



"In 1919, a small group of real estate brokers decided to put ethics ahead of self-interest to create an association called the Real Estate Board of Greater Vancouver."

Real estate remains an excellent long-term investment

The Real Estate Board of Greater Vancouver is celebrating 90 years of continuous operation in 2009. Over those many years, the Board has witnessed numerous market cycles. Sales have increased and decreased. Prices have gone up and down. Those cycles are as constant and inevitable as spring following winter.

Economists tell us that accuracy of forecasts depends on whether the underlying data remains unchanged. If one factor changes, the future changes with it. So as we try to make sense of today's market, it's important to also seek knowledge from the past.

What history shows us is that while prices go up and down, property values at the peak of the next cycle inevitably surpass the ones before. That is one certainty we can offer people who are trying to interpret today's numerous and sometimes conflicting reports about the status of the real estate market.

As I rummage through old Board documents, I see that a six-bedroom home in Dunbar Heights cost \$3,500 in the 1920s, that a four-bedroom family home in Kerrisdale cost \$14,000 in the 1950s, and that an average home across Greater Vancouver hit \$100,000 in 1980. Today's property values are much higher.

In the more recent past, here's what I can tell you. In May 2008, home prices and sales started to decrease across the Lower Mainland. As we moved into the summer, the market became entangled in the global economic challenges that continue to affect us today.

Over the past 12 months, home prices in Greater Vancouver, as calculated by the MLS®Link Housing Price Index (see page 3 for a definition), have declined 14 per cent for detached and condominium properties, while townhome prices have declined nine per cent. After five years of unprecedented growth in home values in the Lower Mainland, this is not particularly surprising or necessarily unwelcome.

These trends offer moderation to a market where affordability was eroding for much of this decade, making home ownership unattainable to an expanding segment of our community.

We live in a beautiful part of the world. Our city attracts large numbers of new immigrants each year, all looking for a home both metaphorically and literally. Greater Vancouver's population has grown nearly ten times in size over the last 90 years, from 230,000 people in 1920 to approximately 2.3 million today. That growth continues; so does the demand for housing.

People are asking residential realtors if this is the right time to buy a home. They want some certainty that prices 'have hit bottom'. The truth is that no one knows when prices have stopped falling until months after they've begun climbing again, when analysis of MLS® statistical data provides confirmation.

We do know that today's short-term conditions are creating long-term opportunities. Buying opportunities haven't been this strong in a decade.



Top Photo: The office of Lawson and Shepherd, at 15 Lonsdale Ave., North Vancouver, in 1912. Charles E. Lawson, at counter, and George S. Shepherd, later North Vancouver City Clerk. Photo courtesy of City of Vancouver Archives.



Right: The 2008/2009 Real Estate Board of Greater Vancouver Board of Directors. Front Row (L-R): Sandra T. Wyant, Gordon A. Lockhart, W. Dave Watt - President, Mercedes Wong, Sylvia Sam, David Yang; Back Row (L-R): Deborah J. Spicer, Sing L. Wei, Peter Remington, Eugene Klein, David Peerless, K. Scott Russell - President-elect, Dianne S. Swintak, Brian Naphtali - Past President, Stephen Kwok, Jake Meldowan - Vice-president

If you're thinking about buying, consider:

- If you're deciding whether to buy or sell a home, in any market, it is critical that you properly assess your own personal and financial circumstances against current housing opportunities. This is how opportunities are found and mistakes are averted.
- Ask yourself these questions: Are you buying a home as a primary residence and planning to live there for some years? Are you able to obtain financing? And are you able to service the mortgage payments?
- Buyers currently have the advantage. Prices and sales have both declined over the past year; so have interest rates.
- There are ample housing options on the market for buyers to consider. That said, we've seen a reduction over the last four months in the number of homes for sale. Our February statistics show that 14,500 properties are currently listed for sale, down from nearly 20,000 last October. However, the February property listings are 37

per cent higher than those listed in February 2008.

Housing market statistics offer an aerial view of the real estate activity in a region. Real estate is local and wise real estate decisions are made by those who understand local conditions.

A house is a significant investment. It often gets lost that what we're really buying is a home. It's not like purchasing stock where you can see daily or weekly changes in value. A home has utility, unique to virtually any other investment. The joys and pains that are experienced through home ownership are the ups and downs of life.

