



a fresh perspective

June 2020

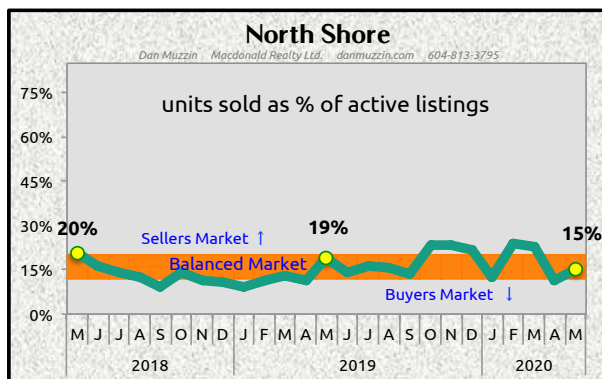
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market update



The Real Estate Board of Greater Vancouver (REBGV) reported total MLS® residential property sales of 1,485 units in May, which represented a 34% sales increase from April and 44% fewer sales than in May 2019. Total residential sales activity for the month for all property-types throughout the metro region, came in at 54% below the 10-year historical average for May. At 9,927 the total number of residential property listings at May 31 was 6% higher than at the end of April, and 37% fewer than at May 31, 2019. At 15%, the metro MLS® sales-to-active-listings ratio was higher than the 12% reported as at the end of April. The Home Price Index composite benchmark price for all residential properties in Greater Vancouver is 3% higher than that of 12 months ago and 4% higher than 6 months ago.



North Shore home sales in May, at 178 units were 45% higher than the 123 properties sold in April, and 46% fewer than the 327 sold in May 2019. The sales-to-active-listings ratio on the North Shore rose to 15%, from 11% in April, notably reflecting 52% fewer-than-normal total sales for May and 20% fewer listings than the average # of properties for sale as at the end of May (*details on page 7*). The North Shore detached homes that sold in May took an average of 14 weeks to sell, about 2 weeks longer than the 12 weeks it took for those that sold in April, and a week longer than the 13 weeks it took for detached homes

that sold in May 2019. At May 31, there were 1,162 North Shore properties for sale on MLS® or 6% more than the 1,095 listings at the end of April, and 32% fewer than the 1,717 units for sale at May 31, 2019. Benchmark prices of detached homes are higher by 2% in North Vancouver and in West Vancouver they are higher by 4%, from 12 months ago.

As prices and market conditions can vary dramatically by neighbourhood, feel free to call Dan to better understand how the market is doing where YOU live. For the entire May 2019 REBGV market report, visit www.danmuzzin.com/news.html.



strata insurance gone wild

Strata corporations across Canada are receiving notice of substantial premium and/or deductible increases on renewal of their existing insurance policies. In BC, the Insurance Brokers Association of BC reports many cases of renewal premium increases between 50% and 300%. Deductible increases are also up from \$25,000 per claim to as much as \$250,000, \$500,000 and, in one case, \$750,000 for water-related losses. In the Lower Mainland, these increases are having a widespread impact as it's estimated that half of its total 2.7 million residents live in strata-titled properties.

The owners of individual units in a strata building all own a proportionate share of the common property and to help ensure that all owners' equity is protected, the Strata Property Act requires strata buildings to be insured for full replacement value of all common property, common assets, and fixtures. This includes the original construction and finishings attached to the building. Because of the ownership structure of stratas and their commercial-grade systems (plumbing, boilers, electrical, heating and ventilation), strata buildings are insured with a commercial property insurance policy, which is typically used for businesses but modified for strata property.

In addition, strata unit owners insure their contents, plus upgrades made to the unit, under a "condo" homeowners' policy. These policies include two crucial coverages:

1. liability insurance to cover damages from losses that originate in the unit and extend to the common area or other units, and
2. coverage for a portion of the strata building's deductible in the event of a major claim.

For any business, when cost increases threaten to cause deficits, remedial action is needed. As such, insurance rates are constantly being revised in reaction to market forces and emerging trends. This is the case now with commercial insurance in general and strata building insurance in particular. Some factors leading to strata insurance premium increases include...

