

westside HOMES market update

SUMMER/JULY '09



Wow! Its been quite a ride over the past few months. The market starting in mid April just exploded. Last years prices fell on average 2% per month bottoming out in November. Prices remained flat December-March, In April something happened!

Why the Market Explosion? Well there are really **5 reasons responsible for this market surge:**

1. **Pent-up demand** - We have 10 months (Mar-Dec 2008) where many buyers didn't buy because of the uncertainty in the market. Literally thousands of buyers have held off buying awaiting the right opportunity to lunge back in.
2. **Ridiculously low interest rates** - When variable rates hover around 2% and 5 year fixed rates hover around 4%, it's hard not to borrow money. Considering that the majority of your servicing costs (monthly payments) in buying real estate is interest, its not surprising that such low rates are one of the primary causes for this buying frenzy.
3. **Bargain Prices** - With prices haven fallen on the westside last year from 20-25% everything looks like a pretty good deal compared to Spring 2008. And clearly we hit bottom.
4. **Foreign Exchange Rates** - The Canadian dollar compared primarily to the Asian currencies have fluctuated for the foreign investors. In some cases quite dramatically making the already attractive price, and cheap money even more of a bargain.
5. **Foreign Non-Confidence in US Market** - There has been quite an influx of Asian investors buying up property here in Vancouver who would have otherwise been investing in the U.S. This is primarily due to their lack of confidence in the US housing market and the stock market. A large number of these investors are coming to Canada as we are seen as a more stable economy coupled with a very stable banking system.

How Long will this Last? If I could tell the future, I would say not too much longer. Once the pent up demand drains, the interest rates jump around a little, and the Asian influx of investors slow, I would expect the market to cool substantially. I would expect this cooling off period to hit this summer. Some predictions call for further drops in price before we hit the real bottom and prices begin to gradually climb, others are adamant that we have hit bottom and Canada, in particular Vancouver, is leading the world out of the Global recession. I will let you be the judge on who is right.

The Team and I have never been busier helping our clients sell, buy and upgrade or downsize in this fast moving market. And its no surprise when you look at the stats, sales activity is up 16-20% May 2009 compared to May 2008. Pricing for detached houses are down now year to year only 12%, attached strata product is down only 10%. If you do the math from the drops last year, we have made a significant pricing recovery in a very short period of time.

All in all, the Olympics are coming, the sun is out, and in many people's opinion Vancouver is still the best place in the world to live!

Vancouver's
Premier
Real Estate
Team

mortgage rates

at June 16/09
closed rates

6 mo.	3.95%
1 yr	2.65%
2 yrs	2.85%
3 yrs	3.59%
4 yrs	3.79%
5 yrs	4.29%
7 yrs	5.15%
10 yrs	5.25%
Var.	2.65-2.85%

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SUMMER IN BLOOM



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MARTY POSPISCHIL, DEXTER ASSOCIATES REALTY

Team Profile A proven & successful combination with successful results!

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 MARCUS MAIA, Client Services Manager
 DAVID WU, Client Services
 MYRNA IDANG, Office Administrator

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LANEWAY HOUSING...coming soon!

What size Laneway House can we build? At the moment, City Hall is suggesting 540 sq ft for 33 foot wide lots and up to 700 sq ft for 50 ft wide properties that consists of one floor plus 60% of the lower floor in area above. Sizes may also change depending on the foot print coverage and building set backs that your building zone permits. Heights will range from 18 to 22 feet, the exact height is yet to be determined.

How much will it cost? A home owner could build an elegant laneway house for around \$200 per square ft.

Is a design professional needed for my laneway house? An experienced Architect will organize your project from start to finish. They will pay for their fees and more by providing experience and skill to use your construction budget in the most economical fashion. Remember, an architect works for you and not the builder – so there is no conflict of interest, protecting your interests is a priority for the architect.

How will I find a good builder? Get recommendations from friends, from us, or from your architect. Gather competitive quotes from recommended contractors to ensure that you get the best value for your investment.

Would the return be on this investment? A self contained laneway home may bring in as much as \$1200 plus rent per month. You may also want to consider it as a vacation rental unit with the possibility of \$200 to \$280 per night income and even up to \$385/night during the upcoming Olympics. At the moment, owners will not be allowed to sell their laneway house.

For more information on Laneway Housing and conversion of existing garages, parking requirements, building contracts, permits, floor plans and more, visit www.vancouverlanewayhousing.com or contact Helen O'Toole, Architect 604 872 4498 or email hotarchitecture@gmail.com.



The Ride To Conquer Cancer

Well as many of you know, Marcus won't be doing any riding any time soon. Marcus has unfortunately torn his tendon below his knee playing a very aggressive game of soccer and now sports a full leg cast from hip to ankle. By the time you get this newsletter, the team and I will have finished our monumental ride June 20/21st from Vancouver to Seattle raising over \$40,000 on a combined team basis with our other Dexter team mates. Marcus and I thank you for all the support you have shown us in our cause for a Cancer free world!



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CANADA
DAY!

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