



a fresh perspective

October 2020

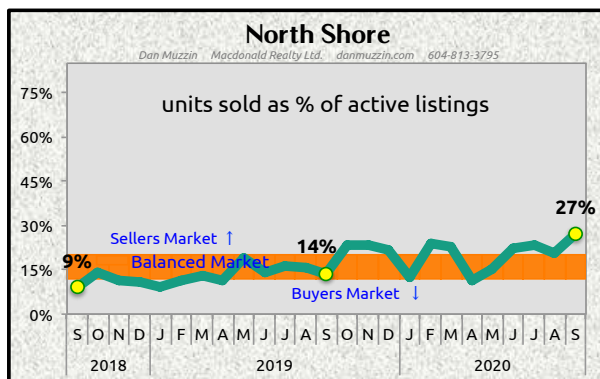
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market update



The Real Estate Board of Greater Vancouver (REBGV) reported total MLS® residential property sales of 3,643 units in September, which represented a 20% sales increase over August and 56% higher sales than in September 2019. Total residential sales activity for the month for all property-types throughout the metro region, came in at 45% above the 10-year historical average for September. At 13,096 the number of residential property listings at September 30 was 2% higher than at the end of August, and 3% fewer than at September 30, 2019. At 28%, the metro MLS® sales-to-active-listings ratio rose from 24% at the end of August. The Home Price Index composite benchmark price for all residential properties in Gtr Vancouver is 6% higher than that of 12 months ago and 1% higher than 6 months ago.



North Shore home sales in September, at 418 units were 34% higher than the 313 properties sold in August, and 94% more than the 215 sold in September 2019. The sales-to-active-listings ratio on the North Shore rose to 27%, from 20% in August, reflecting 61% higher-than-normal total sales for September and 2% more listings than the average # of properties for sale as at the end of September (*details on page 7*). The North Shore detached homes that sold in September took an average of 9 weeks to sell, one weeks quicker than the 10 weeks it took for those that sold in August, and six weeks fewer than

the 15 weeks it took for detached homes that sold in September 2019. At September 30, there were 1,526 North Shore properties for sale on MLS® or about the same as the 1,530 listings at the end of August, and 2% less than the 1,560 units for sale at September 30, 2019. Benchmark prices of detached homes are higher by almost 13% in North Vancouver and in West Vancouver they are higher by 7%, 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 September 2019 REBGV market report, visit www.danmuzzin.com/news.html.



BC elections – on housing

-excerpt from article written by Lori Culbert, Sep 30, 2020

What happened: Liberal leader Andrew Wilkinson says he would scrap B.C.'s speculation tax, which adds a surcharge on homes left vacant more than six months in key parts of the province, including Metro Vancouver. Instead, he proposes a new capital gains tax on flipping condo presales. NDP Leader John Horgan, though, said the tax has encouraged owners to put their properties up for rent, improving vacancy rates. So, has the tax, introduced in 2018, actually improved affordability? Some, but not all, observers say the preliminary answer appears to be yes. But experts warn there is no one solution to B.C.'s affordable housing crisis.

Wilkinson: "The NDP introduced a phoney speculation tax that doesn't actually address speculation at all. We need to make it more affordable for couples, young people and families entering the housing market to buy a presale contract and know that it's not going to be the subject of speculation."

Horgan: "I believe the speculation and vacancy tax is successful, because it's addressing people investing in housing to make profit, not buying housing to live."

B.C. Green Leader Sonia Furstenau: "I voted for the speculation tax and I stand by that decision. Housing and the cost of living is still the No. 1 issue for British Columbians. The tax has proved to be an effective tool on this issue, but we need to do more to improve affordability."

Has affordability and availability improved? A 2020 Canada Mortgage and Housing report found 11,118 existing condos in Metro Vancouver were turned into rentals in 2019, and one of the report's authors said the timing of this change coincides with the speculation tax and other new housing regulations. However, the CHMC report also found tight vacancy rates and skyrocketing rents continued in 2019. The data-collection website rentseeker.ca agreed, finding Vancouver had the highest rental rates of all Canadian cities in 2020, and the numbers had worsened since 2019. However, another website, padmapper.com, found Vancouver rents did drop in August, by as much as 2.9 per cent for a one-bedroom.

Paul Kershaw, a professor in UBC's school of population and public health, said "the jury remains out" on the effectiveness of the speculation tax on its own. But, he argued, you can't say it is a failure just because housing isn't instantly more affordable, noting not even a global recession has brought Vancouver's home prices down. He argues several policies, including the speculation tax, will need to work in unison to ultimately improve affordability.

Andrey Pavlov, a professor with SFU's Beedie School of Business, said he's seen no evidence that vacancy rates have improved, and pointed out that new home starts have dropped since the speculation tax was introduced. The NDP said the tax would bring in \$80 million in revenue this fiscal year, but Pavlov argued the province has lost more through a reduction in property transfer taxes. "So government ended up worse off financially," he insisted. "I think any government should cancel that tax. It's been an utter failure."