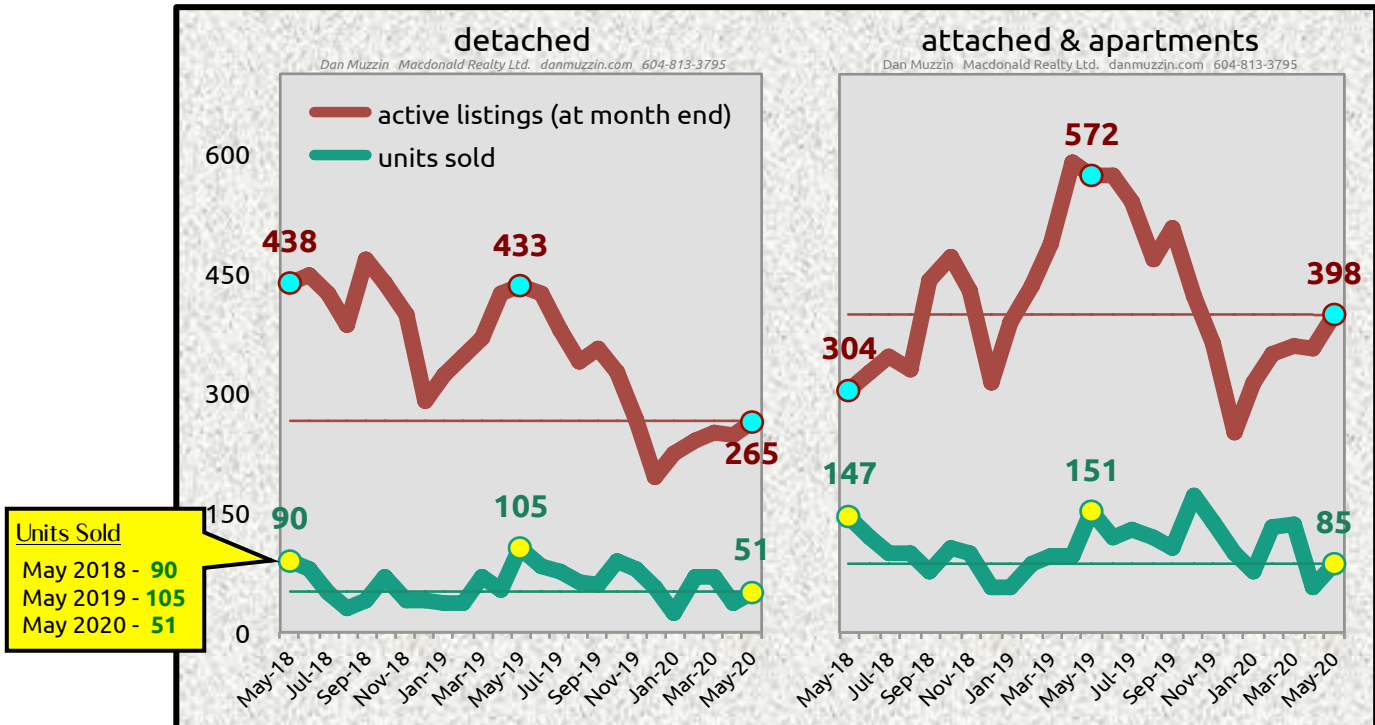
1. **The number of claims has increased.**
 - a. the number of strata buildings has grown rapidly, creating a higher demand for insurance, during a period when the number of companies willing to insure this sector has decreased
 - b. water damage, fire and sewer backups are the most frequent causes and result in the most severe types of losses (common examples of these incidents include residents hanging clothes, candles(!) and other items from ceiling sprinkler heads, putting things like cat litter, bird seed, sani-wipes, cooking grease and other inappropriate items down sink drains and toilets, and smokers carelessly disposing of still-smoldering butts)
 - c. reluctance of strata owners to undertake major system upgrades until frequent problems occur
2. **The cost of repairing and rebuilding has increased.** For example, construction costs in Metro Vancouver have risen between 7% and 15% in the past year.
3. **The local market is affected by global losses, which are increasing.** The increase in frequency and severity of fires, floods, severe storms, and earthquakes elsewhere in the world reminds us that we face a similar escalation of risks here at home. Catastrophic losses from weather-related incidents are a leading reason for current premium increases. With major weather-related payouts occurring annually, companies are incorporating that risk into pricing.

Due to these new strata insurance challenges, it is incumbent on owners/sellers to ensure their strata communities develop/adhere to good building maintenance practices to protect their investments and minimize insurance costs and deductibles. Similarly, prospective buyers of strata units must understand these risks and obtain guidance from qualified insurance and real estate advisors. Call Dan for more.

