



A Fresh Perspective

August 2012

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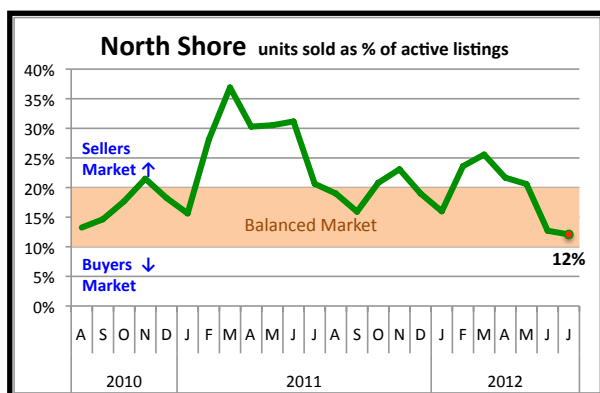
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market update

The Real Estate Board of Greater Vancouver (REBGV) reported total MLS® residential property sales of 2,098 units in July representing an 11% decrease from the levels of June, and 18% fewer than in July 2011. At 18,081, the total number of residential property listings at July 31 was 2% less than at the end of June, and 19% more than at the end of July 2011. The metro MLS® sales to active listings ratio slipped to just under 12%, which puts it at the lower end of a balanced market. Market conditions favour buyers in many metro areas.

North Shore home sales in July, at 206 units, were 10% lower than in June, and 31% less than in July 2011. The sales to active listings ratio on the North Shore slipped to



12%, from 13% in June that, although remaining in the Balanced Market range, represents a continuing slowdown in the local housing market. In July, North Shore single-family homes sold on average in 83 days compared to 71 days in June, and 59 days in July 2011. Total North Shore listings for all property types are 19% higher than in July 2011, with 23% more detached houses and 15% more apartments & attached units for sale than at the same time last year. Compared to

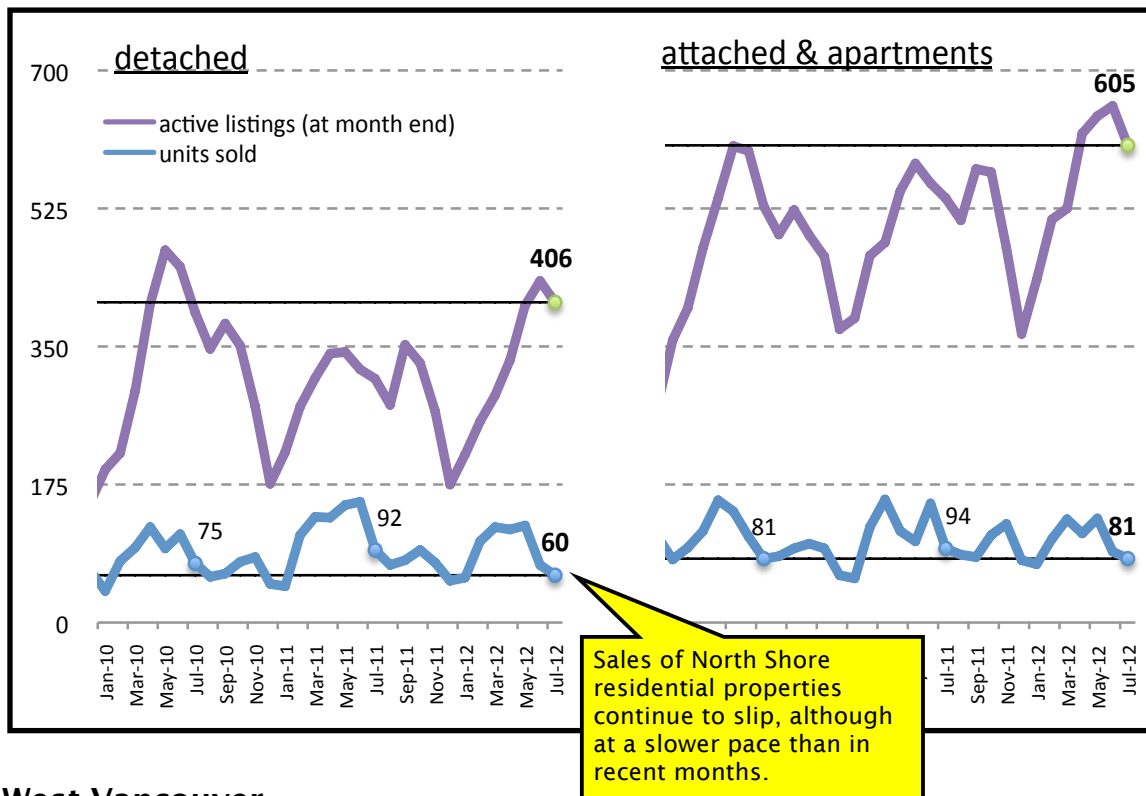
those in July 2011, benchmark prices for sales of detached single family homes have increased by 5.9% in West Vancouver and by 5.1% in North Vancouver.

