

# Dan Muzzin · CA

604 813 3795  
www.danmuzzin.com  
dan@danmuzzin.com



## A Fresh Perspective

### January 2010

Last year at this time, we were shoveling lots of snow and trying to make clear investment decisions while peering through a thick economic fog.

This year (so far!) the streets are clear, and the economic haze does not seem quite as dense.

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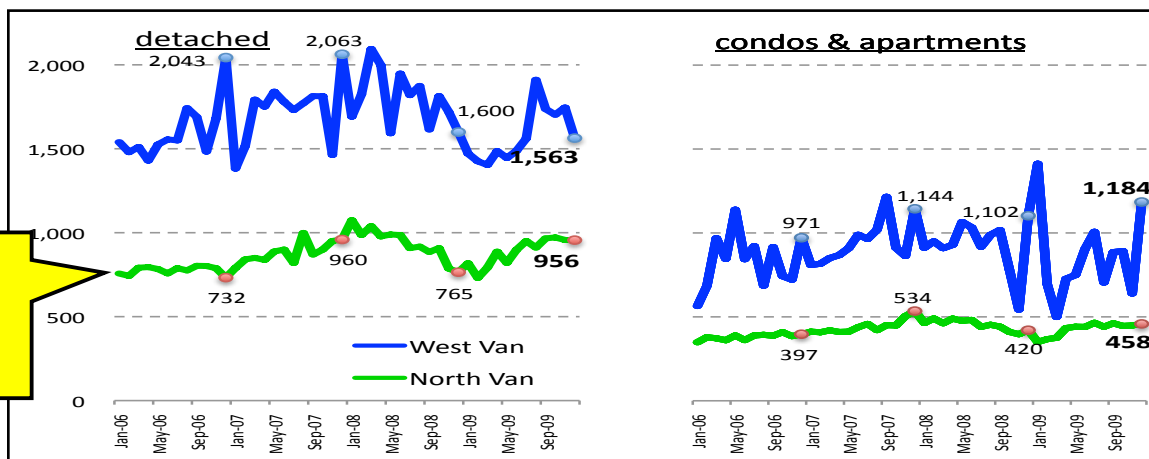
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### market update

The North Shore housing market continued its run of high sales, stable pricing and falling inventory through the end of December. Weather permitting, expect inventory to climb substantially in January and sales and prices to continue rising. The complete Greater Vancouver Real Estate Board report for December 2009 can be found at [www.danmuzzin.com/news.html](http://www.danmuzzin.com/news.html).

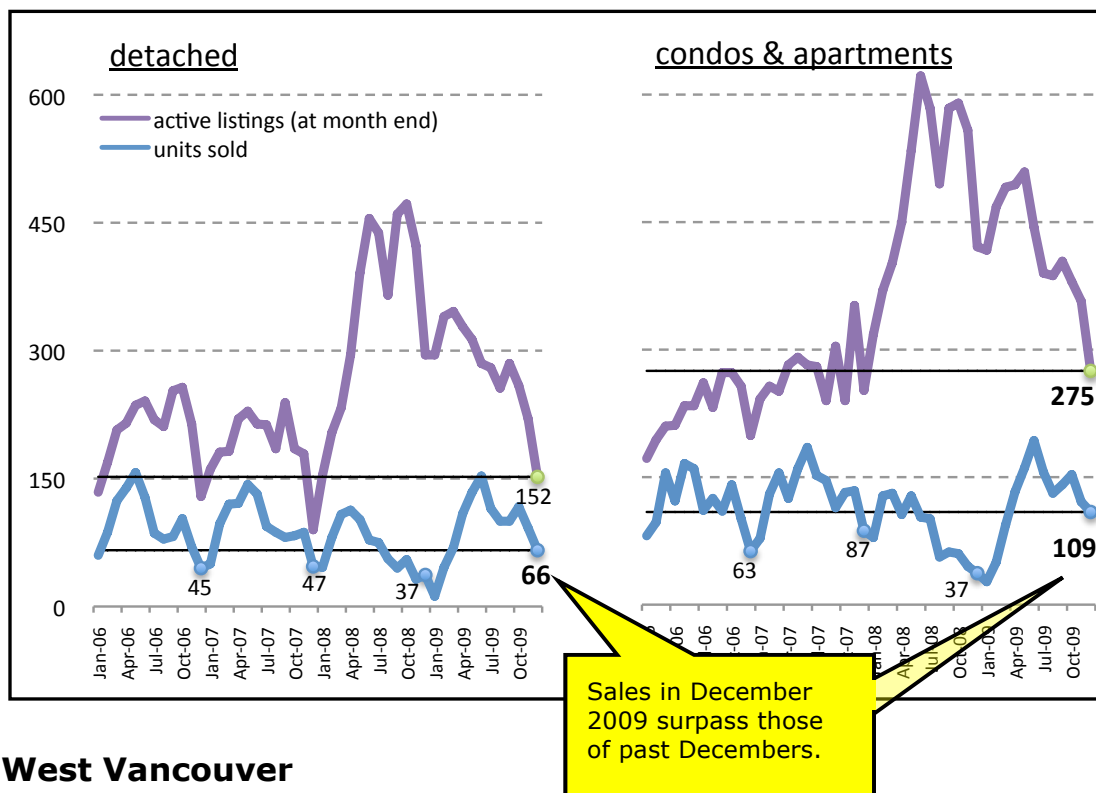
#### Average Selling Prices (\$000)