In short, our homes are where our families live, laugh and grow. Add to that the benefit of knowing that buying a home has always been, and will continue to be a secure long-term investment.

(By Dave Watt, President, Real Estate Board of Greater Vancouver)

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A shared history: connecting people and properties since 1919

The Real Estate Board of Greater Vancouver (REBGV) was founded in the dawn of the Roaring Twenties, a time when Vancouver was booming. Fortunes were being made in lumber, business and construction.

Property values were among the highest in North America during this period. It was then that a small group of real estate brokers decided to put ethics ahead of self-interest to create an association called the Real Estate Board of Greater Vancouver.

Prompted by the Board, which was then known simply as the Real Estate Exchange, a Real Estate Agents' Licensing Act was proclaimed by the Provincial Government in 1920. In 1922, the first real estate license law was established to set minimum standards of practice for real estate agents. Through the Board, agents and their companies promoted education, protection of property owners' rights, and a high level of professional standards.

The evolution of the Board closely mirrors the history of Greater Vancouver. Real estate agent Malcolm MacLean was elected the first mayor of Vancouver in 1886 and was also a charter signatory in the formation of Vancouver's first real estate board in 1888.

To this day, MacLean's greatest legacy is one of the biggest and most beautiful features of Vancouver - Stanley Park. In 1886, MacLean's first City Council drafted a petition asking that all of Coal Harbour Peninsula - known then as Government Reserve - be given to the City of Vancouver for a public park. Two years later, with Governor General Lord Stanley on hand, the park was officially named in his honour and opened to the public.

Similar to MacLean's community mindedness, the founders of the Real Estate Board of Greater Vancouver believed in community and promoting and protecting property ownership. And that's just what they did.

They encouraged the sharing of information, started real estate education programs and raised the bar to set the very highest of standards. In 1925, understanding the power of working cooperatively, they began work on a cooperative listing system.

The dream of a Multiple Listing Service (MLS®) became reality in 1950, setting standards for cooperation across North America. In the mid-'70s, the Board's MLS® became one of the

first computerized listing services in Canada, allowing greater access to information.

Today the MLS® is widely recognized as the most accurate and comprehensive source of real estate information in the country.

Each year the Real Estate Board of Greater Vancouver celebrates the distinguished achievement of its top-producing members on the MLS® with the Medallion and President's Club Awards. This 44-year-old tradition serves to highlight the spirit of excellence that exists within the profession.

High achievement in the profession means many things: satisfied clients, community service and simply helping people find homes.

Dedicated, top-producing REALTORS®, such as those recognized through the Medallion Club, have a positive impact on the local economy. The real estate industry is a key economic driver in British Columbia. In 2008, 24,626 homes changed hands in the Board's area, generating \$1.03 billion in spin-offs that help create jobs in other industries.

Congratulations 2008 Greater Vancouver Medallion Club qualifiers



Rita Bielli
RE/MAX Real Estate Services



Stephen Burke
Sutton Grp. West Coast (VAN49)



Andy Chan
RE/MAX Andy Chan Realty



Maureen Chan
Royal LePage Westside



Frank Karabotsos
RE/MAX Crest Realty



Pictured are the five realtors who became 20-year Life Members of the Medallion Club in 2008.

For 44 years, the Real Estate Board of Greater Vancouver has celebrated the distinguished achievement of its top-producing members on the MLS® with the Medallion and President's Club Awards. The 2008 Medallion Club qualifiers are selected from the top 10 per cent of Greater Vancouver REALTORS® participating on the Multiple Listing Service (MLS®). The President's Club qualifiers are selected from the top one per cent of 2008's top-producers. The Real Estate Board of Greater Vancouver is proud to recognize the Life Members of the Medallion Club. These REALTORS® have successfully achieved Medallion Club status for 20 years. We salute their long-time success and remarkable achievements within the real estate profession.

How have monthly payments changed in this market?

Following five years of unprecedented growth in home values in Greater Vancouver, home prices began to moderate in 2008.

Last spring it became apparent that a more buyer-friendly real estate market was afoot. In May, home price reductions began to occur across the Lower Mainland.

Over the last 12 months, home prices, as calculated by the MLS®Link Housing Price Index (see page 3), have declined 14 per cent for detached and condominium properties in Greater Vancouver, while townhomes have come down nine per cent in price.

These figures provide a broad view of home prices in the region; however, they fail to explain what the changes mean to the individual from a financial perspective.

