

## **September 2009**

After only one week of school, West Vancouver students will enjoy their first long weekend of the school year!

Without knowing that they started a week earlier than students in most other districts due to reasons related to the upcoming Winter Olympics, one might conclude they have it pretty easy.

Similarly, given the generally poor press reports associated with real estate contract assignments, one might conclude it's best to completely avoid them when in fact, if the risks are well managed, they can be very rewarding.



### **In this issue:**

- market update
- my latest transactions
- assignments of contracts
- great value - renos that pay back!

## **market update**

Market momentum carried into August as the number of home sales in Greater Vancouver increased significantly compared to August 2008 and moved closer in line with the active summer months experienced between 2003 and 2007.

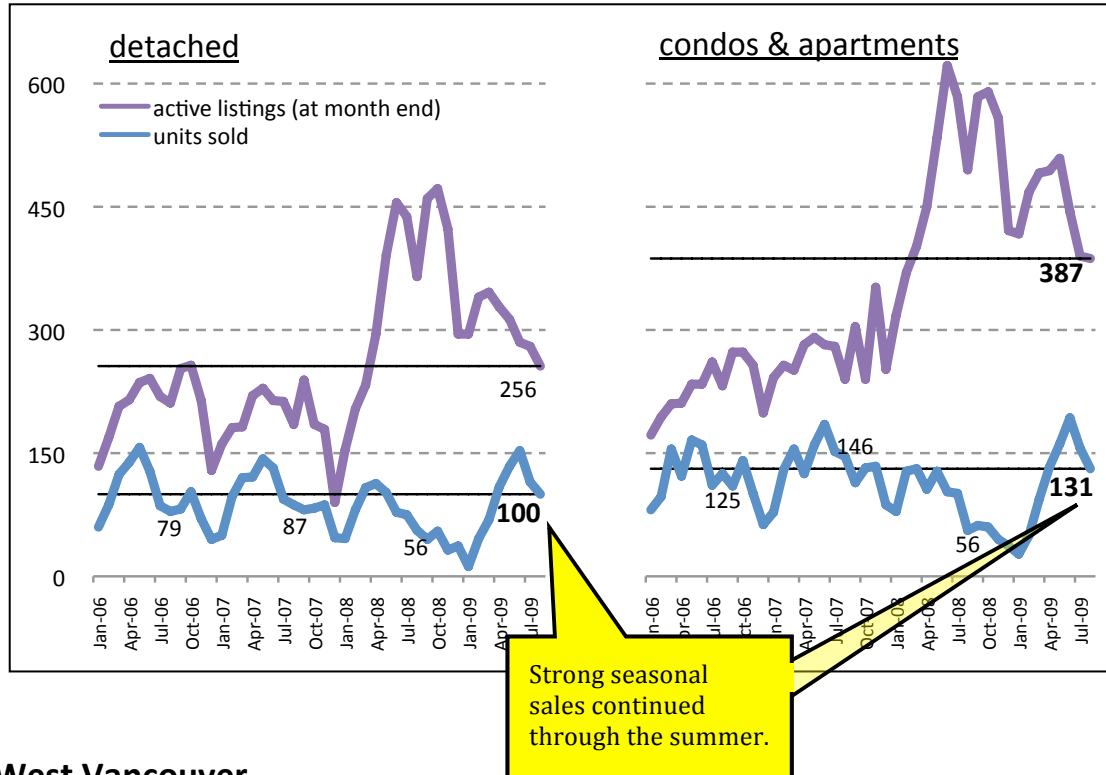
The Real Estate Board of Greater Vancouver (REBGV) reported that residential property sales in Greater Vancouver increased by almost 120% in August 2009 from sales recorded in August 2008, and even increased marginally over sales in August 2007.

Since the beginning of the year, the MLSLink® Housing Price Index benchmark price for detached houses has increased 18% to \$862,000 in North Vancouver and by 13% to \$1,323,400 in West Vancouver. Compared to August 2008, the benchmark price for detached houses is down by 1% in North Van and by 13% in West Van.