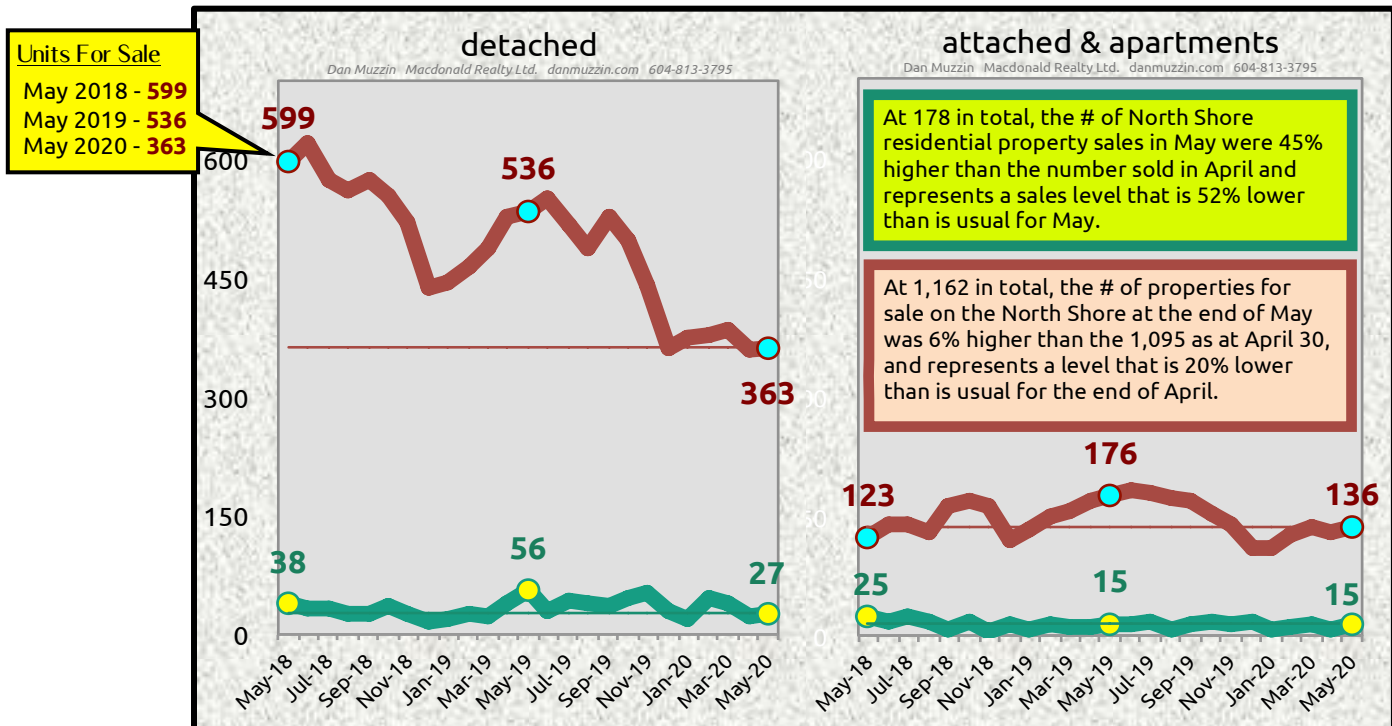


The following charts show the inventory of North Shore homes for sale on the last day of each month from May 2018 to May 2020, and the sales for each month.

North Vancouver



West Vancouver

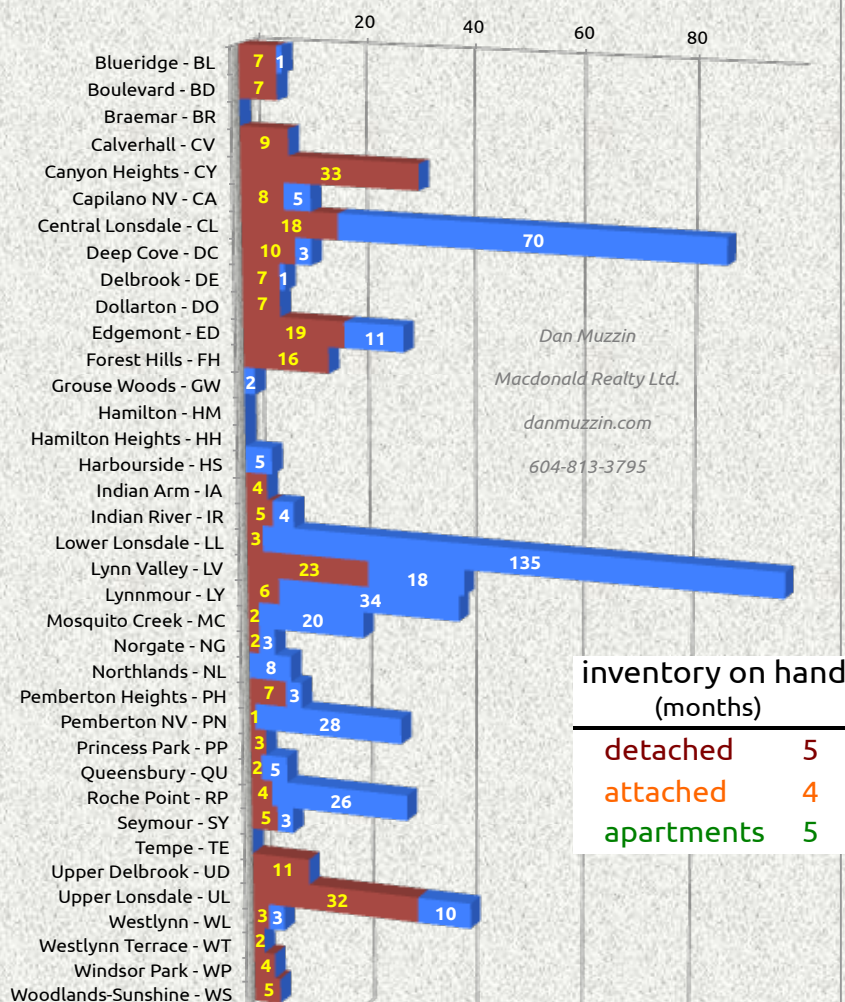




of North Shore properties for sale at May 31, 2020 (on MLS®)