How has recent activity impacted monthly mortgage payments?

Home prices and interest rates have both declined in Greater Vancouver. Together, these trends amount to a significant reduction in monthly payment costs on a new mortgage compared to last year. When mortgage rates fall, like we're seeing today, from approximately five per cent to four per cent, this does not just represent a one per cent decline but a 20 per cent reduction in the amount of interest paid over the course of a mortgage.

The typical single-family detached home in Greater Vancouver in March 2008 was \$764,000. With a 25 per cent down payment and a 5.7 per cent rate of interest, which was the five-year, fixed term interest rate in March 2008, the monthly payment on a 30-year mortgage was \$3,301.58 one year ago.

A typical home today in Greater Vancouver costs \$653,000 and the current five-year fixed interest is 4.29 per cent. Today that same monthly payment



on a 30-year mortgage with a 25 per cent down payment is \$2,409.90. This amounts to a total savings of \$891.68 each month. These are real dollar savings that have materialized in our housing market within the last 12 months.

Moving up in this market

Greater Vancouver is in a clear buyer's market. Buying opportunities haven't been this strong in more than a decade, particularly for those looking to upgrade to a larger property. For example,

to move up in the market from a townhome to a single-family detached home, the jump is much shorter than has been experienced in many years. The cost difference between a typical detached home and a townhome in Greater Vancouver is \$55,000 less today compared to March 2008, according to our MLS®Link Housing Price Index.

Moreover, the price tag today for a detached home is approximately \$100,000 less than at the peak of the market cycle in 2008. Remember that a 14 per cent reduction on a \$650,000 house offers

significantly more savings than a 14 per cent reduction on a \$300,000 condominium does; which is what has occurred in Greater Vancouver over the last year.

Deciding to buy or sell a home should be a milestone moment based on your financial and personal circumstances, and the market conditions within your neighbourhood of choice. For those whose finances allow it, there are excellent long-term opportunities in today's housing market.

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The MLS® Link Housing Price Index: tracking home prices in today's market

Are housing prices trending up or down? Home prices in Greater Vancouver is a much discussed topic at the moment. Faced with economic uncertainty, people want to make sense of the housing market. Sellers are asking if the market value of their home is decreasing. Buyers want to know if they should wait for further price reductions. Homeowners not in the market to buy or sell want to understand the impact on their equity, which may affect decisions like plans for renovations.

Whether it's a seller's or a buyer's market, the Real Estate Board of Greater Vancouver (REBGV) conveys the most accurate and current housing market information to the media and the public. Each month the REBGV publishes a statistics package on its website, www.rebgv.org, and uses the MLS® Link Housing Price Index (HPI) to track and report home prices in the region.

The Housing Price Index is widely used within real estate and the media as it provides the most accurate indication of housing price trends.

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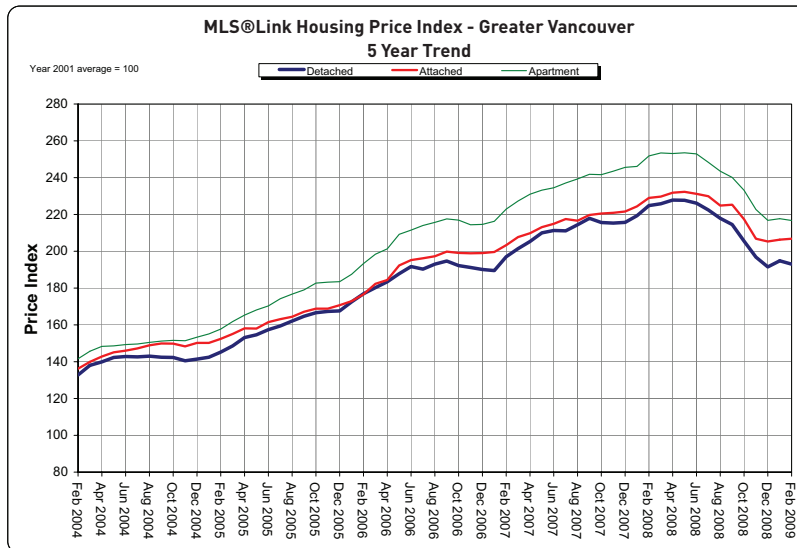
Following extensive consultations with economists more than a decade ago, the REBGV and the Fraser Valley Real Estate Board launched the index as the most accurate measurement of home property values over time. Taking monthly MLS® sales data, the HPI determines the price of a typical home for a given community.