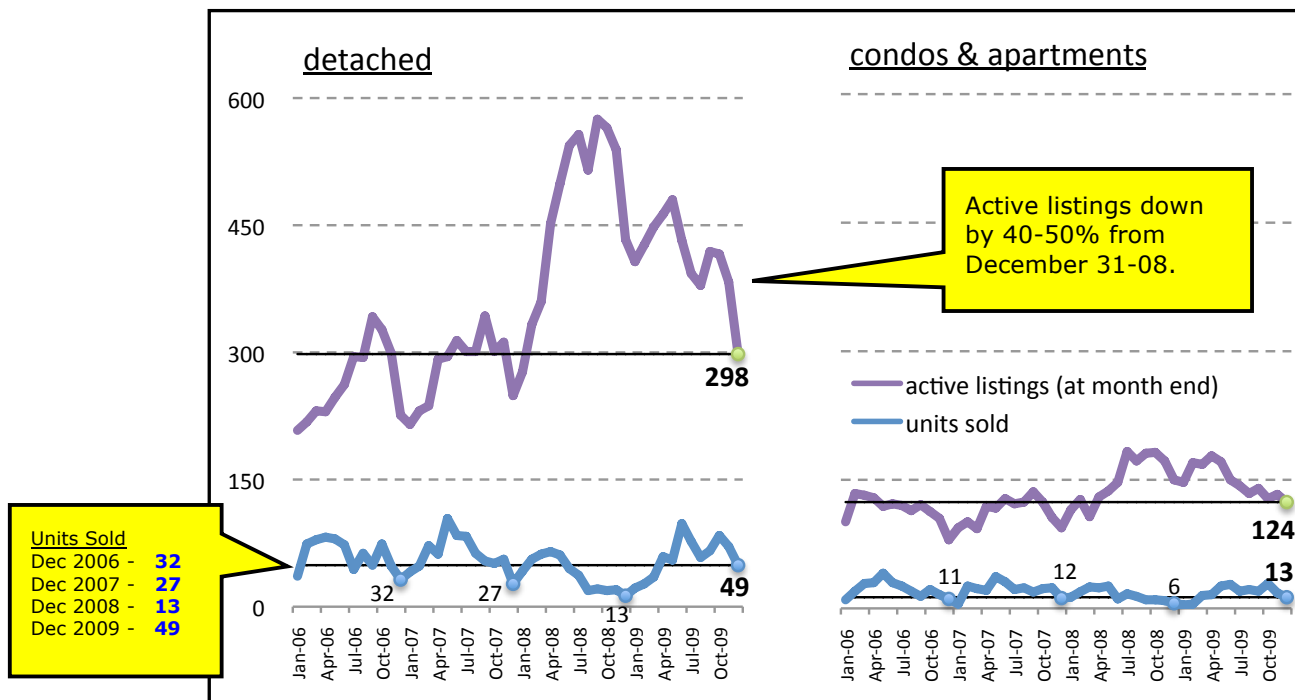


The following charts show the inventory of active listings at the end of each month from Jan 2006 to Dec 2009, and the number of properties that sold each month.