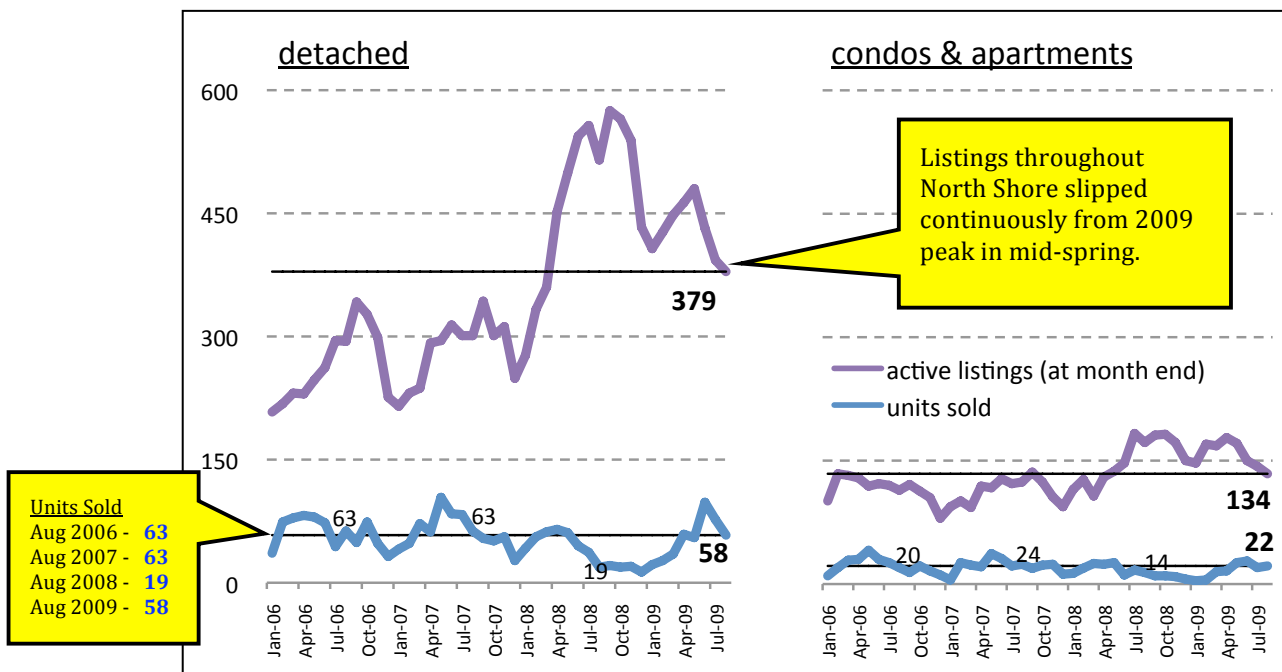
A copy of the complete REBGV monthly report can be found on my website at [www.danmuzzin.com/news.html](http://www.danmuzzin.com/news.html), click *Market Results – August 2009*.

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

## North Vancouver



## West Vancouver



## my latest transactions

### new home for sale



#### **#29 – 555 Raven Woods Drive North Vancouver**

- luxury duplex style townhome
- 4BR, 4BTH, 2,490 sqft
- Wolf, Sub-Zero, Bosch & Grohe appliances
- in-floor radiant hot water heating
- construction to be completed early 2010

**\$988,000**

### recent sales



#### **2033 Cedar Village Crescent North Vancouver**

#### **#101 – 1871 Marine Drive West Vancouver**



#### **#26 – 888 W. 16<sup>th</sup> Street North Vancouver**

## **assignments of contracts**

The marketing and construction periods for some residential development projects can often last two years or longer so many developers presell their units well before construction commences. Under this type of arrangement a presale buyer contracts with a developer to purchase a unit on completion for a fixed price and at this time pays a deposit to the developer.

A common occurrence in recent years is for presale buyers to subsequently assign their legal interest to third parties (assignees) who agree to assume the presale buyers' (assignors') rights and obligations with respect to their contracts.

Buyers' reasons for assigning their interests may be financially motivated or may be driven by changes to their personal circumstances during the long construction period. Regardless of the assignors' motives, once aware of the additional risks associated with assignments and how to deal with them, there can be very attractive opportunities available to potential assignees. Examples include the prospect of purchasing in a highly desirable development, or purchasing a particularly well-situated unit.

Some of the additional risks to assignors/assignees include, but are not limited to:

- What if developer goes bankrupt or has significant cost overruns or delays?
- What if assignor or assignee breaches the contract after the assignment?
- What if assignee doesn't close?
- How do GST and Property Transfer Tax apply?

A well-informed REALTOR® can successfully guide you through potential pitfalls to ensure a successful home purchase by the use of a contract assignment. One such opportunity can be found in the "My Listings" section of my website, at:

<http://danmuzzin.com/mylistings.html#29-555-Raven-Woods-Drive-North-Vancouver-mylistings-9271956.property>.

## **great value – renos that pay back!**

When deciding on what type of renovation to undertake and how much to spend, consider the impact on your home's future resale value. If you are looking to sell your home quickly, your best return might be from spending a little on interior/exterior paint.

The Appraisal Institute of Canada's 2008 Survey indicates that renovation projects listed below generally have the following average potential paybacks.

- 75 –100% kitchen or bathroom renovation.
- 50 –100% painting interior/exterior.
- 50 –75% replacing windows/doors, furnace/heating system, upgrade to flooring
- 25-75% re-roofing, building a deck, concrete paving.

RENOVA, the Institute's web-based guide to the value of home improvements can be found at [http://component.aicanada.ca/e/resourcecenter\\_renova.cfm](http://component.aicanada.ca/e/resourcecenter_renova.cfm). Also, be sure to remember BC's Home Renovation Tax Credit (refer to my July newsletter for details).