

15 real estate myths and realities

Lower Mainlanders are said to be savvy about property. Read on to see how your knowledge stacks up.

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Audio: [Christy Clark interviews Landcor Data Corp. founder Rudy Nielsen](#)

List: [The 15 myths and realities of real estate](#)

PDF: [Printable version of the myths and realities section, with charts and graphs](#)



Spring has sprung and Lower Mainland residents' fancy has turned to real estate.

Is it time to buy or time to sell? What room should you renovate? What needs to be landscaped?

Lower Mainland residents spend more on real estate than anywhere else in the country, and generally, are as knowledgeable about the subject as anyone. But how much do they really know about their homes?

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15 real estate myths and realities

The Vancouver Sun sought to challenge a few of the myths that a lot of people have, asking the research firm Landcor Data Corp. to put real data to confirming or dispelling those ideas.

We consulted other experts, from appraisers to realtors and economists to answer our questions, such as whether renovating your kitchen gives you the best lasting bang for your buck, and whether the dramatic rise the Lower Mainland has seen in real estate prices has reached its peak.

(To answer briefly, sprucing up your kitchen is indeed the best reno, and if you're expecting prices to drop, don't bet on that yet. More on those on the following pages.)

"A lot of things surprised me," Landcor president Rudy Nielsen said in an interview about the experience of turning his research staff loose on some of The Sun's questions.

Though he's been in the real estate industry, first as a Realtor then developer and adviser, for more than 40 years, Nielsen said he was a bit taken aback by the continuing rise of Lower Mainland property values.

"I thought there was a levelling-off period [for prices]," Nielsen said. "I felt that [starting] last September."

The numbers he's seeing however, reported by real estate boards, show prices are still climbing.

Real estate sales have fallen off in the Lower Mainland compared with previous years, and Nielsen does expect the slowdown to continue.

Cameron Muir, chief economist for the B.C. Real Estate Association, said the Lower Mainland's high prices have become the enemy of a lot of first-time buyers, pushing them out of the market.

So has slower economic growth as a U.S. housing recession drags down demand for B.C. lumber, which in turn puts the pinch on forestry-dependent communities, as well as the service sectors of the economy that cater to loggers and sawmills.

However, Muir is one of the economic prognosticators who doesn't foresee the kind of calamity that would drag prices down. He sees pressure for property values to edge up over the next two years.

Nielsen added that the amount of quick-flipping properties in the condo market was another surprise to him. He thought his researchers would see more of it.

Landcor can't track the buying and selling of pre-sale contracts to purchase units under construction. A condo doesn't officially become a property until it is completed and registered at the B.C. Land Title Registry.

And when Landcor looked at the number of new condos flipped within six months of first being registered, they didn't add up to an overwhelming flood.

Jennifer Podmore Russell, managing partner of the research firm MPC Intelligence, said high-profile projects such as the multi-building Yaletown Park complex on False Creek, didn't yield the number of quick-buck artists that observers expected.

She figures that when it came time to close on their purchases, buyers decided they were better off holding on to their units, which saw a substantial "lift" in value during construction.

(Again, more on that on other pages.)

Generally though, British Columbians, and Lower Mainlanders in particular, are pretty savvy about their property, the experts believe, with so much information out there about real estate, between Real Estate Weekly, the real-estate sections in newspapers, the realtors' Multiple Listing Service posted online and Home and Garden TV.

And when Lower Mainland residents are paying so much for real estate, they have to be knowledgeable to make good decisions.

Podmore Russell, whose clients are located across the country, characterized Lower Mainland residents as "incredibly sophisticated." She added that in the hottest periods of the market, "you had to be ready to act [on an offer] at a moment's notice. That forces people to do a ridiculous amount of research."

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