



A Fresh Perspective

September 2018

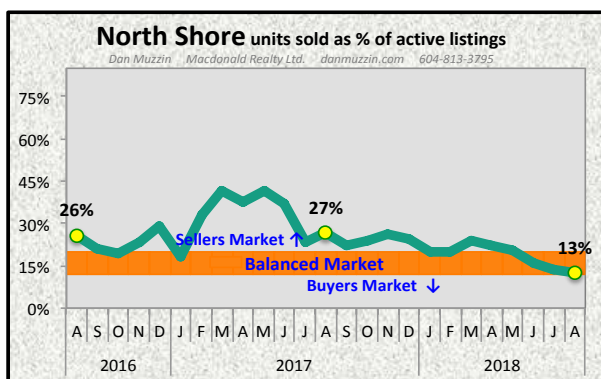
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market update

The Real Estate Board of Greater Vancouver (REBGV) reported total MLS® residential property sales of 1,929 units in August, which represented almost 7% fewer sales than in July and, remarkably, 37% fewer sales than in August 2017. Total residential sales activity for the month for all property-types throughout the metro region, came in at 25% below the 10-year historical average for August. At 11,824 the total number of residential property listings at August 31 was 3% fewer than at the end of July, and 34% higher than at August 31, 2017. At 16%, the metro MLS® sales-to-active-listings ratio slipped from 17% in July.



North Shore home sales in August, at 176 units was 15% lower than the 206 properties sold in July, and 34% fewer than the 266 sold in August 2017. The sales-to-active-listings ratio on the North Shore slipped to 13%, down from 14% in July, reflecting 28% lower-than-normal total sales for August and 7% more listings than the normal # of properties for sale as at the end of August (*details on page 7*). The North Shore detached homes that sold in August took an average of 15 weeks to sell, an average of 3 weeks longer than the 12 weeks it took for those that sold in July, and 8 weeks longer

than the average of 7 weeks it took for houses that sold in August 2017. At August 31, there were 1,406 North Shore properties listed for sale on MLS® or 5% fewer than the 1,485 listings at the end of July, and 41% more than the 1,000 units for sale at August 31, 2017. Benchmark prices of detached homes are lower by almost 4% in North Vancouver and lower by more than 11% in West Vancouver, 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 August 2018 REBGV market report, visit www.danmuzzin.com/news.html.



a cooling market

For several months now, housing sales in the metro Vancouver region have fallen compared to recent years to levels that are now the lowest they've been in at least 10 years. For the most part, sales prices have remained at near record-high levels although they have also recently started slipping, from those highs. Further, the general consensus seems to be that this cooling trend may continue indefinitely. So what does this mean?

For **Sellers**, it's time to reset expectations. For the most part, gone are the days when you could expect to sell your home in a week or less, often for more money than your ask. As homebuyers have been competing against other interests (like investors, speculators and foreign buyers), homebuyers are struggling to afford what's out there. Many of those other interests are also pulling out due to recent mortgage & tax legislation and general market uncertainty resulting in fewer buyers, fewer sales, higher inventory and slipping prices. Even a 10-15% fall in prices, however, would retain historically high price levels.

For **Buyers**, higher available housing inventory means more properties to choose from. However, tighter mortgage lending rules and higher interest rates means that buyers simply can't afford to buy for the same (higher) prices as they could have beforehand. One consequence could be that more buyers will end up competing for and driving up the prices of less expensive properties that were previously considered more affordable. Buyers with deeper pockets should have plenty of negotiable opportunities.

For **Investors**, old rules of thumb remain. Even though competition for those more affordable properties might be increasing, astute investors will look for units that are well capitalized (lower purchase prices, higher rental yields) and for neighbourhoods that support renters, such as urban centres, university and hospital communities as well as commercial complexes that offer newly built retail and office space. Obtaining advice from their accountants and lenders will help investors ensure their numbers work.

For **Current Homeowners**, the biggest hurdle will be mortgage renewals. According to the Bank of Canada, over 70% of all mortgage holders must renew by 2021. This surge of renewals will mean that these homeowners will have to decide whether to renew with their current lenders and skip the mortgage stress tests or shop around for a better rate and be subjected to the mortgage stress tests. For those who have been paying off mortgage debt and building up their home equity, this decision should be easy as they'll qualify for a relatively more attractive rate whether they stay with their current lender or shop around. However, homeowners who refinanced and added more debt to their mortgage loans, or those that weren't building up the equity in their home may feel the pinch. Those that choose to stay with their current lender may find the rates are not as competitive, but may not have options elsewhere as they'll be subject to the new mortgage stress test.

