

Glen's Real Estate Insight

May 2010

Friends & Neighbours ...

Wishing you all a happy and prosperous spring season as our housing market continues to show great strength.

Prices have completely rebounded from last year's troubles and sales are very brisk – multiple offers on well-priced homes are not unusual. As is normal for this time of year, the number of listings coming onstream is rising. And as expected, interest rates are starting to rise.

I hope you find my new "Real Estate Dashboard" helpful to give a quick snapshot of the market and important trends at a glance.

As you can see from the Dashboard, Richmond has fared very well compared to the Greater Vancouver area in terms of pricing – especially for detached houses. But the number of Richmond homes sold in April (501) was lower than in March when 571 homes sold; in each of March and April, just over 1,000 new listings came on the market.

As solid as things are currently – and as positive as are all the trends – we are clearly in a very dynamic market. If you are considering a move, I would be happy to advise you on the trends as they may apply to your specific area, situation and timing.

Glen

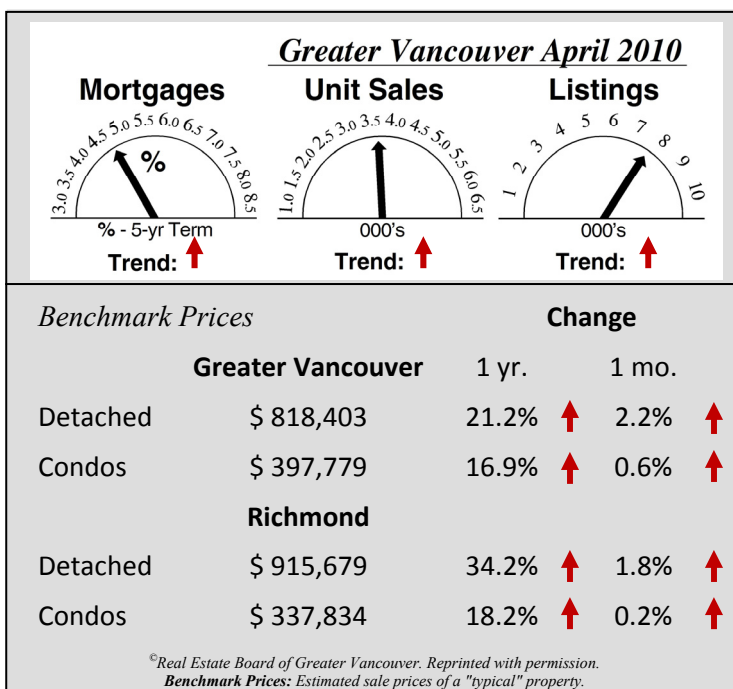
Corporate Citizen Award

I'm pleased to report that RE/MAX Western Canada was the proud recipient of the 2009 Corporate Citizen Award by the *BC Transplant Society*.

For six years RE/MAX[®] has promoted organ donor awareness in a variety of campaigns.

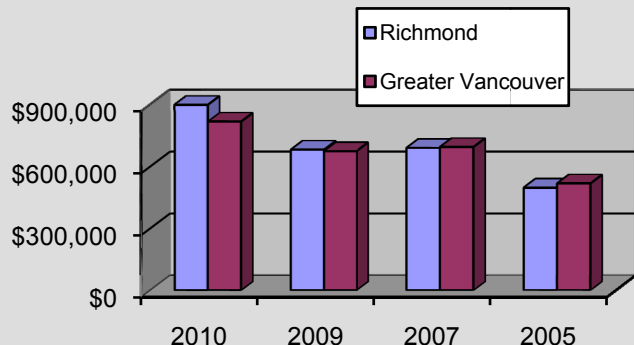
One donor can help save the lives of 8 people and improve the quality of life for up to 80 more. To that end, if you wish to register as a donor click to www.transplant.ca or www.liveon.ca.

Real Estate Dashboard



Comparative Home Sales – Apr. stats

Detached Homes



Call me anytime at 778-840-3380 for an up-to-the-minute report on sales activity and price trends in your neighbourhood.

Source: Real Estate Board of Greater Vancouver – Benchmark Prices

Housing Demand by the Numbers ...

- 58,571 - # of people (net) who moved to BC in 2009
- 13,000 – approx. # of BC births over deaths in 2009
- 16,077 - # of new homes constructed in BC in 2009
- 62,000 – expected annual population increase 'til 2024
- 22,050 – new homes forecast to start construction in 2010 (10,150 single + 11,900 multiple)
- 26,200 – new homes to start construction in 2011
- 2.1% - Vancouver area rental vacancy rate in 2009
- 1.5% - 2010 vacancy rate forecast for Vancouver area

Source: BC Stats (online), CMHC Housing Market Outlook

Let's Talk Tax

With the looming HST on everyone's mind, let's see just what taxes are involved in a typical home purchase in BC.

For my examples, I've chosen:

- a new condo worth \$400,000
- a new house for \$900,000
- a not-new house for \$900,000

I've made some assumptions on professional fees – for these, every case is different.

People selling not-new homes will enjoy a significant pricing advantage when competing for Buyer's dollars.

Many other expenses (moving, cleaning, appraisals, realtor commissions) will also attract the increased tax.

New CONDO		HST	
Price	\$400,000	\$24,850	
Legal Fees	\$1,000	\$120	
Total HST		\$24,970	
Prop. Purchase tax		\$ 6,000	
Total Tax		\$30,970	8%

New HOUSE		HST	
Price	\$900,000	\$71,250	
Legal Fees	\$1,000	\$120	
Home Inspection	\$500	\$60	
Total HST		\$71,430	
Prop. Purchase tax		\$16,000	
Total Tax		\$87,430	10%

Not-New HOUSE		HST	
Price	\$900,000		
Legal Fees	\$1,000	\$120	
Home Inspection	\$500	\$60	
Total HST		\$180	
Prop. Purchase tax		\$16,000	
Total Tax		\$16,180	2%



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