Before the HPI was introduced in 1997, Realtors and the public relied on monthly average pricing statistics to understand trends in housing prices. The HPI is an alternative measure of real estate prices that provides a clearer picture of market trends.

An average home price is obtained by dividing the total dollar volume of sales by the number of sales. Averages can be misleading since the quantity and quality of the properties sold in any given area change over time for any number of reasons.

As well, home price averages may overestimate the market price of homes in regions, like Greater Vancouver, where high-end luxury properties are sold. Average prices can also be skewed when aberrations occur in a market, for example, a short-term rise in the sale of more modestly priced homes can lead to price fluctuations more dramatic than what is actually happening in a given region.

The HPI offers a more stable price indicator than averages because it tracks movement in prices of homes that are 'typical' to given areas, and excludes the extreme high-end and low-end properties.



The MLS® Link HPI can be quoted as an index price such as 120.1, or a benchmark price such as \$317,030. The index makes comparisons using a base year figure, which equals 100. In the current MLS® Link HPI model, the base year is 2001. Any number higher than 100 indicates an increase from the base year. For example, if the reported index number was 120.1, this figure would indicate that the price of a typical, constant quality property in a given community increased by about 20 per cent from the base year.

How the MLS® Link Housing Price Index (HPI) works

The MLS® Link Housing Price Index (HPI), established in 1995, is modeled on the Consumer Price Index (CPI) which measures the rate of price change for a basket of goods and services including food, clothing, shelter, and transportation. Instead of measuring goods and services, the HPI measures the change in the price of housing features. Thus, the HPI measures typical, pure price change (inflation or deflation).

The HPI benchmarks represent the price of a typical property within each market. The HPI takes into consideration what averages and medians do not – items such as lot size, age, number of rooms, etc. These features become the composite of the 'typical house' in a given area. Each month's

sales determine the current prices paid for bedrooms, bathrooms, fireplaces, etc. and apply those new values to the 'typical' house model.

The composition—the types of homes by age, area and home type—changes from month to month. The HPI solves this problem by pricing a constant quality and typical property over time and determines a benchmark price for properties in regions across Greater Vancouver and Fraser Valley. Changes over time are therefore not due to changes in the quantity or quality of the property.

For example, perhaps the basket of features for a typical home in a community includes a 10-year-old, three-bedroom house on a 7,200 square-foot lot, with eight rooms, two bathrooms, a fireplace

and a one-car garage. A benchmark price for this home can be created from the individual dollar values given to each of the above features.

The HPI began with research at the University of British Columbia into improving the measurement of price inflation in housing markets. During the changes in the real estate market over the last year, the HPI was widely recognized as providing the most up-to-date and accurate reflection of changes that were occurring to home prices in Greater Vancouver.

To view the HPI prices and trends in your community go to the 'News and Statistics' section of the Real Estate Board of Greater Vancouver's website at www.rebgv.org.

Current Greater Vancouver benchmark price: Detached: \$653,452, Townhome: \$426,268, Condominium: \$333,143

Cost-saving programs for homebuyers and homeowners

Wise real estate decisions are made when you have a clear understanding of your personal financial circumstance. When assessing your own situation, it is important to know that there is also a broad range of cost-saving programs out there designed to help with a down-payment or the annual costs related to homeownership. Here are a few examples of the many government initiatives designed to ease the financial pressures on homebuyers and homeowners.

Home Buyers' Plan (RRSPs for your down-payment)

The federal government's Home Buyers' Plan now lets qualifying home buyers use up to \$25,000 (increased from \$20,000) of their RRSP to buy a home. Couples can use up to \$50,000 (increased from \$40,000). The home must be a principal residence, the home buyers must not have owned a home within the past five years, and the loan must be repaid within 15 years.

We estimate that a couple buying a townhome in Metro Vancouver with a benchmark price of \$423,338 will save \$7,448 on their mortgage (at 5 per cent rate amortized over 25 years) as a result of this increase.