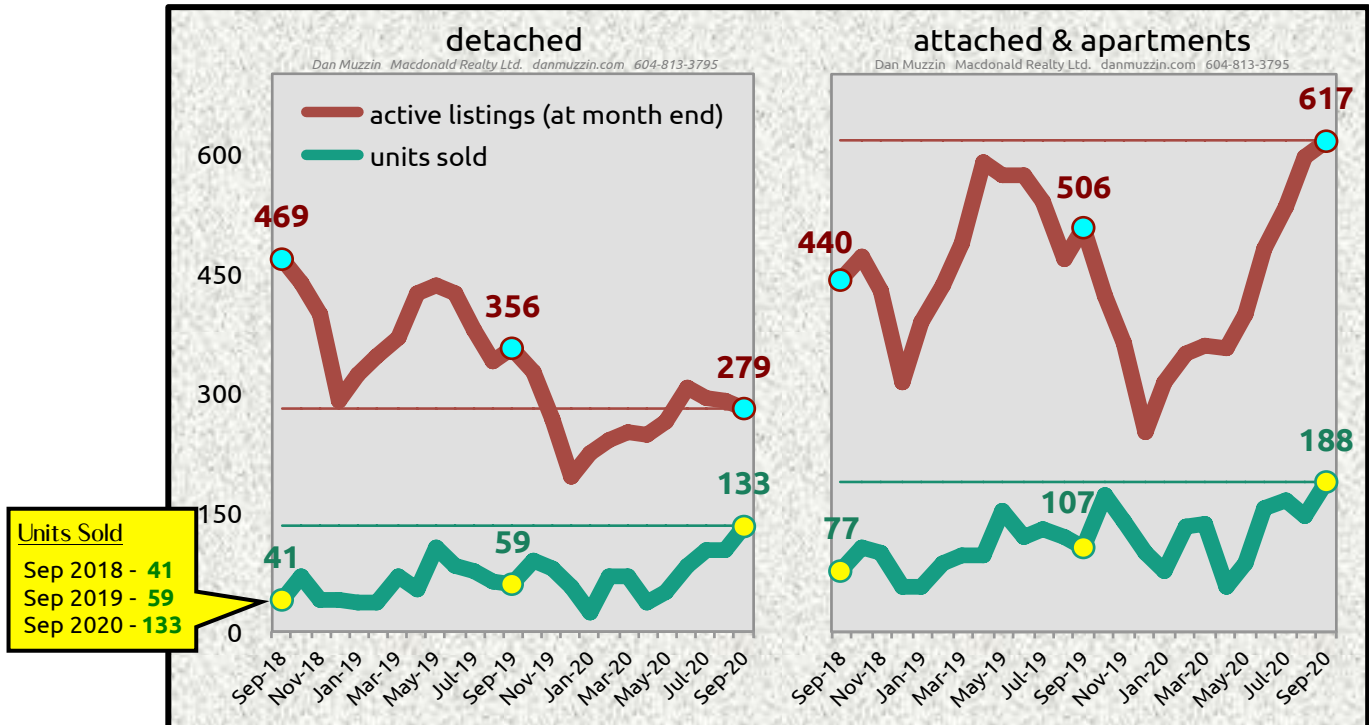
What about the Liberals' condo presales idea? Kershaw said it would be a "worthwhile idea" to add to the mix of housing policies. Pavlov agreed that it made sense to tax an investor for selling a condo that they haven't lived in yet, although he'd like to see exemptions for people who had to sell due to unforeseen events such as a job loss. Tom Davidoff, director of UBC's Centre for Urban Economics and Real Estate, disagreed with the Liberal idea, saying people who pre-buy condos are an important because they absorb high risk before a unit is constructed, which helps finance the development.

What will voters think?

