

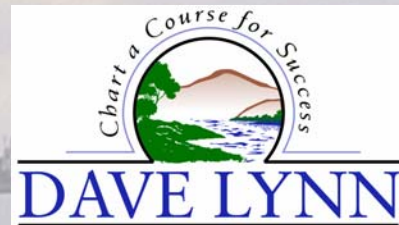


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Fall 2008

Keeping in Touch

Welcome to the Fall edition of "Keeping in Touch". This issue looks at the cyclic nature of the Real Estate market as a timely review in this changing market place. With the Real Estate market correcting itself and shifting to a balanced or buyers market, there will be some good deals to be found. Sellers will have to price their homes very carefully. Also some hints on staging your home. Tara and I are developing a fantastic reward program for those of you that send us referrals. As usual we have the latest in sights, sounds and tastes from our contributing writers and a continuation of my fishing stories in "Tacks & Tales". You can also find the past newsletters at www.davelynn.com

Dave Lynn

The Cyclic Nature of the Real Estate Market

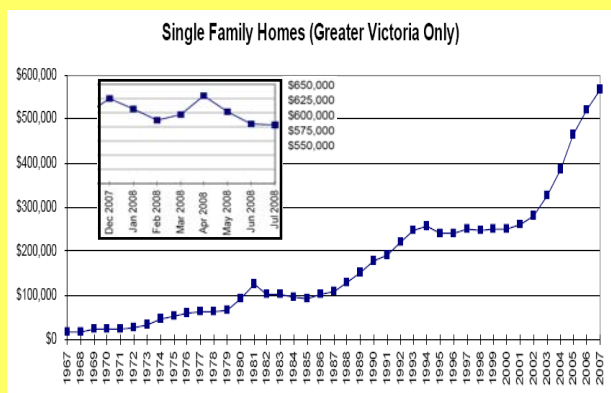
All markets – stocks, bonds, commodities, real estate are cyclical. Markets are not static; they always either rise or fall ... none of it in a straight line. When prices rise, people get more and more excited – the expectation is that prices will always go higher. Up–up–up they cry. Some people wait for years and then jump in at the end. However, the more markets (a stock, a commodity, a real estate) rise in value, the more risk there is for the commodity or stock or real estate to overshoot their basic underlying values. Stocks become overvalued, commodities become speculative and crash and eventually stop rising. Conversely, the more prices fall, the more is the expectation of further declines and buyers back off. Sell–sell–sell they cry. Yet on the way down, there is less and less risk and the best buys come about in tough (low priced) markets. Investors should be buying in the down market. They rarely do, becoming thoroughly spooked on the way down. Real Estate is no different than other markets ... in general, but it also has very much a 'local' component. The underlying principles will determine values ... employment growth/unemployment rates ... general level of inflation, affordability, inward migration and interest rates are key indicators of either real estate value strength or weakness. Local factors, livability, confidence in the local future etc. make real estate somewhat different.

Real estate has also been cyclical for 47 years. We did not go in a straight line from \$13,500 in 1960 to \$850,000 today. We had up and down periods throughout. Each one actually saw people – particularly in Vancouver – either euphoric on the way up or abjectly miserable on the way down. The up cycles on average last between 4 and 6 years (the latest in

Vancouver some 7 years) and the down markets last between 1 and 3 years ... with a couple of flat years in between.

Cycles in real estate – apart from confidence in our own future – first time buyers, affordability etc. also are accelerated by developers and builders. During a period of rising house prices, the rate of construction increases. Developers and builders keep building as values are rising to take advantage of the strong market until at some point there will be more new units built than there are people to occupy them. Eventually, markets (all markets) will stall and values level or fall depending on the excesses on the way up. As developers withdraw and time goes by, excess properties are being soaked up by the market, nothing new is built ... and voila, the upward cycle can start again.

Average Annual Selling Prices 1967-2008



Continued on Page 2

In mid July – a major turning point was in place – from a seller's to a buyer's market.