As prices and market conditions can vary dramatically by neighbourhood, feel free to call me to better understand how the market is doing where YOU live. For the complete July 2012 REBGV market report, click on www.danmuzzin.com/news.html.

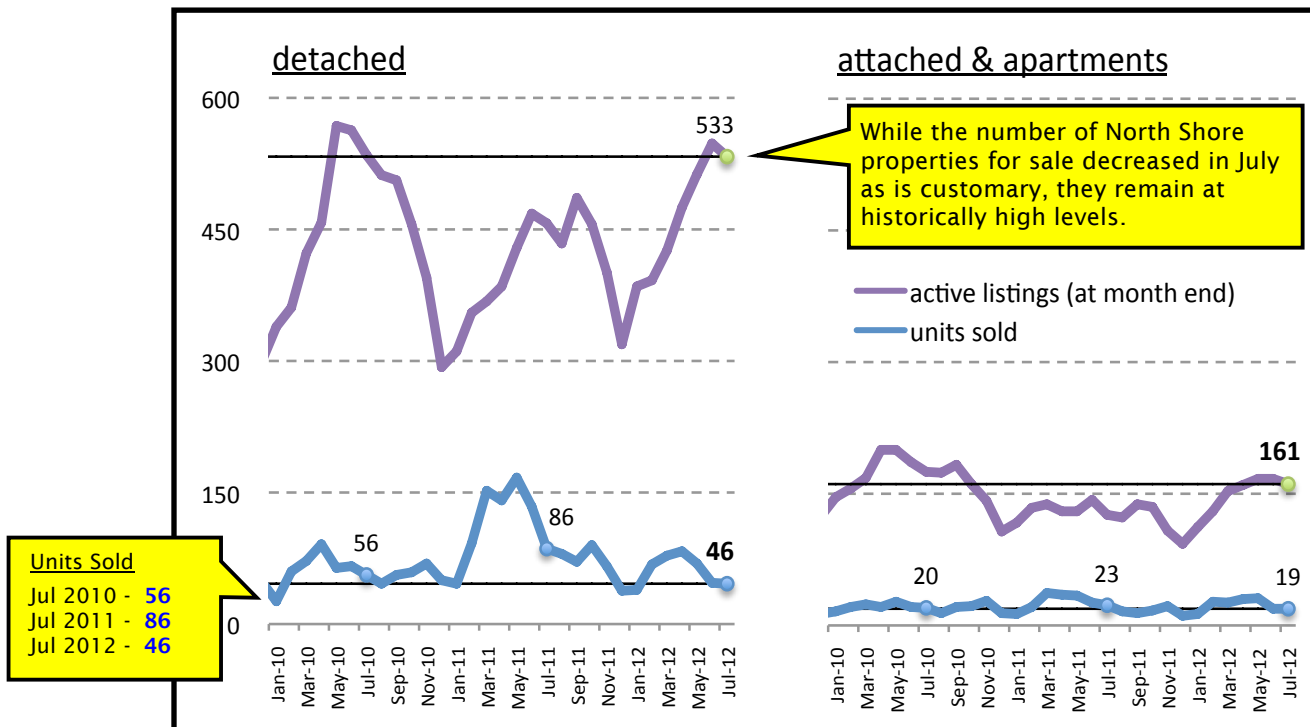


The following charts show the inventory of North Shore homes for sale on the last day of each month from January 2010 to July 2012, and the sales for each month.