great value – understanding market effects

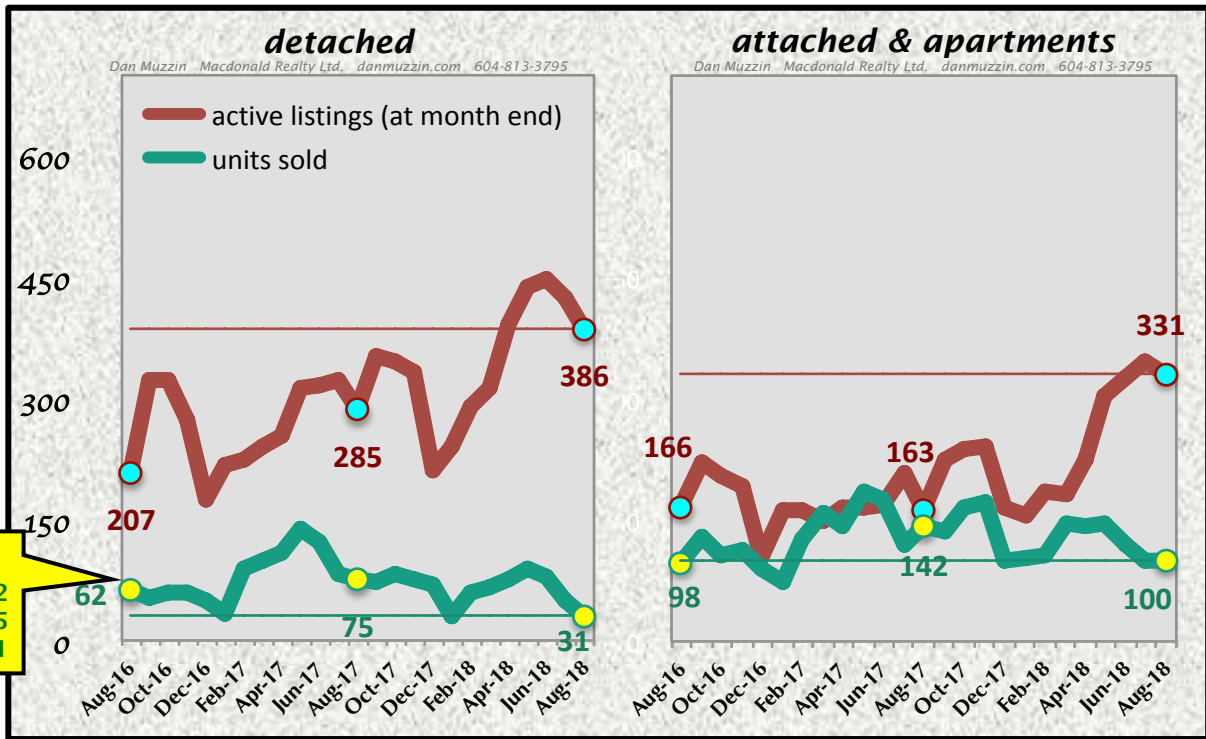
Over time, markets go up and markets go down, including the residential housing markets.

Whether someone is a seller, buyer, investor, current homeowner, simply an interested observer or any combination of these, understanding the consequences of current market trends will help one make informed decisions.

