buy up homes and building lots around the West Side. At a recent meeting with Buyers from Shanghai, they reminded me that we are still cheap real estate, relatively speaking. They told me that there are whole apartment buildings which are sold but sitting empty; that the buyers simply flip them, never moving into them. When I told them that a condo building I showed them last summer had increased in value by about 10%, it really wasn't a big deal compared to what they see at home.
- I've heard that the Mainland Chinese market is in danger of a real estate bubble and smart investors are pulling their money out and moving it to targeted cities in N. America.



ARMOURY DISTRICT = DESIGN DISTRICT?

You may not have heard but we have a new district in town—the Armoury District. That's the area, near the Armoury on Burrard of course, bordered by Burrard on the West, 4th Ave on the South, and the water and Granville Island on the North & East. Beginning last year, retail stores like Mint and Casa joined existing companies like Stonetile, and 2011 brings Brougham Interiors from N. Van and Living Space from Kingsway. There are others of course and how nice for us that in a small central area there are so many choices for decorating our homes.

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