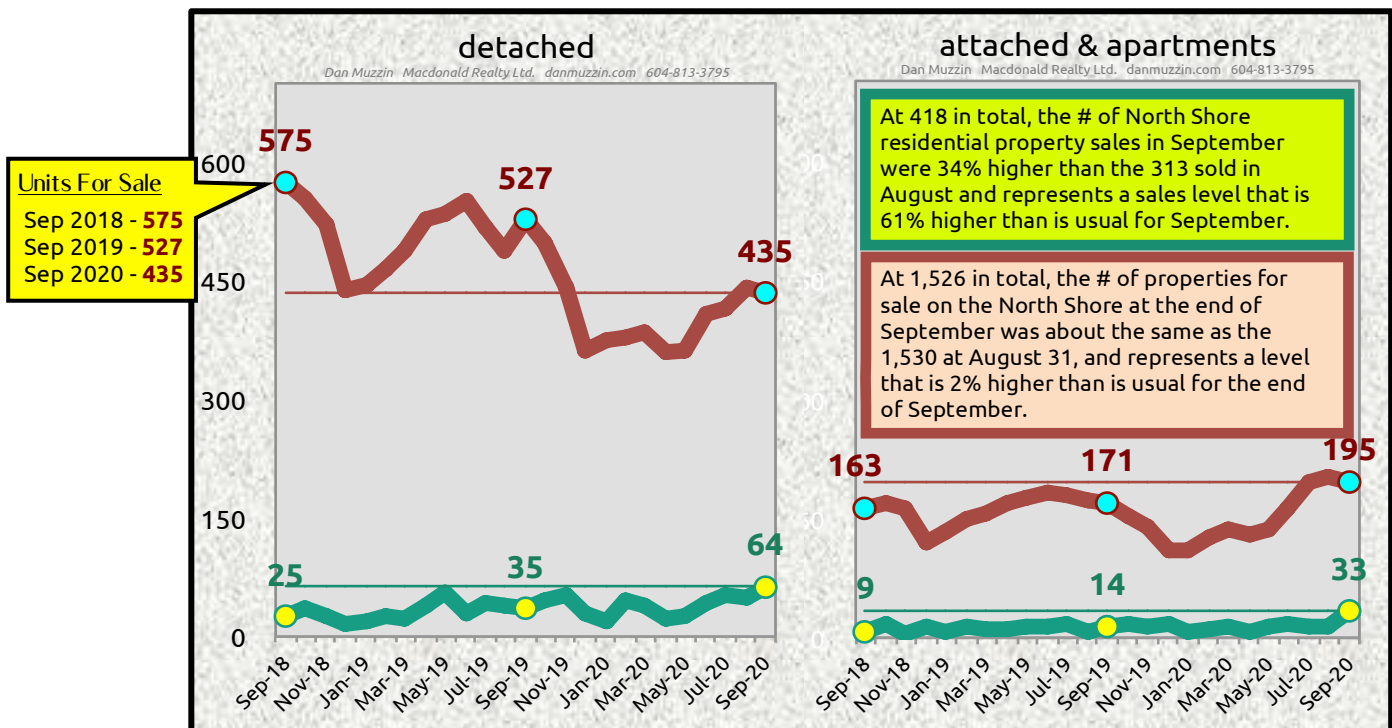


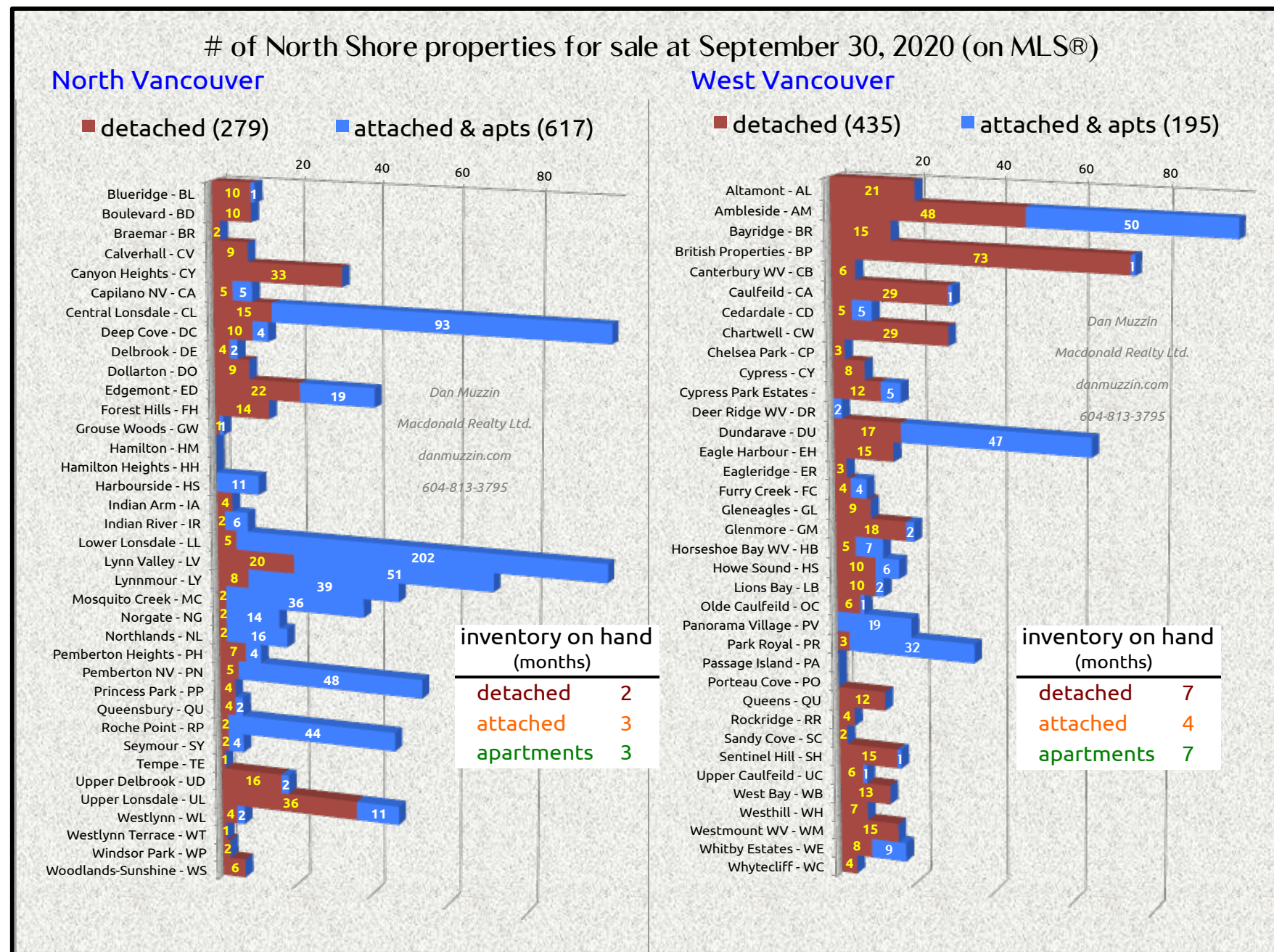
The following charts show the inventory of North Shore homes for sale on the last day of each month from September 2018 to September 2020, and the sales for each month.