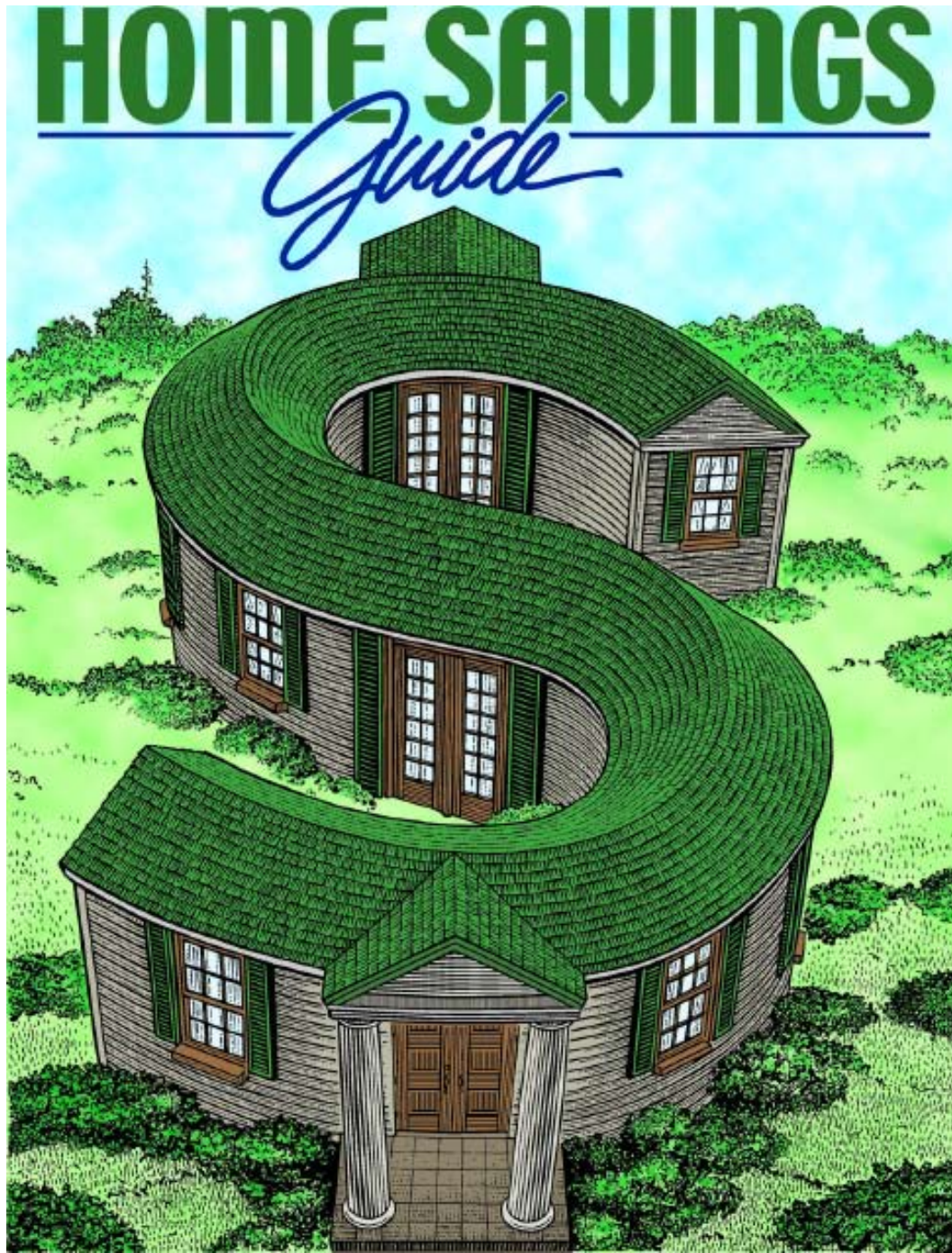
Questions on this program may be directed to the Canada Revenue Agency at: 1.800.959.8281.

First-Time Home Buyers' Tax Credit

This new federal tax credit program provides up to \$750 in tax relief to qualifying buyers for costs associated with buying a first home, including legal fees and land transfer taxes. Beginning on your 2009 personal income tax return, a new line will be incorporated to allow you to claim the credit.

Home Renovation Tax Credit

This new provision lets homeowners qualify for a federal income tax credit of up to \$1,350 for home improvement projects. This temporary program provides an income tax credit on eligible home renovation expenses for work performed or goods bought after January 27, 2009 and before February 1, 2010. Homeowners can claim a tax credit for 15 per cent of renovation expenses between \$1,000 and \$10,000 for a maximum credit of \$1,350. There is no tax credit for less than \$1,000. New additions, decks, carpeting, floorings, heating systems and landscaping qualify. Furniture, appliances, tools and maintenance contracts do not qualify. Note: there are no forms. Beginning with



the 2009 personal income tax return, a new line will be incorporated to allow renovators to claim the credit. If you intend to use this tax credit, be sure to save your invoices and receipts.