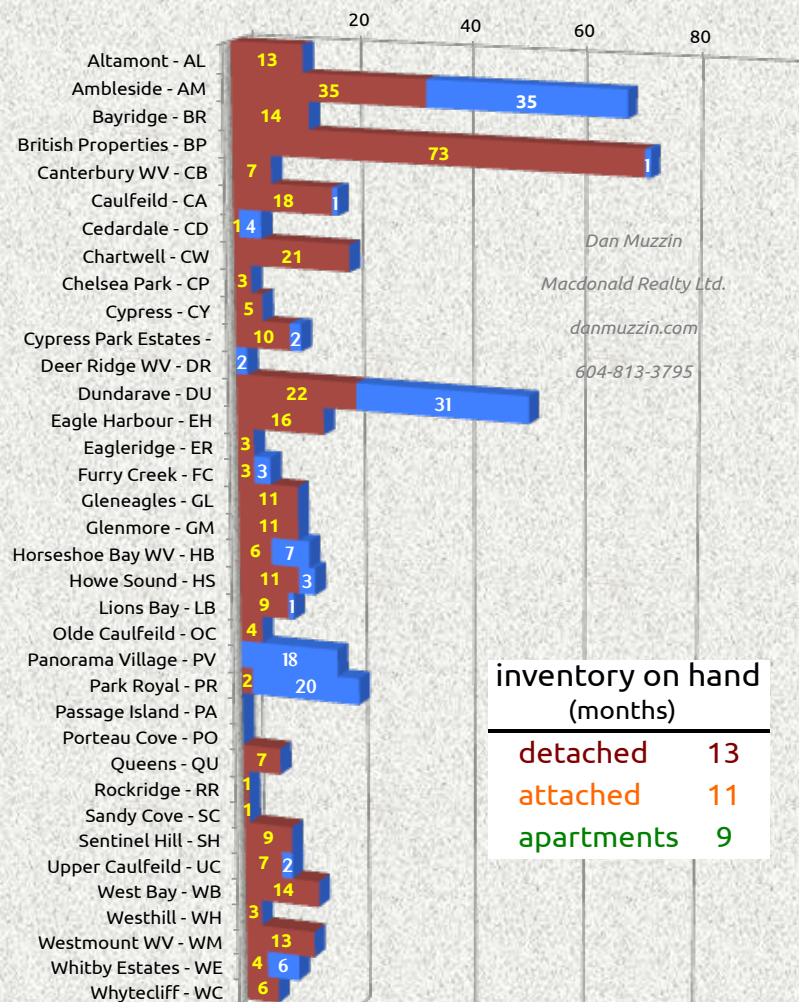
North Vancouver

■ detached (265) ■ attached & apts (398)



West Vancouver

■ detached (363) ■ attached & apts (136)