North Vancouver



West Vancouver





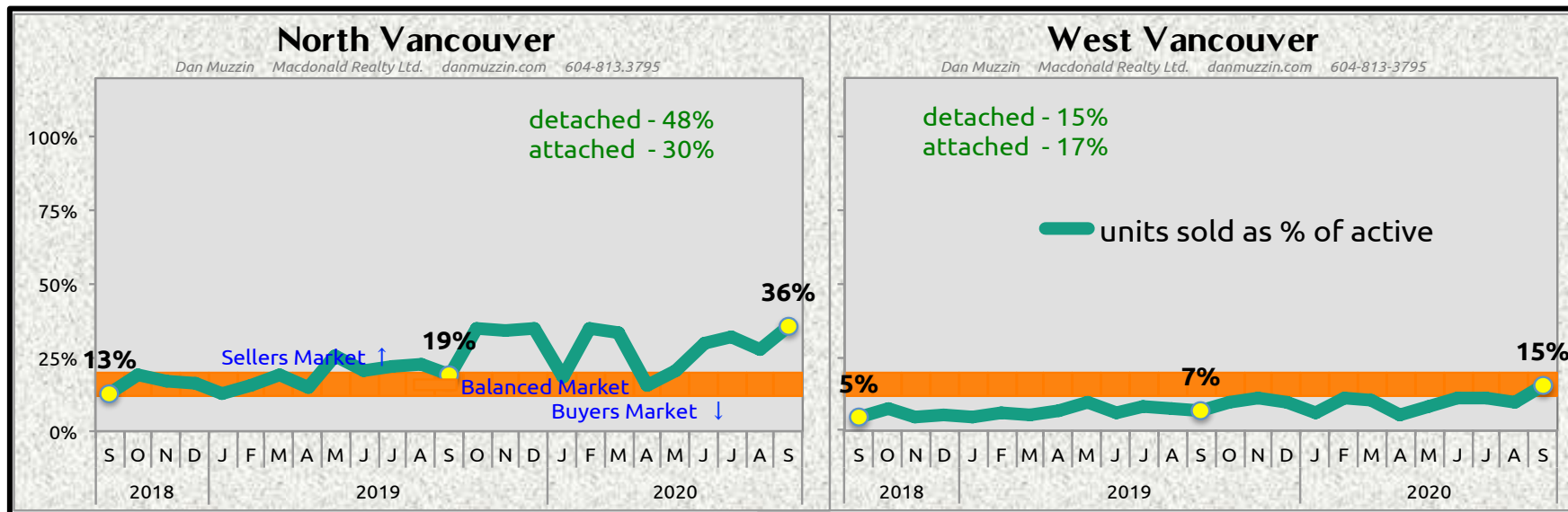
selected sales details



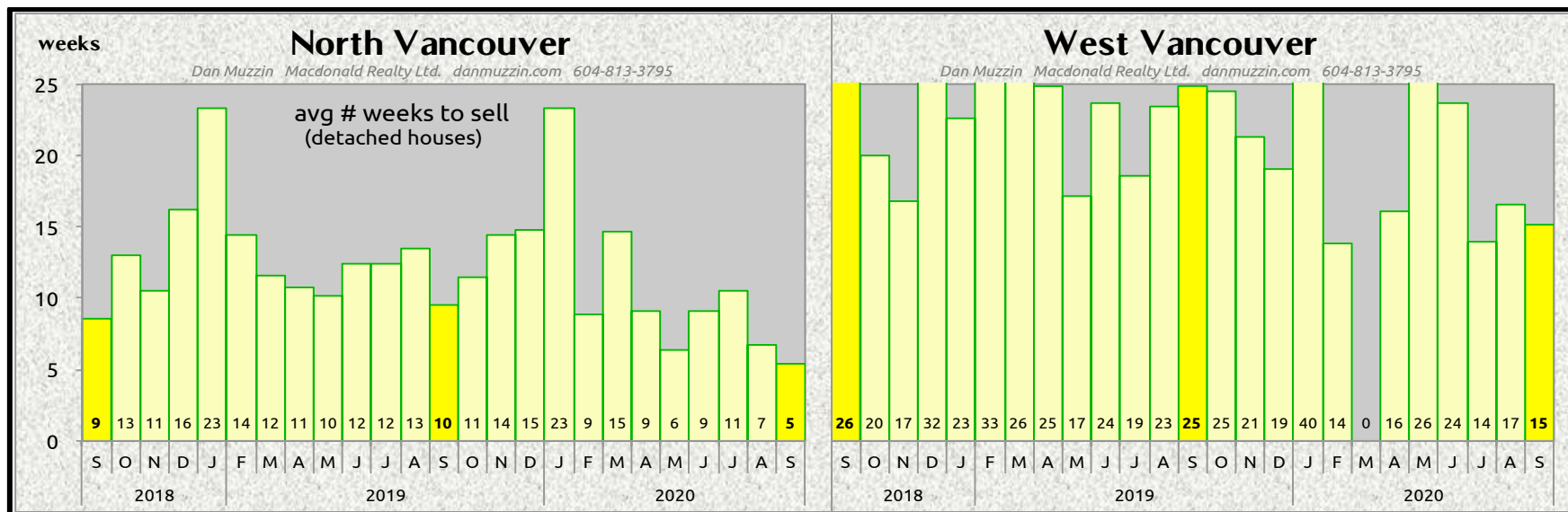
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properties sold during the month, as a % of properties for sale at end of the month