Energy Retrofit Rebates and Incentives

The federal ecoENERGY Retrofit Program gives property owners grants of up to \$5,000 to offset the costs of making energy-efficiency improvements.

For information, go to the Natural Resources Canada web site <http://oee.nrcan.gc.ca/corporate/retrofit-summary.cfm> where there is a list of retrofit grants and incentives for residential property owners, commercial and institutional buildings and industrial facilities.

The provincial government is extending PST exemptions until March 31, 2011 for:

- ENERGY STAR residential heating equipment;
- ENERGY STAR qualified windows, doors and skylights; and

- Energy efficient residential gas-fired water heaters and boilers.

For more information on all provincial energy retrofit rebates and incentives see the Live Smart BC web site at: http://www.livesmartbc.ca/homes/h_rebates.html



BC Home Owner Grant

Reduces property taxes by up to \$570 on properties assessed up to \$950,000 and continues on a sliding scale up to \$1,064,000. Provides an additional \$275 for a maximum of \$845 for seniors, veterans and the disabled on homes assessed up to \$950,000, and is reduced on a sliding scale on homes valued up to \$1,119,000.

Property Transfer Tax and rebate

Home buyers in BC pay a provincial Property Transfer Tax when they buy a home. The tax is charged at a rate of 1 per cent on the first \$200,000 of the purchase price and 2 per cent on the remainder. First-time home buyers may qualify for a full exemption on a home with a maximum purchase price of \$425,000 or a partial exemption on a home priced to \$450,000. Buyers can't have previously owned a home anywhere in the world.

Details on all of these programs and many more helpful tips are available on www.rebgv.org.

Whether through financial donations or hours of volunteering or fundraising, you can rely on realtors to help the communities in which they live and work. Learn more about the charitable work of realtors at www.rebgv.org.





Property listings decrease, as February sales improve

Residential housing sales in Greater Vancouver rose 94 per cent in February compared to the month before, with 1,480 sales registered in February compared to 762 sales in January, which was the slowest month for housing sales in 25 years. Over the past 10 years, February sales have typically surpassed January by an average increase of 53 per cent.

At the same time, new MLS® listings for residential properties continued to decrease for the fourth month in a row. New listings decreased 25.6 per cent in February compared to the previous year; 20 per cent in January; 8.6 per cent in December; and 10 per cent in November. Total listings, however, remain up compared to the same time last year. At the end of February 2009, total active listings had increased 37 per cent to 14,543 compared to the end of February 2008.

"There are terrific opportunities out there right now, but with property listings continuing to decrease, those opportunities may be available only for a brief window of time," said Dave Watt, president of the Real Estate Board of Greater Vancouver (REBGV).

REBGV reports that year-over-year property sales in Greater Vancouver declined 44.7 per cent in February 2009 from those of the lowest sales figures for February since the mid-1980s.

"REALTORS® are reporting more activity compared to recent months as people begin to see whether their position in the housing market has strengthened as a result of falling interest rates and improved affordability," Watt says. "It took, on average, 67 days to sell a home in Greater Vancouver in February, seven days less than last month, but behind the seller's market of last February when the average stood at 33 days.

Sales of detached properties in February 2009 declined 41 per cent to 587 from the 995 units sold during the same period in 2008. The benchmark price, as calculated by the MLSLink Housing Price Index®, for detached properties declined 14.2 per cent from February 2008 to \$653,452.

Sales of apartment properties declined 45.6 per cent last month to 650, compared to the 1,197 sales in February 2008. The benchmark price of an apartment property declined 13.9 per cent from February 2008 to \$333,143.

Attached property sales in February 2009 decreased 49.8 per cent to 243, compared with the 484 sales during the same month in 2008. The benchmark price of an attached unit declined 9.7 per cent between February 2008 and 2009 to \$426,268.

New listings for detached, attached and apartment properties declined 25.6 per cent to 3,916 in February 2009 compared to February 2008, when 5,260 new units were listed.