We still live in the most unreported inflation of all time. That also means that your real estate values will be higher ... when this down cycle is over. It also means that as markets adjust downwards, there will be LESS risk in the market than there was before. Strong real estate market fundamentals of inward migration, low interest rates, inflationary environment as well as great locations are still there throughout the West ... but first affordability became untenable, now the demand and supply cycle has turned down. Do not get sidetracked by all of the bad news and stories of 'core inflation', 2% targets etc. – they are meaningless – as our relentless march to higher prices has demonstrated for 35 years.

Condensed from Ozzie Jurock's "Insider Newsletter" Aug 08

Staging Your Home for Sale

Potential buyers make their decision to purchase your home in the first 30 seconds upon entering. First impression is the key to selling your home fast and for top dollar. In addition, well staged homes sell 30-50% faster than their counterparts. De-clutter, clean, and organize all rooms in the house - This should be your very first step. Address any and all repairs that need attention. Inspect your house inside and out to search for cracks, etc. The small investment of time and money will mean a bigger return when it comes to the sale price. Clean and organize kitchen countertops and cupboards. Countertops and shelves should not be filled with food and appliances. You want your kitchen space to appear large, clean and functional. Keep the bathroom as bare as possible, never leave your personals in view when showing your home. In fact, depersonalising your whole property is a powerful selling tip. Buyers will be more attracted to your house when they can imagine themselves living there. To make your house look lived-in without looking like anyone actually lives there, pack away into storage all family photos, holiday souvenirs, trophies & certificates, collectible items, children's artwork, home gyms that haven't been used in months

Open the blinds and drapes to let in natural light. Keep clutter away and consider keeping your pet out of the home for that day.

Put out flowers and candles in the main rooms of the home and a colorful bowl of fruit on the dining table.

A hot pot of coffee helps with taste and smell also. Turn off the sound on all television sets and computers, and have some easy listening or jazz music playing in the background softly.

These ideas will help your home appeal to all the senses.

Agnes' Garden Tips



Trees Increase your Property Value

- Well-established wooded areas have high values
- A large front yard tree can add \$10,000 to the value
- Trees shade home in summer for cooling
- Can act as windbreaks to lower energy costs
- Can create sheltered zones for outdoor enjoyment
- Trees add moisture to the air to cool surroundings
- Screen undesirable elements to improve outlook
- Position them to increase privacy
- Trees can be used as screens to cut noise
- Roots can stabilize slopes and soak up pollutants
- Tree canopy protects soil from erosion
- Absorb polluted storm water to prevent runoff
- Attract wildlife & birds to enjoy plus reduce pests
- Trees absorb carbon dioxide and other air pollutants
- One large tree gives off enough oxygen for 4 people
- Trees contribute to reducing stress in urban areas
- Treed areas shown to create safer, more sociable neighbourhoods & contribute to lower levels of domestic violence

Property Sales & Prices Steady in September

Victoria Real Estate Board Oct 01/08

Both the number of property sales and overall prices throughout Greater Victoria remained steady in September, showing little change from August. A total of 512 homes and other properties sold in September through the Victoria Real Estate Board's Multiple Listing Service® (MLS®) down minimally from the 517 sales in August. There were 632 sales in September of last year. The number of properties available for sale at the end of September was 4,754. That represents a 41 per cent increase compared to September of last year. Victoria Real Estate Board President, Tony Joe, says despite the recent global economic uncertainty, the latest sales and price figures are encouraging. "These figures attest to the continuing stability and strength of the local real estate market despite the troubling economic news that we hear so much about," said Joe. "While the average price of single family homes sold last month was virtually unchanged from August and the average price for townhomes dropped slightly, the average price of condominiums sold increased last month," Joe added. The average price of single family homes in Greater Victoria last month was \$549,284 showing little change from \$549,914 in August; the six-month average was \$585,643 though the median price in September was considerably lower at \$500,000. There were 18 single family homes that sold for over \$1 million in September, including three on the Gulf Islands. The average price of all townhomes sold last month was \$405,287, down from nearly \$414,000 in August; the six month average was \$427,207. The median price in September was \$370,000. The overall average price for condominiums at \$319,562 last month was up from just over \$302,000 in August. The average for the last six months was \$318,315. The median price for condominiums in September was \$276,000. MLS® sales last month included 309 single family homes, 111 condominiums, 53 townhomes and 12 manufactured homes.