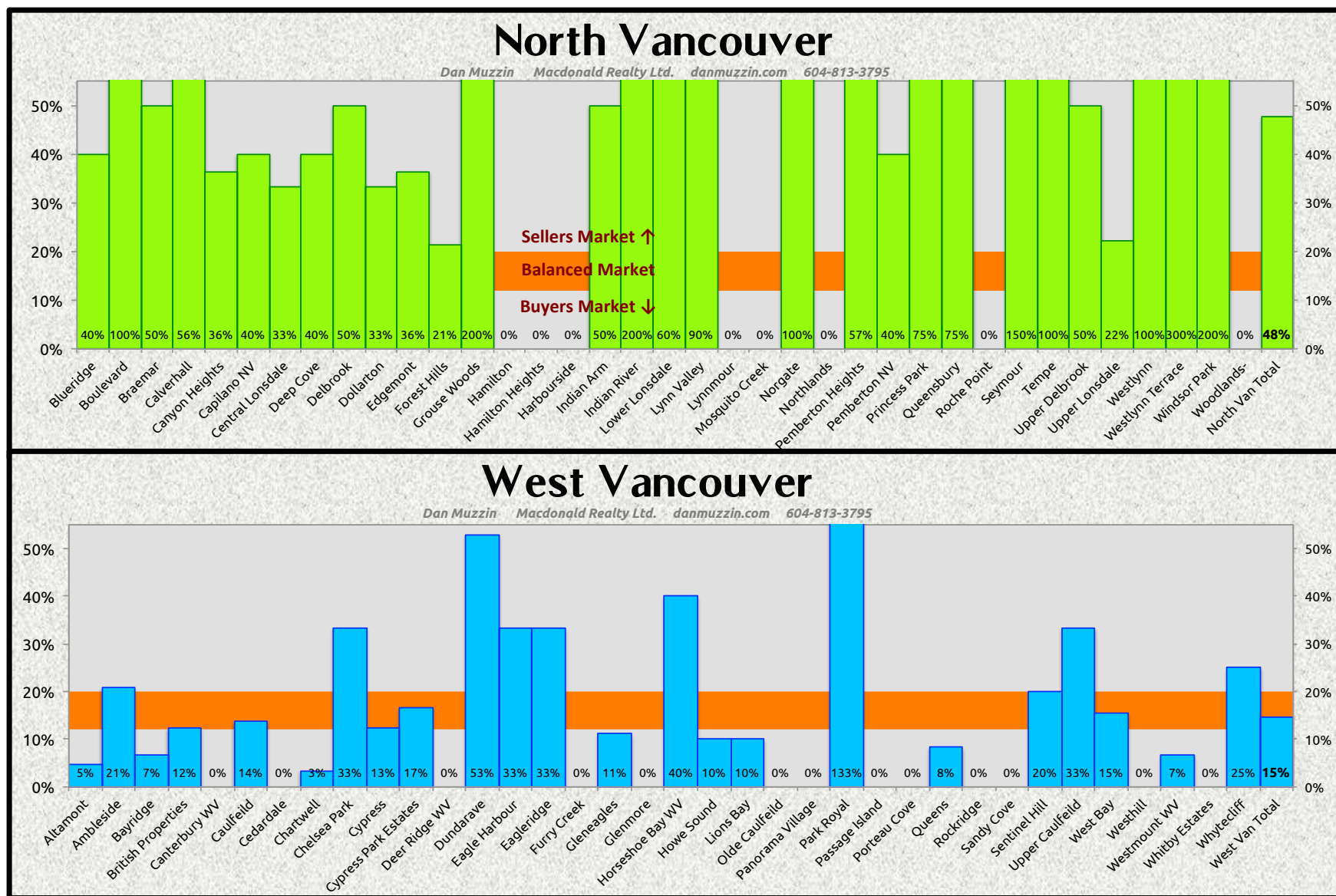
average # of weeks it took for detached houses to sell