The real estate websites you need to visit

Throughout the history of the Real Estate Board of Greater Vancouver, they've positioned themselves on the cutting edge of technology and developed some of the most industry-altering programs and websites. While real estate remains a people business, consumers today have access to scores of information that can help them find a REALTOR®, find a property and connect all the dots in between – all at the click of a mouse! Here's a list of useful sites:

www.rebgv.org:

The Real Estate Board of Greater Vancouver's (REBGV) website offers visitors a 360-degree look at local real estate, providing detailed MLS® statistics, monthly podcasts, consumer guidance and other information and links.

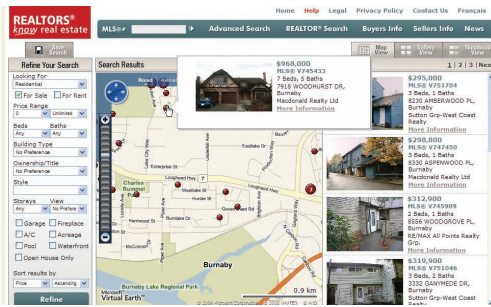
On the site, you can track home prices in your neighbourhood, search for a REALTOR®, read about government initiatives that impact local real estate, and learn about various cost-savings programs. The site features a wealth of consumer information related to buying and selling a home, from checklists and FAQ's to market data and community profiles. One of the most important measures in real estate is the MLS®Link Housing Price Index (HPI), and this website contains the latest HPI data as well as a comprehensive breakdown of home values across the region.

www.howrealtorshelp.ca:

Log on and play 'Adventures in Real Estate'. Built and maintained by the Canadian Real Estate Association, this site is filled with good information for those looking to buy or sell a home. As a bonus, there's a game that helps you test your knowledge of buying and selling real estate. 'Adventures in Real Estate' is an interactive game that allows you to walk in the shoes of a buyer or seller. Along the way, you'll run into several common instances associated with buying and/or selling, with the option of going it alone or asking a realtor.

www.recbc.ca:

The Real Estate Council of British Columbia is the body responsible for licensing and regulating realtors in B.C. Their website is full of valuable consumer protection information, as



well as information on how to become a realtor. One of the features of this site is the Complaints & Discipline section, which allows consumers to file complaints and get information about recent disciplinary decisions.

www.realtor.ca:

Formerly mls.ca, this is the most comprehensive real estate listing website in the country. Used extensively by Canadian realtors and their clients, this website is the most popular home listing website in Canada. Last June, the Canadian Real Estate Association (CREA) re-designed the site. This change brought upgraded search functions and capabilities, which provide a streamlined experience for people using the site. Using Microsoft Virtual Earth technology, the site's interactive mapping capabilities allow users

to view active listings as they appear on the map. As users zoom in and out of specific areas, the map automatically refines the display to show as many of the active listings as possible within that level of depth. Rolling your cursor over one of the red dots that represents a listing on the map will display a thumbnail view of the property's specifics.

The updated site features links to the REALTORS® Care Foundation and www.howrealtorshelp.ca.

www.realtylink.org:

Learn about the real estate market and homes for sale in Greater Vancouver and the province. The Realtylink website is a resource for people looking to buy or sell a home in B.C. The website contains home listings for properties across the province. You can find a REALTOR® in your community or learn more about the mortgage process and details regarding offers and completion.

If you're looking for a property in B.C., you can search by area or MLS® number. If you're looking for a realtor, you can search by name, company or area of specialty. The site also features links to online versions of the Realtylink In-Print newspaper produced for each geographical area of Metro Vancouver.

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Realtors assist police as extra 'eyes and ears' in the community

For nearly a decade, Lower Mainland realtors have taken their community-minded approach to a new level, helping police across the region.

Today, 13,000 realtors from Whistler to Hope participate in a community crime prevention program called Realty Watch.

The idea for Realty Watch developed from tragic circumstances. In 1996, a White Rock teen went missing. Her father asked for the help of local realtors. Tragically, the young girl was found murdered less than four blocks from where she was last seen. Since that time, Realty Watch has grown to help police in two ways:

- In emergency situations, realtors respond to a police/RCMP-activated fan-out to search for missing or abducted children, and missing seniors and vulnerable adults.

- REALTORS® observe and report to police any suspicious activity they may happen upon in their day-to-day business.

Superintendent Andy Hobbs of the VPD says programs like Realty Watch play a vital role.

"We need the help of people like realtors to know if a crime has been committed or to spot a missing child or vulnerable adult. We rely on their participation to help keep our communities safe."