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## Faith's Exclusive Market Update

### Westside Analysis 2011: Year in Review

Hello!

Another year has come and gone, as we turn the page to a bright New Year. We are fortunate to be part of a truly multi-cultural society here in Vancouver, as we have the privilege of getting to know and enjoy numerous and varied celebrations. So, having just celebrated a New Year on December 31st, 2011, we can now look forward to another auspicious New Year on January 23rd 2012 - **Chinese New Year!**

2011 was an interesting year with respect to real estate on Vancouver's Westside. The market started picking up steam in mid-January, followed by Chinese New Year (February 3rd), which initiated a buying spree for folks from Mainland China. That, coupled with local market activity, really enhanced the overall activity on the Westside. The market was frothy through the spring and into early summer, before losing momentum. That led us into a steadier, more balanced market for the remainder of the year.

And now that we are in January 2012, how do we think the market will perform? We understand that Vancouver's housing market is driven by local factors such as the public's general perception, economic performance, and interest rates, which remain at an all time low. Additionally, our housing market (on the Westside in particular) is influenced and stimulated by international buyers, the majority of whom are now coming from Mainland China. Beyond buyer behaviour, foreign policies can also affect our housing market, and therefore, our own policies on immigration will likely impact performance. Furthermore, global outlooks affect perception, and instability abroad can play a part in the desirability of our real estate market. With all of that in mind, I believe that we will experience a slight uptick in the market during the spring, followed by a more balanced market for the remainder of the year, similar to what we experienced in the latter part of 2011.

Now to the year-end facts:

- Year-over-year benchmark prices for a typical **Detached Home** on the Westside increased by 20.7% to reach \$1,990,958.
- **Attached Home** prices grew by 8.6%, with a typical attached home on the Westside now selling for \$833,361.
- **The Apartment/Condo** market fared least well of the three categories, with the benchmark price of a typical apartment ending the year at \$519,474, up 4.6% from December 2010.

Vancouver's Westside is comprised of many unique neighbourhoods, each with their own distinct buying and selling patterns, so be sure to check the statistics for the specific neighbourhood that interests you. And I'd love to hear from you, so please call me if you would like to chat or have a coffee! I wish you all a Healthy, Joyous and Prosperous New Year.

All the best,

*Faith  
Wilson*

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### In This Report...

#### Our Analysis of 2011 Benchmark Prices on Vancouver's Westside:

- An explanation of the MLSLink HPI Benchmark Price system and why it is important to you
- An overview of HPI Benchmark prices for Detached, Attached & Apartments/Condos
- Faith's Analysis and Key Insights

The information included in this report is based on residential sales data and statistical information sourced and compiled from the Real Estate Board of Greater Vancouver's MLXchange database. The information included in this report is current as of January 4th, 2012 and is subject to change by the REBGV. Faith Wilson Realty Group Inc., is not responsible for changes, errors or omissions to this information.

#### Plus, our Analysis of 2011 Housing Trends on Vancouver's Westside:

- Median & Average Sold Price Analysis, Unit Sales Results, Days on Market, plus Faith's Key Insights for:  
Detached Homes: *2011 Sales Analysis*  
Attached Homes: *2011 Sales Analysis*  
Apartments/Condos: *2011 Sales Analysis*

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## MAKING A CASE FOR HPI & BENCHMARK PRICES

### Learn more about the real value of your Westside home

The Housing Price Index (HPI) is a measure of the rate of price change, over time, on residential properties in the Lower Mainland region of British Columbia.

The HPI is obtained by comparing, through time, the price paid for a typical Westside home, or benchmark property. The benchmark property is held constant over time; therefore, changes in the price of a benchmark property are not due to changes in the quantity or quality of the property. Thus, the HPI measures typical, pure price change (inflation or deflation).

HPI benchmark properties are conceptual rather than physical, and benchmark prices are predicted rather than observed. The HPI uses advanced statistical methods to estimate benchmark property prices based on the prices and qualities observed on actual property sales. The HPI provides the most reliable information on housing price trends.