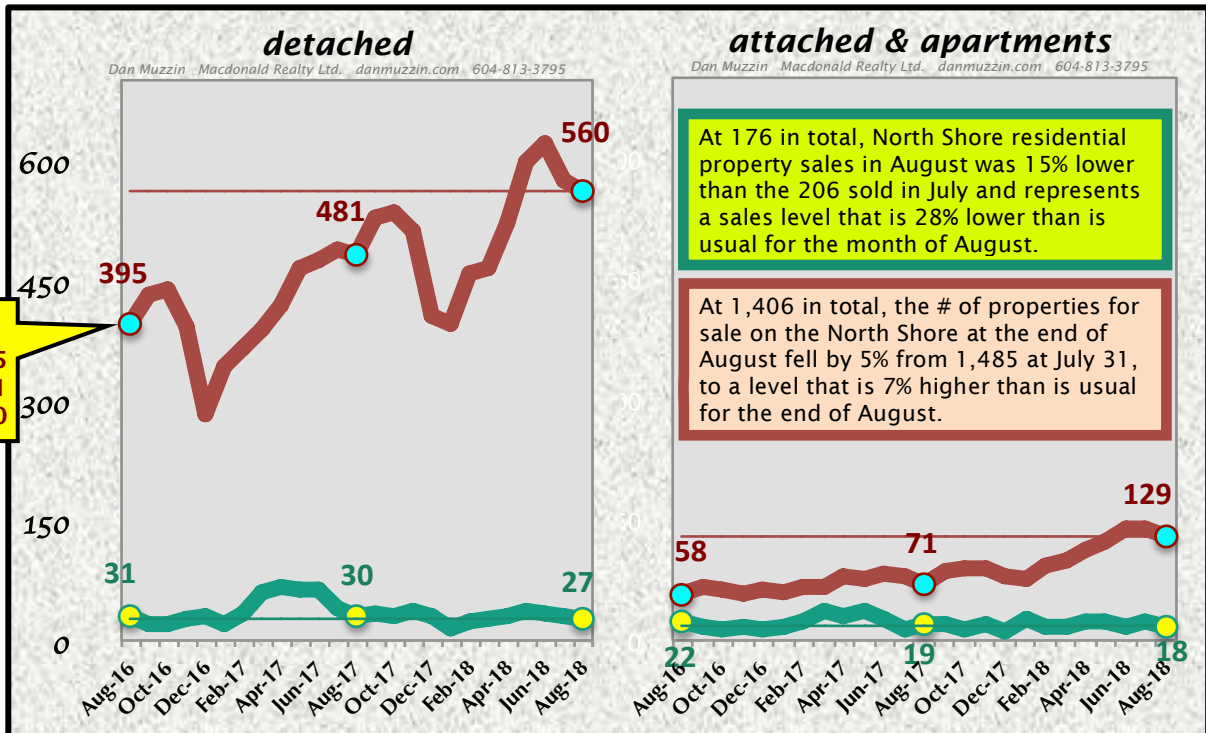


The following charts show the inventory of North Shore homes for sale on the last day of each month from August 2016 to August 2018, and the sales for each month.

North Vancouver



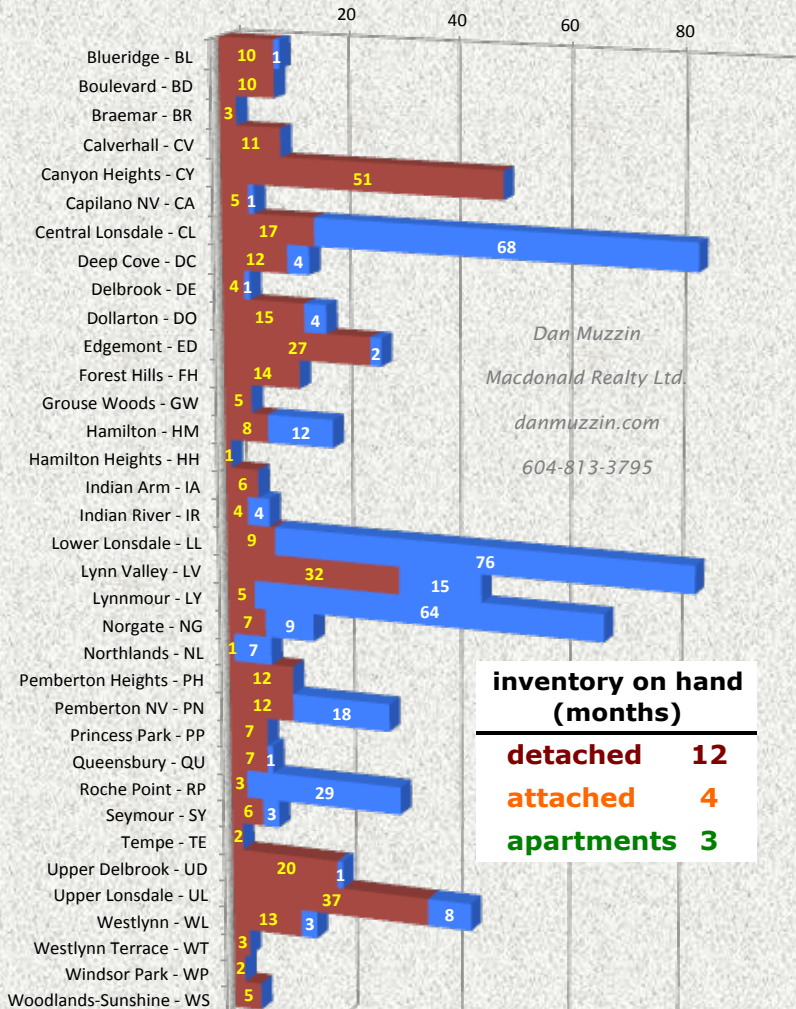
West Vancouver



of North Shore properties for sale at August 31, 2018 (on MLS®)