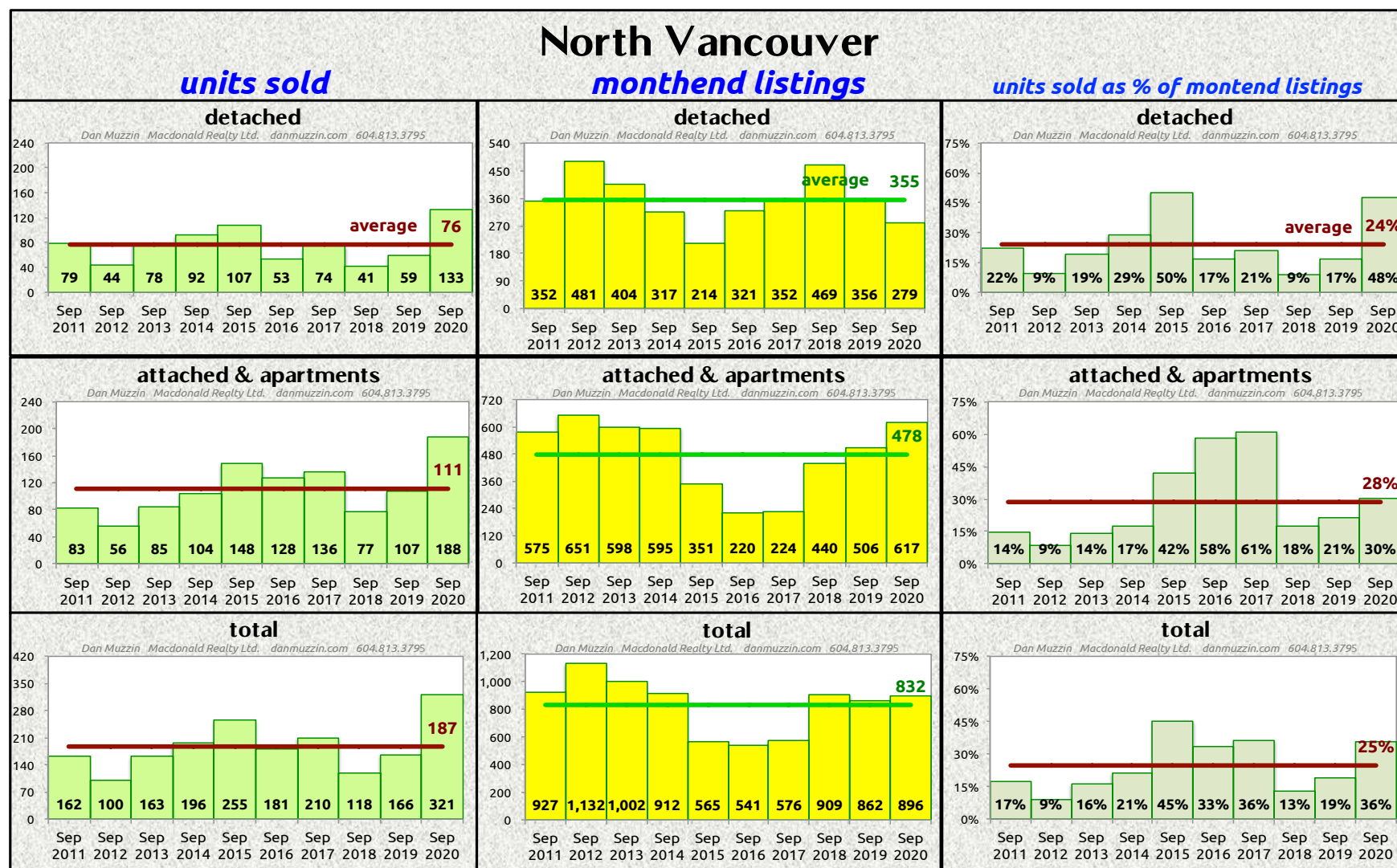
do housing conditions in your neighbourhood favour sellers, buyers or are they in balance?

single-family detached houses sold in September 2020, as % of the number of houses for sale at September 30, 2020