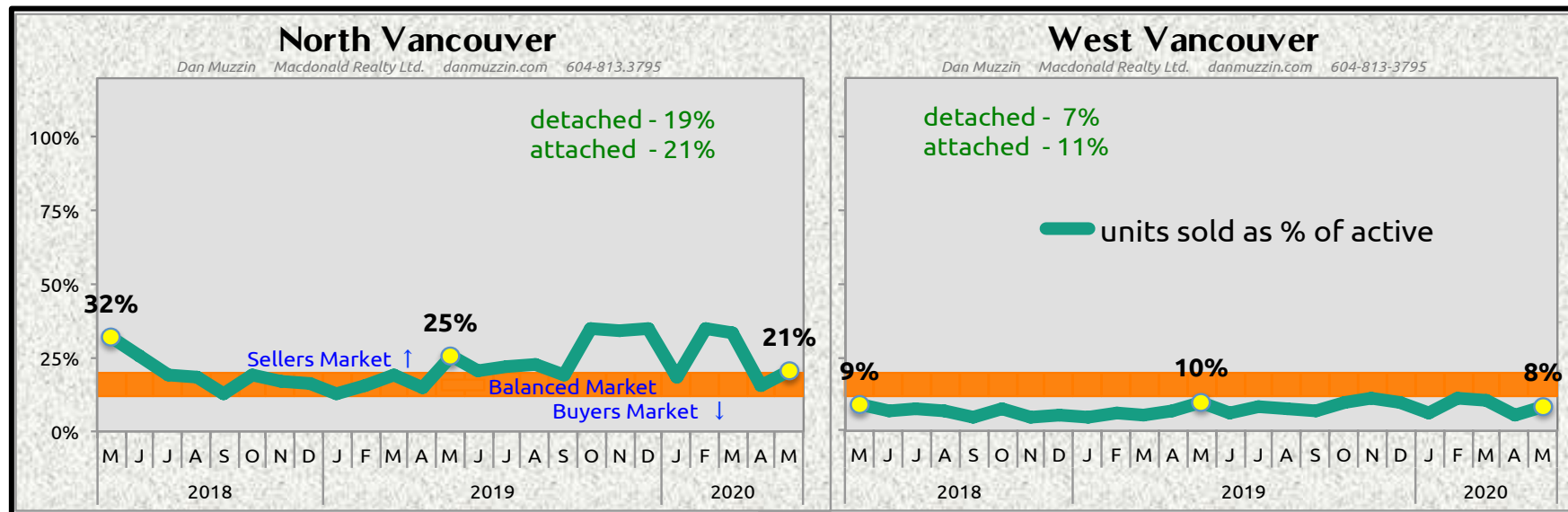
selected sales details



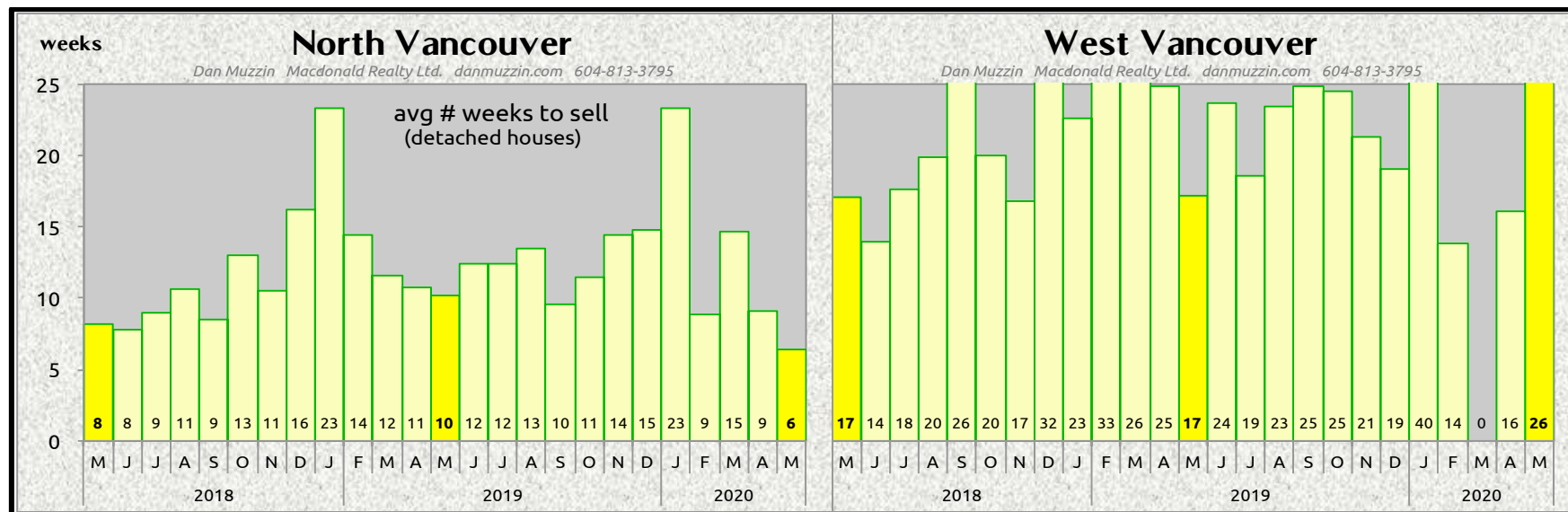
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properties sold during the month, as a % of properties for sale at end of the month



