

# ***Glen's Real Estate Insight***

November 2010

## ***Friends & Neighbours ...***

Since my last report a couple of months ago things have been pretty stable in our local real estate market. Here's what's happened:

- Home prices have remained steady.
- The total number of homes listed for sale has declined by almost 10% since August.
- The number of homes sold each month has climbed slightly (but remains lower than last year).
- Both short- and long-term mortgage rates have dropped slightly.



The outlook from most experts is that things should remain pretty much stable well into next year. And we have the bonus of a locked-in provincial income tax reduction starting Jan. 1/11 to further stimulate the local economy. At least some tax news is good news...

A feeling of stability is a nice way to end the year.

I wish the very best for you and your family for the fast-approaching holiday season.

*Glen*

## **Mortgage Rates – Nov. 8/10**

Possibly the single biggest influence on the health of the real estate market, mortgages continue at very attractive rates and are forecast to remain so, well into next year at least.

<b>Term</b>	<b>Posted Rate</b>	<b>Best Rate</b>
1 Year	3.20%	2.44%
3 Year	4.00%	3.34%
5 Year	5.29%	3.59%
10 Year	6.40%	5.15%
Prime		3.00%

## Did You Know?

Working with a professional REALTOR® to buy or sell your home offers you this security:

- An individual who has fiduciary\* responsibility for all aspects of your transaction.
- A Bonded professional to show your home .
- Errors & Omissions (E&O) insurance in case anything goes awry with your contract.
- A secure Trust Account to hold all deposit money until closing.
- The backing of professional organizations (BCREA, CREA, REBGV) and Brokers who hold their members accountable to the highest standards.
- Mandatory continuing education programs to ensure your REALTOR® is current with all rules and regulations regarding real estate contracts and title transfers.



*\*A fiduciary duty is the highest standard of care in either equity or law.*

## The HST – Clarified

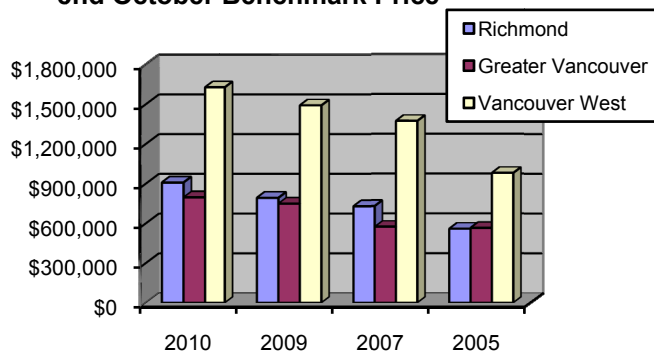
Many people are still confused as to how the new HST regime affects real estate. Here's an overview, you can call me for more details:

- The 12% HST only applies to "new" (not resale) housing.
- On new homes under \$525,000 Buyers pay the same tax on the home value they would have paid before HST; on any amounts over \$525,000 Buyers will pay an additional 7%.
- HST also applies to most professional fees associated with home purchases: REALTOR® commissions, home inspector fees, survey, etc.
- HST does not replace or reduce the Property Transfer Tax (PTT).
- First time Buyers may get an exemption on PTT, but not on HST.

In spite of increased taxes the real estate market does not seem to have been significantly affected by the HST – new housing construction is up since August.

## Comparative Home Prices

**Detached Home Sales,  
end October Benchmark Price**



*Source: Real Estate Board of Greater Vancouver  
Benchmark Prices: Estimated sale prices of a "typical" property.*

## Glen's Fall Wine Pick



**2009 Arrowleaf**  
Pinot Gris  
Okanagan Valley

*"Delicious apple & pear aromas ...  
great with most meals!"*

Click to [www.glenforeman.com](http://www.glenforeman.com) for lots of useful information and links for anyone considering a real estate move.



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