North Vancouver



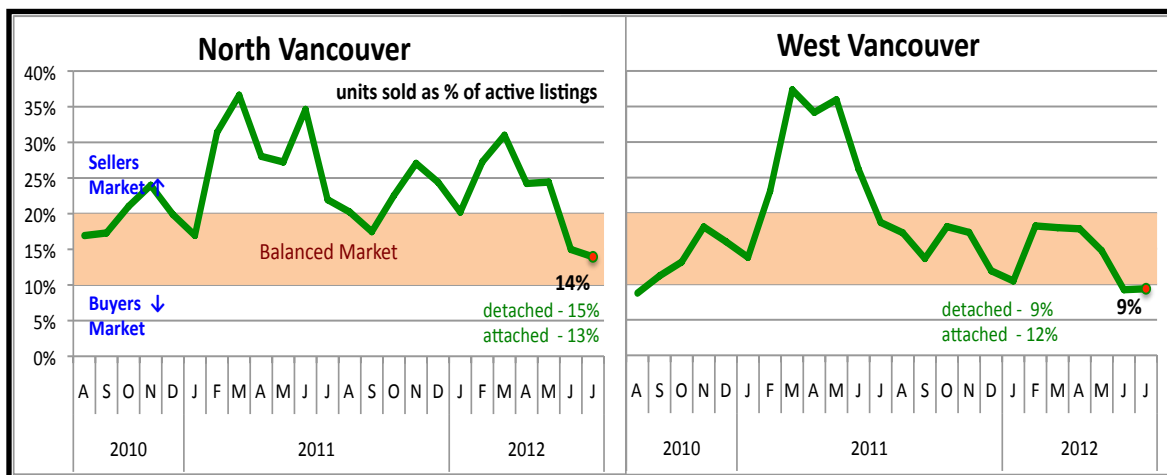
West Vancouver



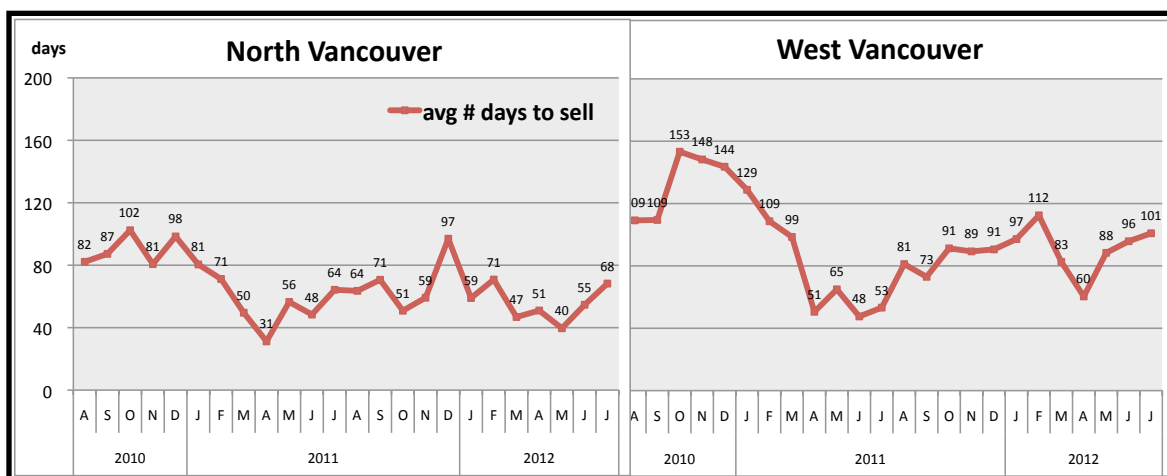


selected sales details

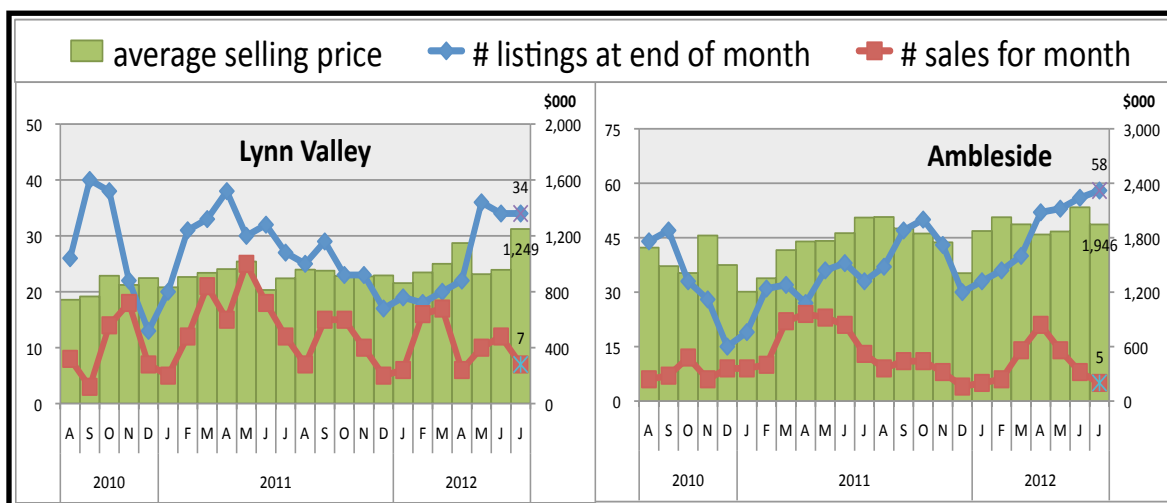
properties sold, as a % of # of properties for sale at end of month



average # of days it took for detached houses to sell



sales by neighbourhood (detached houses) call me for sales details in your local area





deposits

A Buyer's deposit typically amounts to 5% - 10% of the purchase price, and is usually payable shortly after a Seller accepts an offer or after the Buyer removes/waives all conditions, or subjects, of its offer. The deposit is often held in trust by the Buyer's real estate brokerage until completion.

Since the requirement that a contract include some form of consideration is satisfied by the mutual exchange of promises by the Seller and the Buyer, contract law does not require that there be a deposit in order to create a binding Contract of Purchase and Sale (CPS). However, it has long been recognized that including a deposit represents an expression of the serious intention of the Buyer.

It's commonly understood that the deposit forms part of the purchase price and is paid to the Seller on completion of the contract. Similarly, it is generally accepted that the deposit be forfeited to the Seller in situations where the Buyer fails to complete, irrespective of whether or not the Seller suffers any actual damages.

In a 2009 BC Court of Appeal decision, however, the court held that the Seller would be entitled to claim the monies paid as a deposit on account of damages and that, if the damages were less than the amount of the deposit, the Seller would NOT be entitled to the excess but it would be returned to the Buyer.