Chapter 5: The Dog Kickers of Bamfield

This story took place over a good part of the summer and took on a life of its own, as incidents can in a small community. It started one dark and stormy night (really). It was blowing a southeast gale and the fleet was tied up early. In the evening, a lot of us headed down to the restaurant to grab a bite and watch whatever was on the TV. After watching as much Tommy Hunter as we could stand, Tom and I headed back up the boardwalk towards the boat and the one pay-phone at the Government Wharf. It was raining like it can only rain on the west coast. As we passed one house the resident German Shepherd started barking at us, then ran down the front path towards us. Tom reached out and closed the gate in front of it and we proceeded on. End of story, but wait we're in Bamfield.

Typically in small isolated communities there are two or three dominant families that have lived there for generations. Bamfield was no exception. The owners of the house with the dog were one of about four families in the harbour that belonged to the same clan. Tom and I continued on to the pay phone to make a call home. As we waited in line to use the phone, we heard footsteps pounding up behind us. Two young teenagers arrived wearing only jeans and t-shirts in the pouring rain and started yelling at us about coming onto their property and kicking their dog to make her bark. Like anyone is going to go out of their way to kick a German Shepherd. Does isolation lead to paranoia? After about 5 minutes of ranting, the older brother shows up and we tell him our side of the story and he tells the kids to shut up and go home. End of story? Remember we're in Bamfield.

Life goes on and we carry on with the business of trying to catch a fish. A week or two after the "incident" we tied up to the camp late in the evening and walked over to the grading table to watch them grade a load of halibut that had just come in on a boat. While we were there the neighbour, we'll call him Rob, arrived with an almost full grown black lab under his arm. That seemed a little strange. He put the lab down and it proceeded to wander around the barge, lifted his leg on the corner of the grading table and came over to us to get a pat and a rub under the chin, tail wagging all the time. After 15 minutes or so, Rob scooped up the dog and stormed off. Don, the camp manager, was watching this all the time and burst into laughter. "Guess you passed the test.", he said. "What the 'heck' are you talking about?", I replied. Don explained that while we were out fishing, Rob had come to the camp looking for us because his dog (the lab) was limping and he figured we'd kicked it since we'd kicked his brother's dog a few days before. Rob, by the way, is the same guy that walks out on his front porch and blasts at the crows in the trees with his 12 gauge. But wait it gets better.

We put in a few short trips and one trip up to Ucluelet to get the old war-surplus Loran set repaired. On returning to Bamfield, we noticed the big RCMP patrol boat tied to the government wharf. We tied up to the camp and went up to get groceries. When we got back to the boat, Don met us and said the Mounties were looking for us. The wife of "shotgun"

Rob had called the Mounties and said we were out here abusing the animals. Well, they interviewed Don while Rob was standing there. Don had a cute little Cocker mix. They asked him if anyone (meaning us) had been abusing his dog. Good o'l Don said "No, the only one that has kicked at him is Rob". The Mounties were not impressed. They never did interview us, but they did go through the whole bay and made every one buy dog licenses for their dogs. Not only that, they cut down the large poppies that were growing in the fronts of several gardens. Hmm, maybe that's what caused the whole story in the first place.

The next visit to the restaurant was interesting. Nobody mentioned anything about the Mounties but when we got up to leave, Merle, who had a wicked sense of humour and liked to mix it up a bit, yelled out at the top of his lungs, "Going home to kick the dog?". Well the place went silent for a split second, since a couple of the clan were sitting there, then broke into laughter. It became the standard departing comment for the rest of the summer.