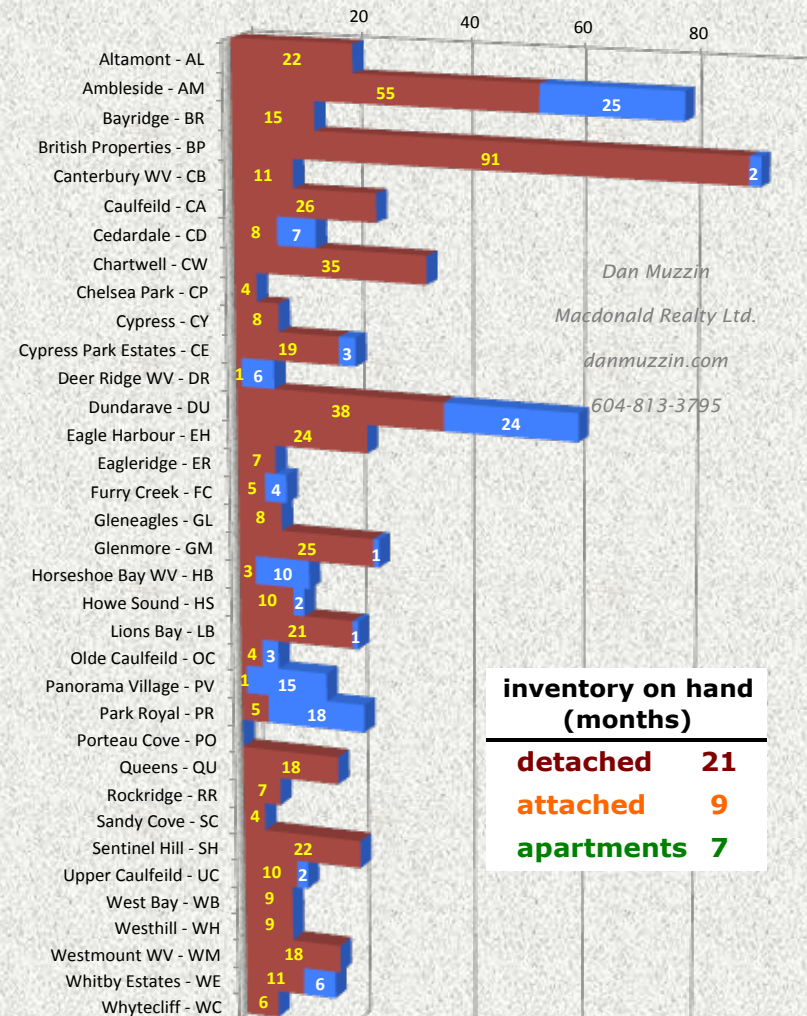
North Vancouver

■ detached (386) ■ attached & apts (331)



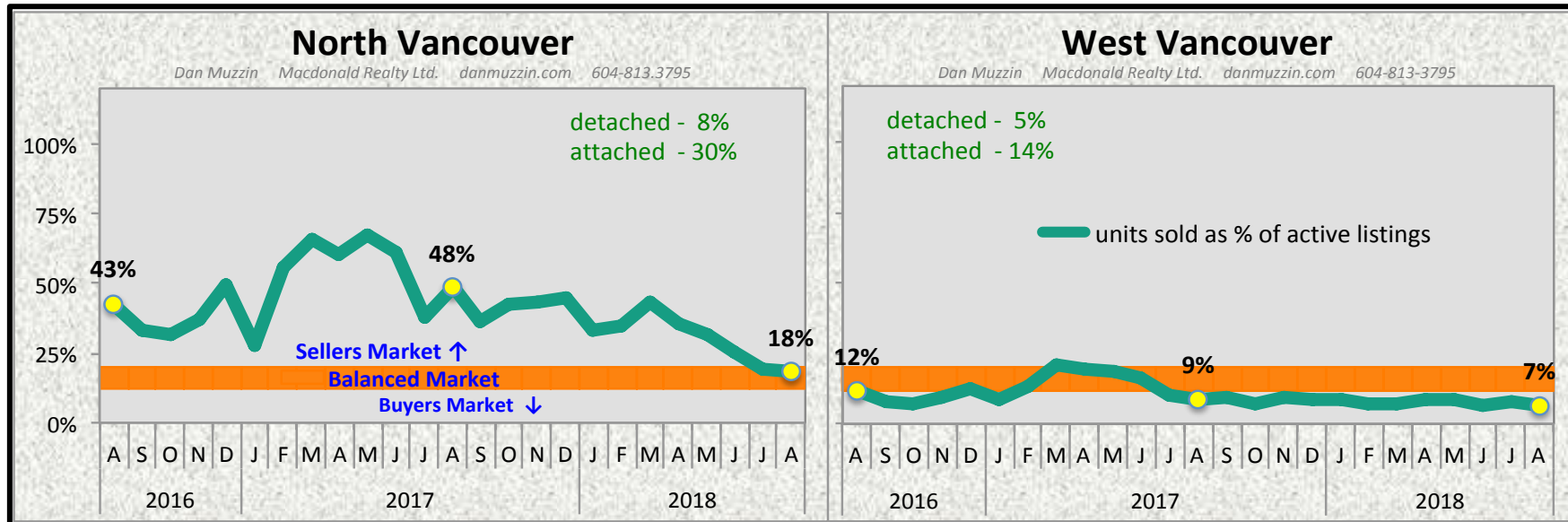
West Vancouver

■ detached (560) ■ attached & apts (129)