Then again, a more recent decision by the BC Supreme Court found that using the language "non-refundable" together with the phrase "absolutely forfeited" was enough to show that the deposit was payable to the Seller in full without proof of damages.

Consequently, starting in June 2012, the operative portion of Section 12 of the standard CPS was amended to read: "...the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller..."

great value – mortgage code of conduct

Earlier this year the federal government announced the creation of a Mortgage Code of Conduct that will require federally regulated financial institutions to explain the differences between mortgage products, including ways to pay off a mortgage faster without incurring penalties. The Code also requires that they provide more information on how prepayment charges are calculated.

By no later than early November 2012, lenders must make information available to assist borrowers in better understanding the consequences of prepaying a mortgage. Also, each lender must post calculators on its publicly accessible website for borrowers, and provide guidance to borrowers on how to use the calculators to obtain the mortgage prepayment information they want.

By no later than March 2013, lenders must annually provide information such as mortgage prepayment privileges available to borrowers, details of prepayment charges like precisely how the charges are calculated, and make a toll-free telephone line available through which borrowers can access knowledgeable staff members.

For Code details, go to http://www.fin.gc.ca/n12/data/12-025_3-eng.asp.

For a complete list of institutions that must comply with the new Code, go to http://www.osfi-bsif.gc.ca/osfi/index_e.aspx?DetailID=568.