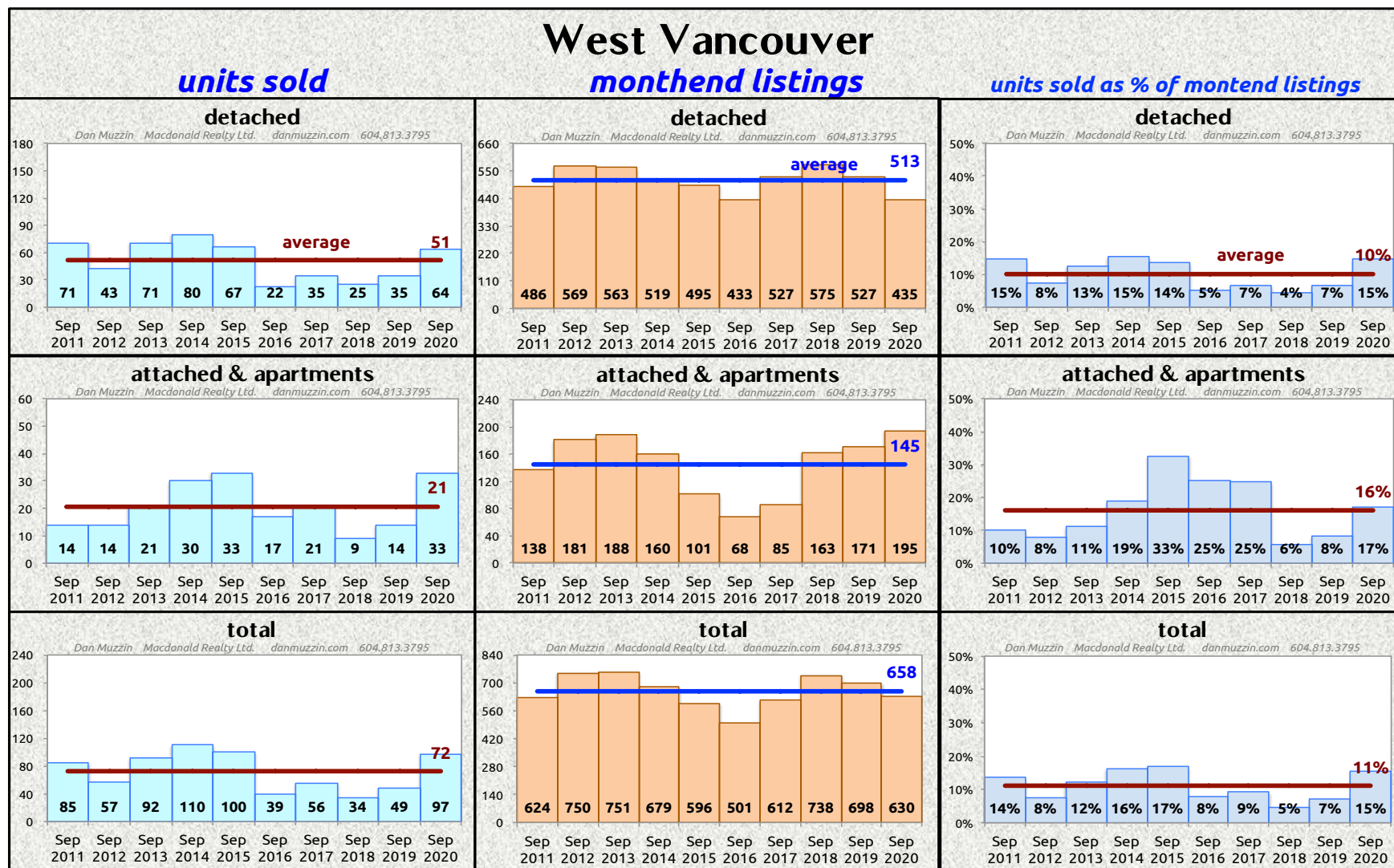


compare 2011 – 2020 Sales and Listings for the month of September





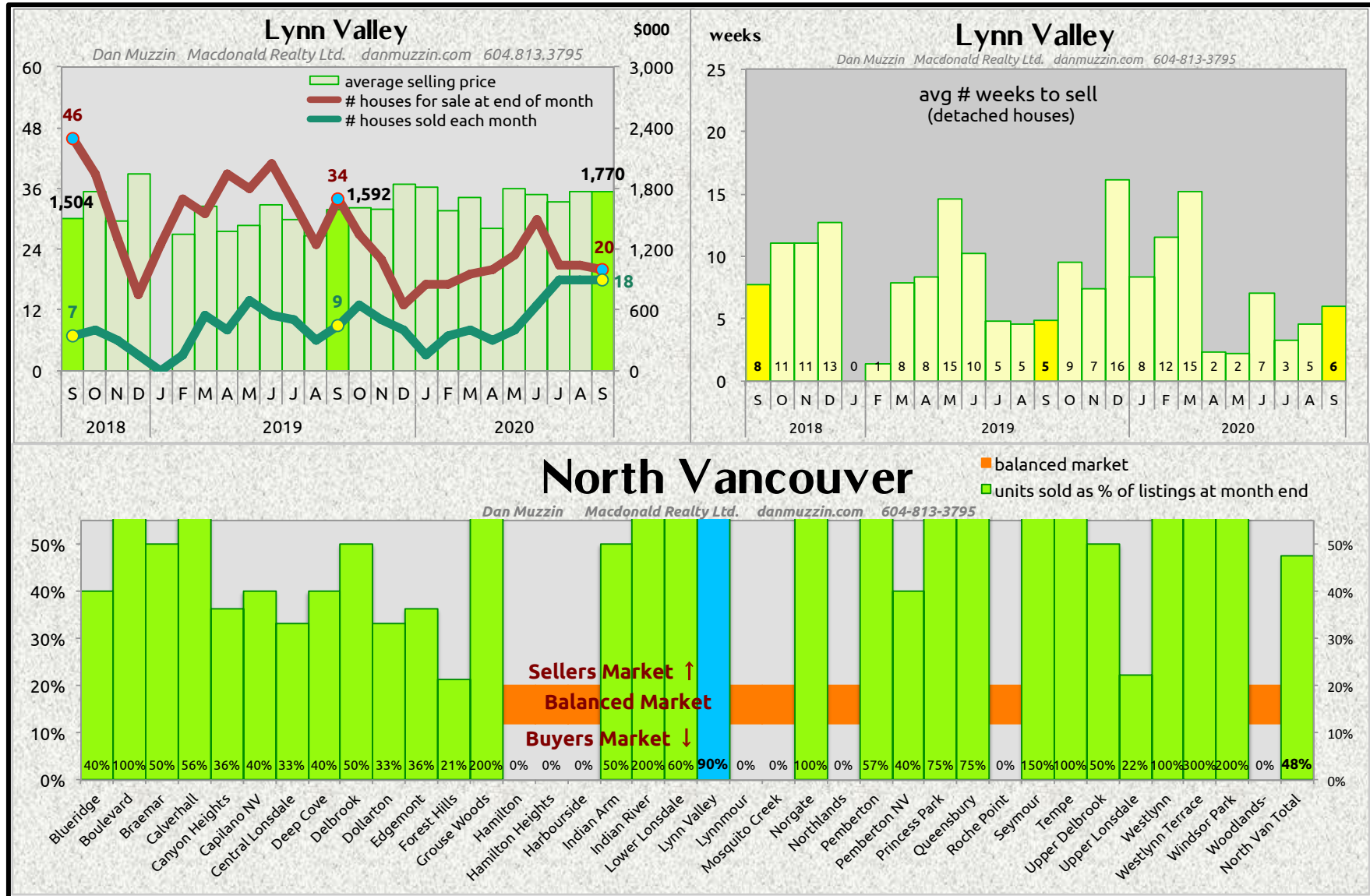
compare 2011 – 2020 Sales and Listings for the month of September