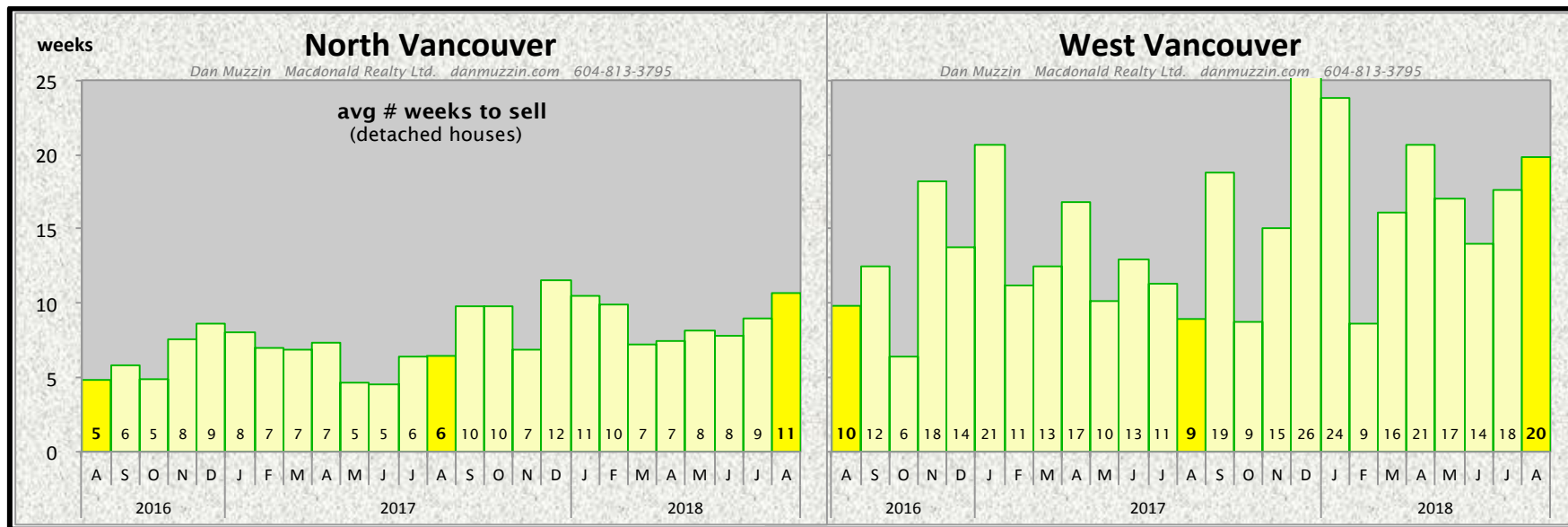




properties sold during the month, as a % of properties for sale at end of the month

