



Analysts will be watching the housing market this spring for signs of where prices are headed in the near future. March 19th, 2009.

Spring could be litmus test for housing market

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For the first time in over a year, housing prices have gone up.

Analysts say the March increase could mean the market has already hit bottom, or it could simply be a spring price-thaw that is typical of this season.

The housing market peaked a year ago, but as summer 2008 rolled around, houses became less expensive for the first time in a decade.

Now, as the spring season gets under way, analysts are watching closely to see which way prices are headed.

That's because this season may determine the direction of the market for a long time to come, says Vancouver real estate analyst Cameron Muir.

"It's really going to be a litmus test for home prices," said Muir.

"The stock of homes for sale is beginning to diminish and we're seeing some increase in home buyer activity, so the spring market is going to be an important market for greater Vancouver," said Muir.

But for now, it's still a buyer's market.

"It's conceivable it could take twice as long to sell your home as it did last year," said Dodi Thorhaug, of Re/Max.

"The buyers that are out looking right now are being cautious buyers and they will buy if that house or that condo or townhouse has a wow-factor," said Thorhaug.

And with interest rates down, some people are finding it worthwhile to switch their mortgages

Now can be a good time to switch, according to mortgage specialist Peter Kinch.

"These are rare opportunities we see every once in a while in the market where it may make total sense to get out of your current mortgage," said Kinch.

If you're paying five per cent or more in interest, Kinch is advising you to approach your bank.

"A lot of banks are afraid of losing business right now, so what they'll do is they'll negotiate to a certain extent the penalty -- they might give you a 10 per cent discount on that," said Kinch.

Vancouver resident Lyndsy Pahl decided to break from her five-year-fixed mortgage and sign on with another bank, even though it cost her \$52,000 to get out of her old mortgage.

"Why not take the lowest rate you can?" she asks.

"I knew I would get dinged, and I specifically looked at that penalty before I sought out the new mortgage," Pahl added.

With a report by CTV British Columbia's Shannon Paterson