Lynn Valley housing snapshot – September 30, 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

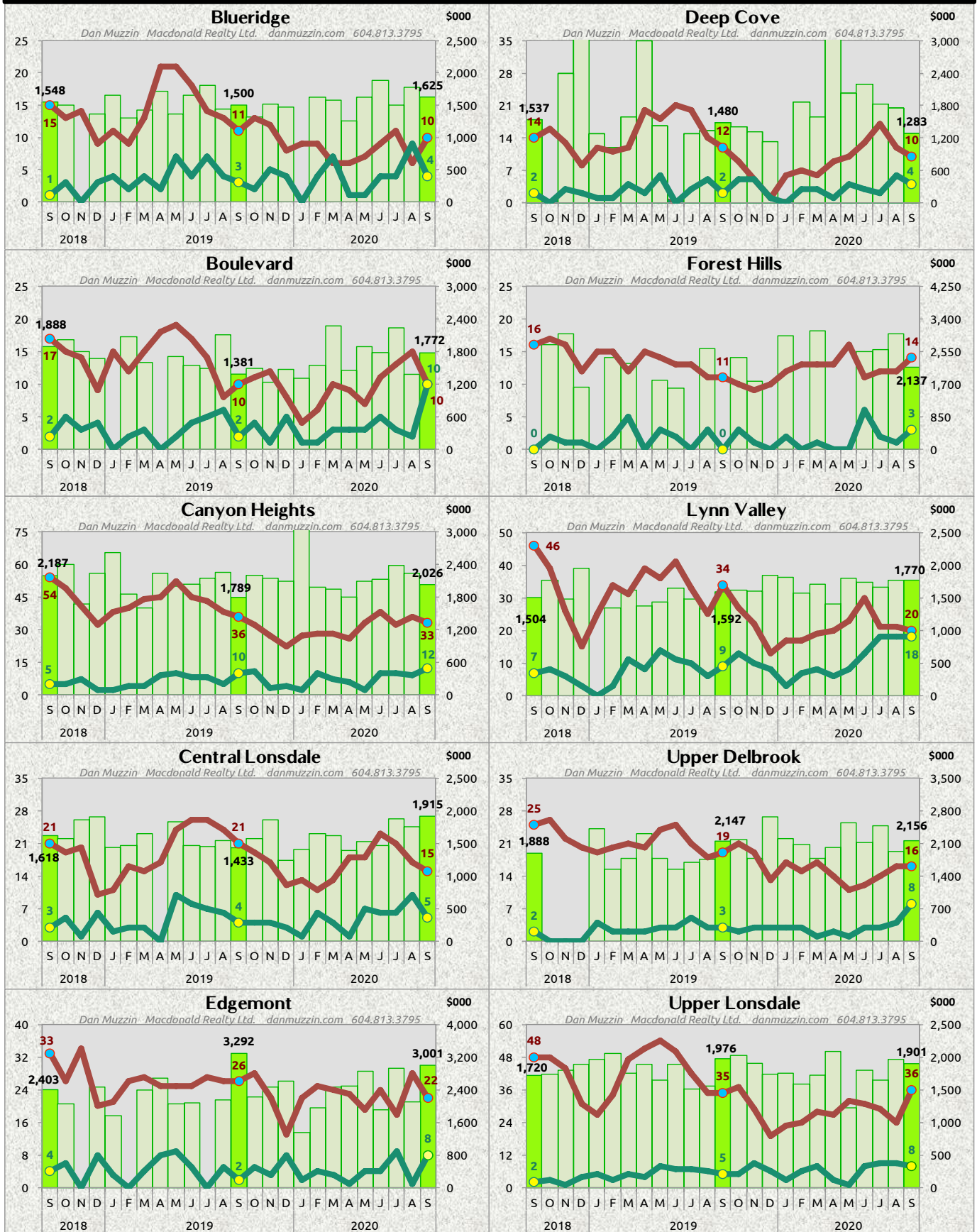


chart data obtained from Real Estate Board of Greater Vancouver

danmuzzin.com

sales details for selected West Vancouver neighbourhoods



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