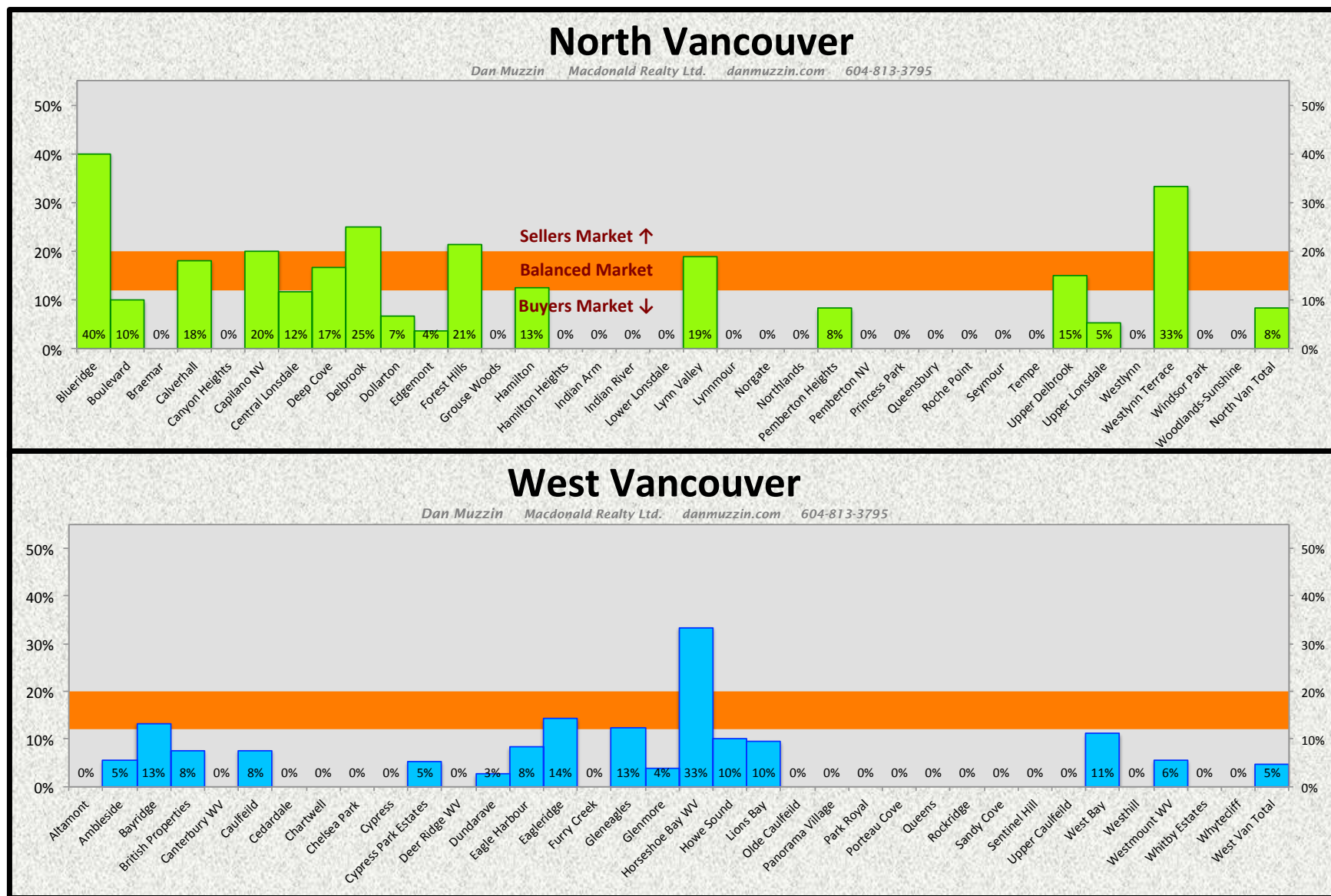


average # of weeks it took for detached houses to sell

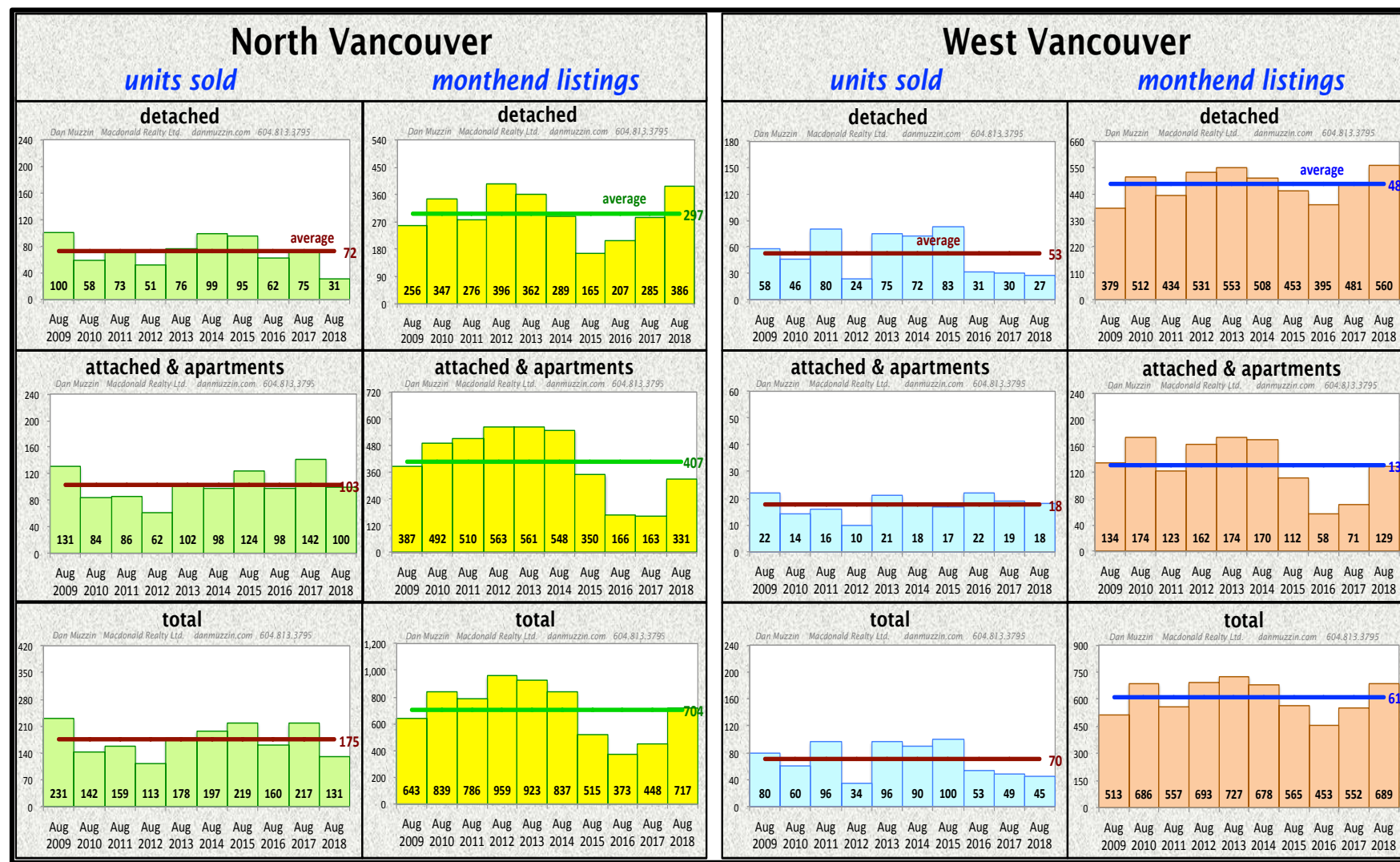


do housing conditions in your neighbourhood favour sellers, buyers or are they in balance?

single-family detached houses sold in August 2018, as % of the number of houses for sale at August 31, 2018