## North Vancouver



## West Vancouver



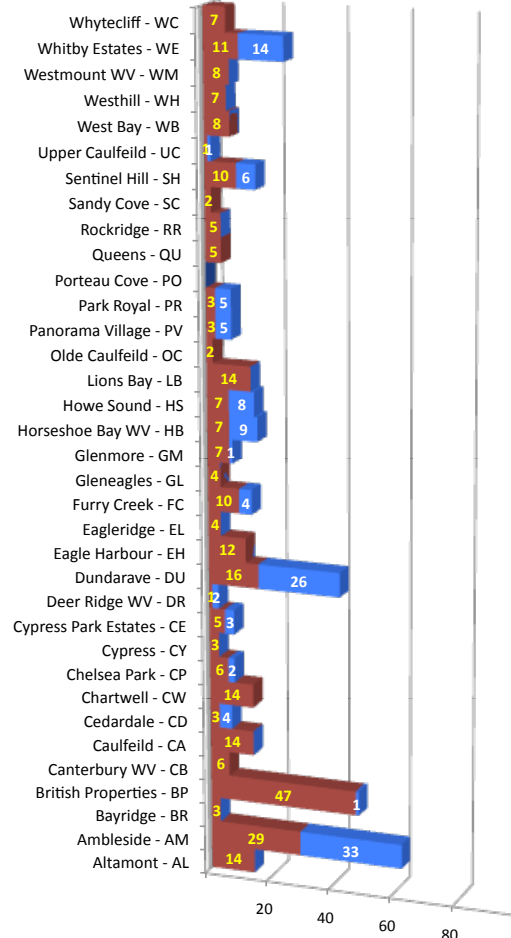


## listings at Dec 31-09 by neighbourhood

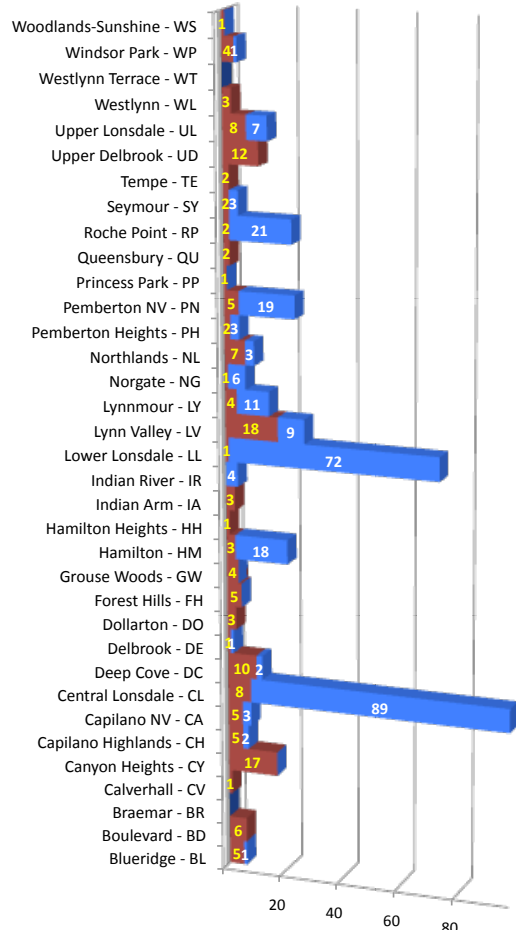


The tables below show in which North Shore neighbourhoods the listed properties are located, and can be cross-referenced to the maps on the left.

■ detached (298) ■ condos/apts (124)



■ detached (152) ■ condos/apts (275)





## **HST –good to know**

It's expected that the proposed 12% Harmonized Sales Tax ("HST") for BC will come into effect July 1, 2010 as planned, and will include a 5% Federal component and a 7% BC component.

Generally, this means that sales of newly constructed or substantially renovated homes would be subject to the proposed HST, where both ownership and possession of the homes are transferred after June 2010 (HST will not apply to the purchase price of resale homes).

However, due to grandparenting provisions, where written agreements of purchase and sale were entered into before November 19, 2009, these sales may not be subjected to the (7%) provincial component of the HST.

To partially offset the effect of the HST proposal, buyers of new homes purchased as a primary residence will be eligible for a new housing rebate of 71.43% of the provincial component of the HST paid, up to a maximum of \$26,250. Variations of the rebate will apply to buyers of:

- new houses together with land;
- new houses together with leased land;
- new mobile homes and floating homes;
- qualifying shares in a housing co-op; and
- houses constructed or substantially renovated by the owner who is an individual (i.e., owner-built homes).

Please note that the HST is not the Property Transfer Tax, which is a separate provincial tax on all property transfers.

The HST will also be levied on the cost of other housing-related goods and services purchased after June 2010, including:

- home renovations;
- energy efficient appliances, insulation, windows and doors;
- heating and electricity bills, telephone, cable;
- closing costs such as appraisals and inspections, moving costs; and
- REALTOR® fees or commissions.

## **great value –HRTC and no HST!**

In light of the above HST notes, housing-related costs incurred before July 2010 would appear to provide good value.

Investments that avoid the upcoming HST charges and that qualify for the 15% Home Renovation Tax Credit ("HRTC") could be of great value!

*(refer to my Nov 2009 newsletter at <http://danmuzzin.com/newsletters.html> for more information about the HRTC, which expires Feb 1-10)*