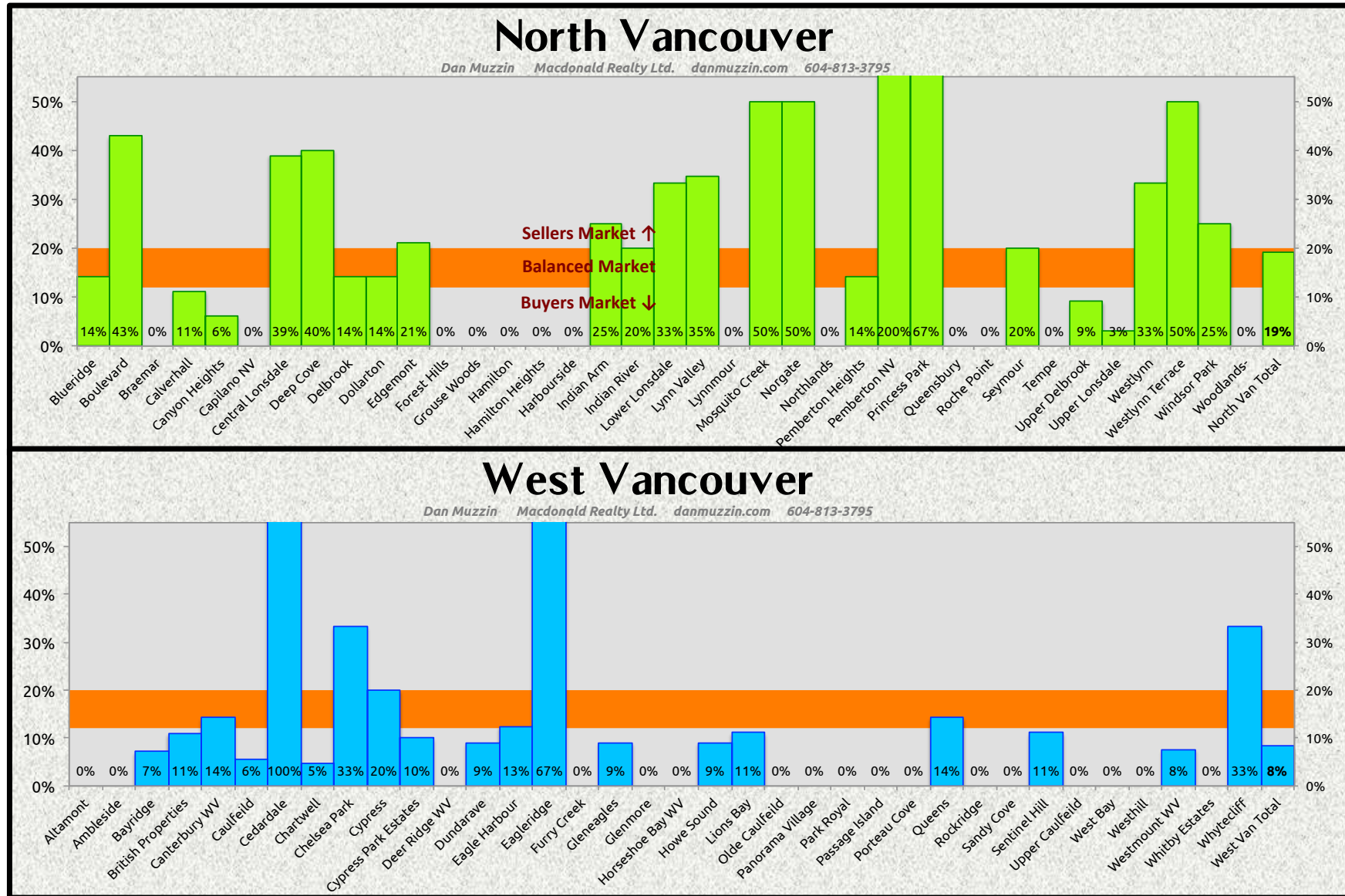
average # of weeks it took for detached houses to sell





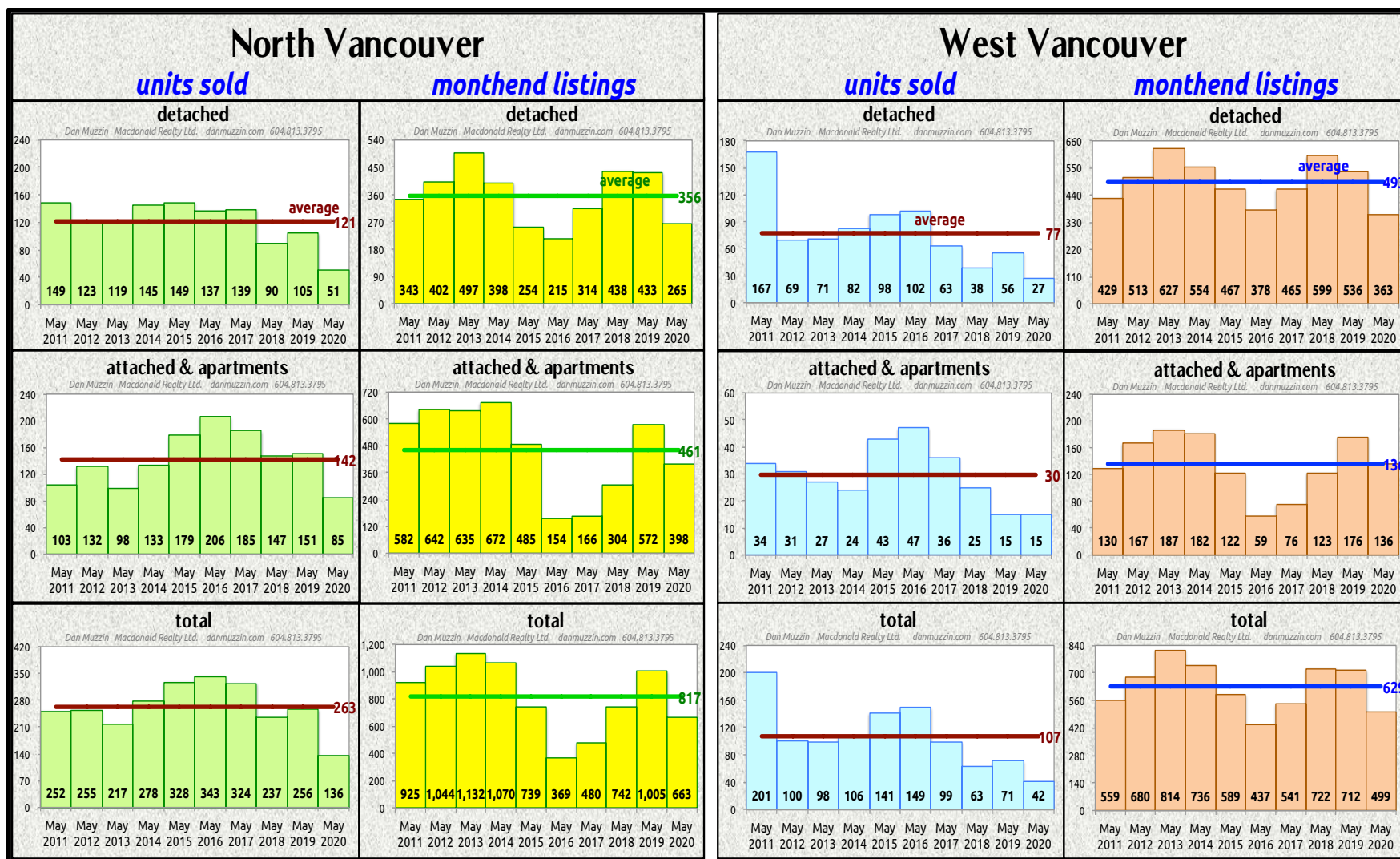
do housing conditions in your neighbourhood favour sellers, buyers or are they in balance?