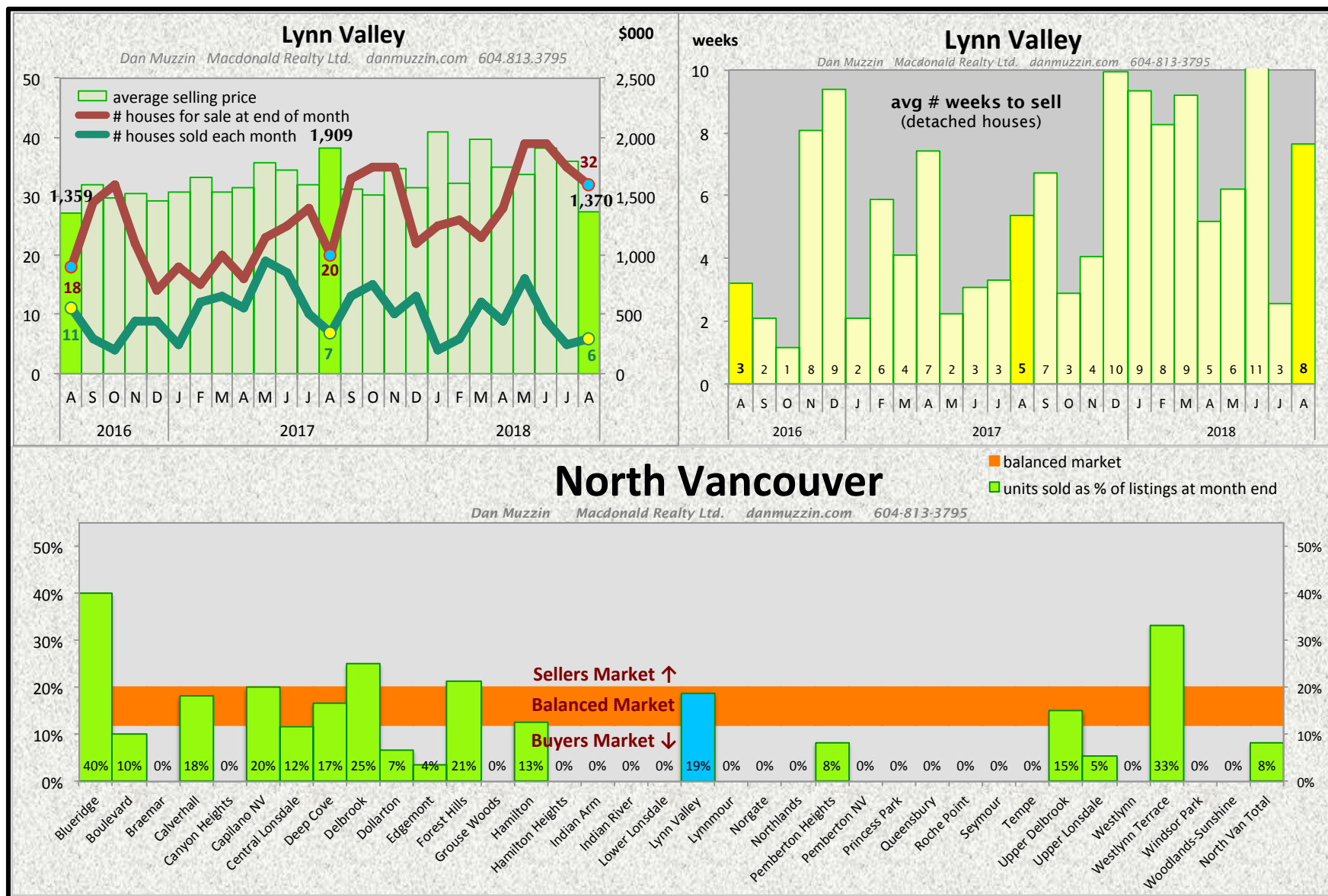


compare 2009 – 2018 Sales and Listings for the month of August



Lynn Valley housing snapshot - August 31, 2018

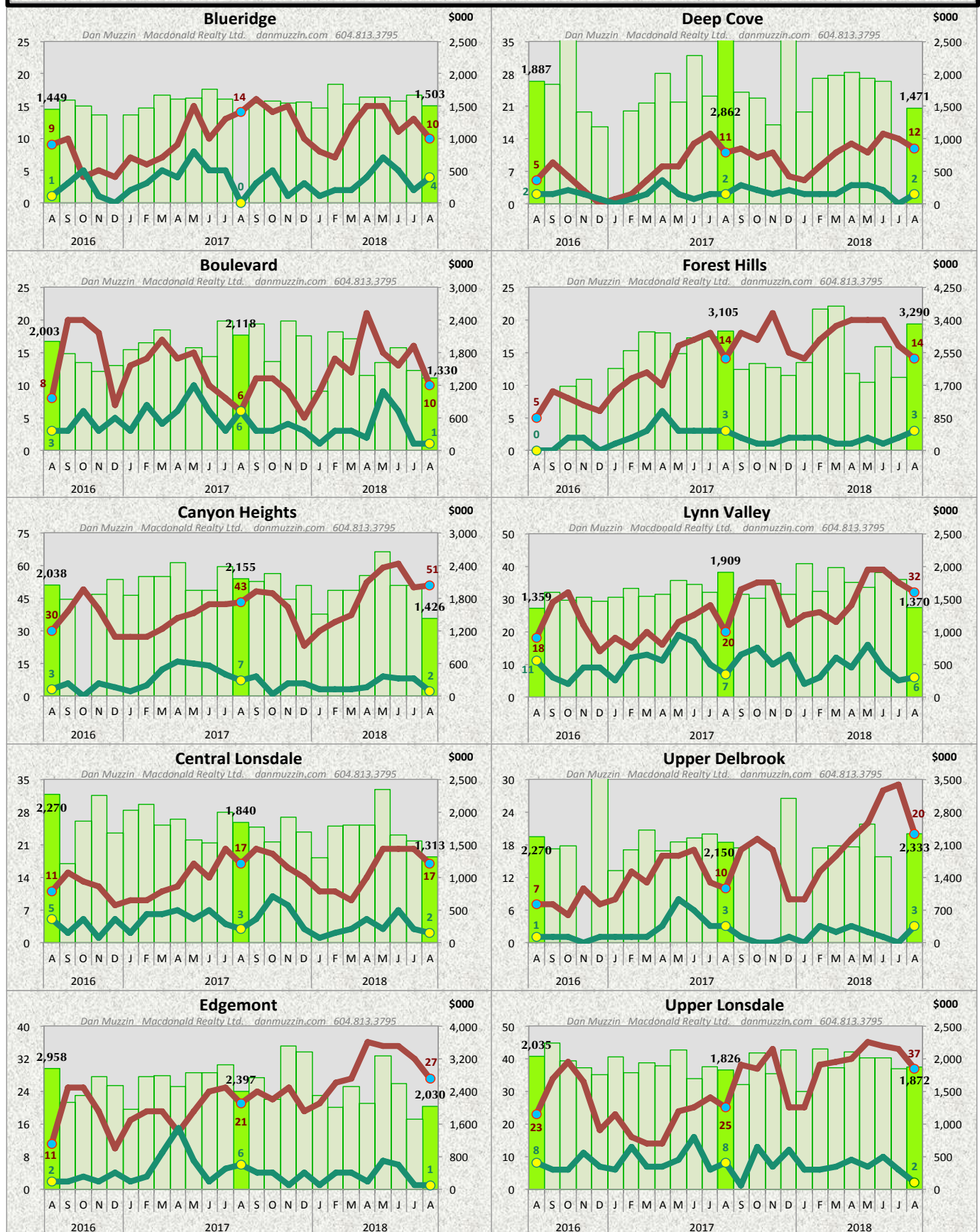
For a housing snapshot of your neighbourhood ...call Dan



sales details for selected North Vancouver neighbourhoods



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



sales details for selected West Vancouver neighbourhoods



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

