

FALL 2008

MARKET UPDATE

Whether it is the *Globe and Mail*, *CBC* or the *Vancouver Sun*, there has been a steady stream of negative press about Vancouver's real estate market this summer. No one seems to point out that:

- We are still getting multiple offers on some properties where prices are right;
- Although prices have softened, they are still very high and interest rates very low; and
- This market is still not too bad for sellers and great for buyers/investors/upgraders.

SELLERS

If you are thinking about selling, you may want to sell as soon as the September market picks up - just in case prices do drop substantially over the next year.

BUYERS

If you are a buyer, we have moved into a much more favourable market for you - now is a good time to buy.

There are too many factors to cover in this letter, but some current market considerations are outlined on the back. If you would like to discuss your particular real estate situation, please contact me.



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SOME OBSERVATIONS

ABOUT THE CURRENT MARKET:

The market has slowed down but it has not/should not, *in my opinion*, “crash”; it is taking a lot longer to sell homes than it was several months ago... but properties are still selling and in some areas, when priced right, we are still getting multiple offers on homes.

We do not currently have the expected factors which would precipitate a crash so while prices may go down, they are unlikely to plummet as they have done in the USA; we have a very different market.

Most of you are living in your real estate investment - it is your principal residence and likely the best investment you will ever make - so even if the prices decrease, you will likely have done very well.

Markets go up and down... if this market goes down substantially, it will likely go back up.

There are many favourable factors operating in the Vancouver market which should keep any correction reasonable and any downturn shorter than in other areas. For example: high employment; increases in population due to ongoing immigration; Vancouver is a stunningly beautiful city which is likely still underpriced when compared to comparable cities in the world; etc.

If you would like to discuss your particular situation in more detail, or have other real estate questions you would like answered, please let me know.

This communication is not intended to cause or induce breach of an existing agency agreement.

THINGS TO CONSIDER IF YOU ARE PLANNING:

A LATERAL MOVE

If you are selling and buying in the same market at around the same price (*making a lateral move*) any price decrease will not be as problematic for you. The properties you buy and sell should have decreased about the same amount.

UPGRADING

If you are selling and buying a more expensive property in the same market (*upgrading*), an overall market decrease can help you. For example, while your home may have been worth \$550,000 it will only be worth \$495,000 if the market goes down 10% (so you would have in theory “lost” \$55,000), the house that you wanted to buy for \$800,000 should be down to \$720,000 (so you have saved \$80,000). Your gain by selling and buying up is \$30,000! Plus in a slower market, while it will have taken more time (and a lot more effort by your realtor) to sell your property, you will have the luxury of time in choosing your new property.

DOWNSIZING

If you are *downsizing*, or considering doing so in the near future - we should talk asap... you are in the group with the most to lose *if* the market prices go down substantially - you might want to list soon. As I mentioned, to date prices have remained relatively high while sales volume has decreased. However the law of supply and demand indicates that as we get more and more listings on the market, prices will be pushed down.



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