single-family detached houses sold in May 2020, as % of the number of houses for sale at May 31, 2020





compare 2011 – 2020 Sales and Listings for the month of May



selected sales details

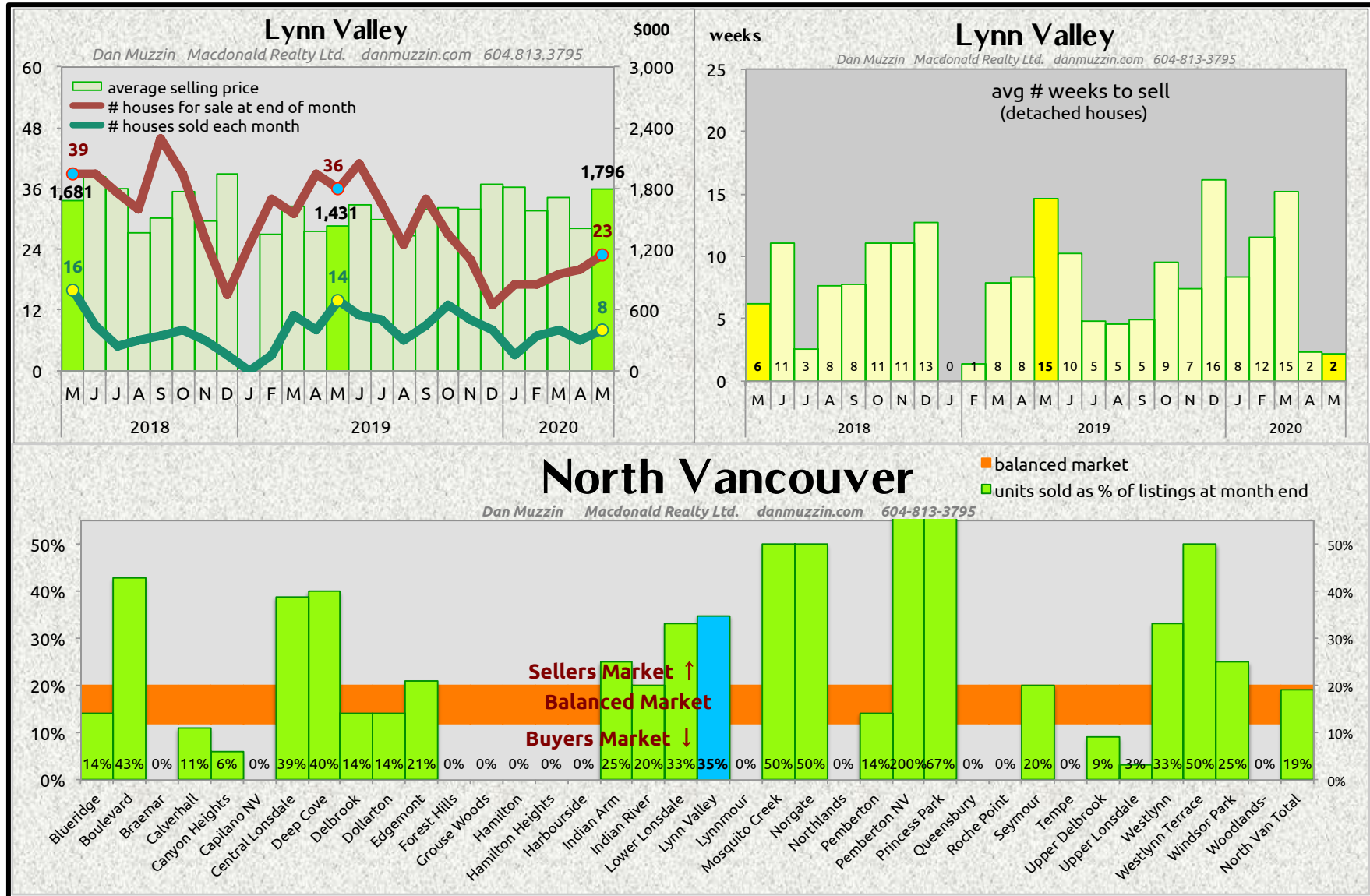


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Lynn Valley housing snapshot – May 31, 2020