Next Issue: Season Two

Darcy's Gourmet Corner



From Granny Smith to Golden Delicious, apples are as healthy as fruit comes. They have no fat, cholesterol or sodium and contain small amounts of potassium which may promote heart health. Plus, at any given time, eating an apple is an excellent way to freshen your teeth. The apple is as nutritious as it is delicious. In the fall and winter, I love baking with apples. There are so many varieties to choose from and they all have different methods of cooking depending on the apple you choose. The recipe for the classic French Tarte Tatin which is easy to make and very delicious can be found at www.sugarboybakery.ca under Recipes.

Rate Watch

From Prime Mortgage Works Inc
As of Oct 10, 2008

Term	Best Rate	Bank Rate
6 Month Open	7.50%	7.80%
6 Month Closed	6.20%	7.10%
1 Year	4.70%	7.40%
2 Year	5.25%	7.55%
3 Year	5.25%	7.55%
4 Year	5.45 %	7.55%
5 Year	5.45%	7.55%
6 Year	6.35%	7.85%
7 Year	6.15%	7.85%
8 Year	6.20%	7.85%
9 Year	6.25%	7.85%
10 Year	6.25%	7.80%
15 Year	7.05%	7.30%
18 Year	7.05%	7.30%
25 Year	7.15%	7.40%
Prime Rate	4.25%	

Tara's Scene



Today anyone can make their own CD. Whether it's a mixed disk of your favourite songs or a compilation of Christmas songs sung by your family, people can easily create music and share it with others. This technology has also been an asset to the spread of local music. Bands no longer have to wait to be signed to a major record label to be able to release their own CD. People can go from renting a hard disk recorder and putting a microphone in the middle of the room to creating a home studio. A large part of this growth is due to the development of computer programs which have increased the production quality exponentially. Computers have also led to the rise of independent production studios such as locally owned and operated Mind Yourself Music Studio and Audio Garage which give people a chance to produce radio quality music at an affordable rate. It is easy for anyone to create a good representation of their music that can be shared.

Check out these Upcoming CD Releases:

Ball Gag n' Chain Gang October 17th
at Lucky Bar

Fineas Gage November 28th at Logan's Pub

I Referrals

Better than a Free Lunch? A Free Dinner!

Marketing for new clients costs me a lot of time and money. Time I'd rather spend with friends and clients. A major part of my business is built on referrals from friends and clients.

So here's the deal.

If you know of somebody thinking of buying or selling, ask if you can pass their name on to me. I'll look after them promptly and professionally. I won't let you down. They are under no pressure or obligation to work with me. If the referral results in a sale, I would like to treat you to a dinner for two at your favorite restaurant as a token of my appreciation.



Win an All Inclusive Trip!

Tara and I are just working out the details with Flight Centre on a trip to some place **warm** in the winter for one of the lucky people that refers us a client. You not only get dinner but your name goes into the draw for the free trip. The more names you send us, the more chances to win. Stand by for more details.

We'll be in touch.

For the Birds



Fall Migration is Well Underway

Bird migration is full of mysteries. Arctic Terns migrate the farthest going north of the Arctic Circle for breeding and then wintering in Antarctica. They don't stop here on the way past but the tiny Rufous Hummingbird does as it goes as far as Alaska and returns to Mexico. The last of the shorebirds now are stopping in on their way south after breeding in the far north. It is hard for them to find suitable habitat for their stopovers here as shorefront is disappearing due to development. Swallows are gone now. They only are here during the spring and summer to breed. Barn Swallows go as far as South America every fall. We wonder why the Turkey Vultures come to Vancouver Island despite the challenge for them of crossing the strait. They kettles up and wait for days for favourable air currents to help them cross. Migration patterns mean we get to see very few Snow Geese on the island whereas the Vancouver area gets thousands passing through now. The most surprising sight this fall has been the Greater White-fronted Geese who have been coming through in hundreds whereas normally we get to see a dozen or less. Most of our ducks head for the Arctic or Prairie lakes to breed but are back now for us to enjoy for the winter. Check out Viaduct Flats or Swan Lake to see the winter ducks.