

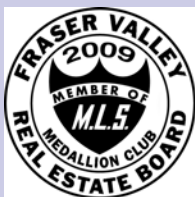


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The Basran Buzz

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Sky has not fallen the way a lot people have predicted

VANCOUVER SUN FEBRUARY 28, 2009

Last month, and on behalf of Vancouver Sun readers, the wizards at Landcor Data Corp. passed almost 466,000 Lower Mainland residential addresses through the company's proprietary property-valuation software.

Then, the purpose of the exercise was to answer a question on the minds of many: are we well or poorly served by the B.C. government's decision to "cap" assessments at the lesser of two values, the July, 2008 value from BC Assessment or the July, 2007 value?

The conclusion? The value of Lower Mainland homes in January was more likely than not within five per cent of the value BC Assessment gave it in July, 2007, meaning the assessment freeze allows most B.C. homeowners to pay tax on property values that reflect the current market conditions

This month, Landcor repeated the exercise, but with a different purpose: To generate "last seen" residential values to help identify just how much market values have deteriorated.

THE CONCLUSIONS:

- [1] The majority of detached-residence values throughout the Lower Mainland are within three per cent, plus or minus, of May and June, 2007 values, averaging from \$380,000 in Abbotsford to \$1.135 million in West Vancouver.
- [2] Apartment and townhouse values, not in all locations, but certainly in Abbotsford, Surrey, Delta, Port Moody, Maple Ridge and Pitt Meadows are very close to values seen in 2008, meaning their values have held better than detached values, likely due to the relative affordability of attached residency. Values range from \$200,000 to \$340,000.

The study had some surprises and unexpected trends.

"If you look specifically at Vancouver, both attached and detached values are most similar to July 07 and August 07 market values," comments Rudy Nielsen, founder and president of Landcor. "This is very much in line with what I expected to see, given the findings from last month's article.

"However, segments like West Vancouver attached homes are reflecting values dating back to September, 2006, meaning a drastic correction is taking place in that market.

He goes on to explain that "what is telling from this information is that the majority of market values are holding better than most had expected. We are coming down from some unreasonably high market values, but the sky has not fallen the way a lot of people have predicted."

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