For a housing snapshot of **your** neighbourhood ...call Dan



sales details for selected North Vancouver neighbourhoods



average selling price # houses for sale at end of month # house sales for month

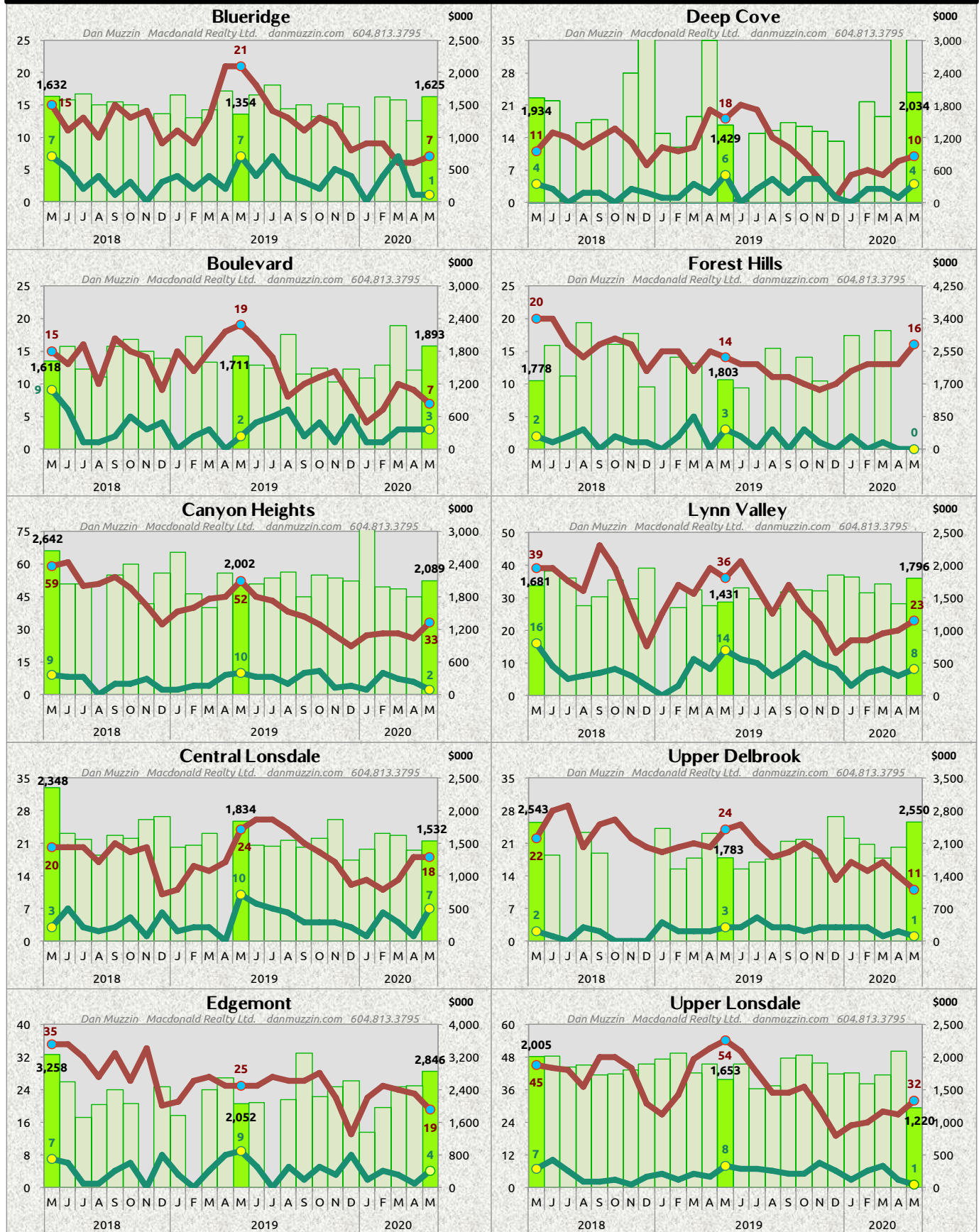


chart data obtained from Real Estate Board of Greater Vancouver

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sales details for selected West Vancouver neighbourhoods



■ average selling price
 — # houses for sale at end of month
 — # house sales for month