### 2011 – Overview of HPI Benchmark Prices by Category

As reported by the REBGV, a typical **Detached Home** on Vancouver's Westside has a predicted selling price of **\$1,990,958**, assuming the following attributes:

- 5,790 sq.ft. lot
- 49 ft. frontage
- 2,812 sq.ft. floor area
- 11 rooms
- 3 bathrooms
- 147 sq. ft. kitchen
- 1 covered parking stall
- 1 fireplace
- 31 years old
- 10% new

#### DETACHED HOMES, VANCOUVER WEST

Neighbourhood	December 2011 Benchmark Price	1 Year Change (%)
<b>Combined</b>	<b>\$1,990,958</b>	<b>20.7%</b>
Arbutus	\$2,276,769	20.8%
Cambie	\$1,382,881	10.4%
Dunbar	\$1,661,846	5.1%
Kerrisdale	\$2,199,850	19.9%
Kitsilano	\$1,595,088	20.3%
Mackenzie Heights	\$2,300,493	19.9%
Oakridge/S. Cambie	\$1,886,619	22.5%
Point Grey	\$2,164,929	31.4%
Quilchena	\$2,467,688	20.5%
Shaughnessy	\$3,253,983	26.1%
South Granville	\$2,750,856	21.3%

#### FAITH'S KEY INSIGHTS:

- Of the residential categories on the Westside, it was the Detached Homes that gained the most in 2011, ending the year with a 20.7% increase in the predicted selling price of a typical property.
- Dunbar saw the most modest increase at 5.1%, while Point Grey homes were predicted to sell at prices 31.4% higher than in December of 2010.
- In terms of affordability, Cambie had the lowest predicted selling price in 2011, while Shaughnessy remains the most expensive neighbourhood in Greater Vancouver.

As reported by the REBGV, a typical **Attached Home** on Vancouver's Westside has a predicted selling price of **\$833,361**, assuming the following attributes:

- 21% duplex
- 1,337 sq.ft. floor area
- 7 rooms
- 2 bathrooms
- 96 sq. ft. kitchen
- 1 fireplace
- 1 covered parking stall
- 9 years old
- 20% new

#### ATTACHED HOMES, VANCOUVER WEST

Neighbourhood	December 2011 Benchmark Price	1 Year Change (%)
<b>Combined</b>	<b>\$833,361</b>	<b>8.6%</b>
Kitsilano	\$921,270	0.8%
Other	\$791,334	12.9%

#### FAITH'S KEY INSIGHTS:

- Trailing the Detached category, Attached Homes grew by 8.6% in 2011. A typical Attached Home on the Westside is now predicted to sell for \$833,361.
- The most expensive neighbourhood, Kitsilano, was excluded from the category growth, barely increasing by 1%.

## Detached Homes ended the year with a 20.7% increase in predicted selling prices.

As reported by the REBGV, a typical **Apartment** on Vancouver's Westside has a predicted selling price of **\$519,474**, assuming the following attributes:

- 843 sq.ft. floor area
- 5 rooms
- 1 bedroom
- 1 bathroom
- 73 sq. ft. kitchen
- 0 fireplace
- 1 covered parking stall
- 8 years old
- 30% new

#### APARTMENTS, VANCOUVER WEST

Neighbourhood	December 2011 Benchmark Price	1 Year Change (%)
<b>Combined</b>	<b>\$519,474</b>	<b>4.6%</b>
Cambie	\$473,639	12.5%
Fairview	\$498,609	2.6%
Kerrisdale	\$623,932	14.6%
Kitsilano	\$472,819	6.1%
Oakridge/S. Cambie	\$626,397	15.0%
Other	\$575,397	1.9%

#### FAITH'S KEY INSIGHTS:

- Compared to Detached and Attached Homes, Apartments on the Westside saw the lowest increase in predicted selling prices, growing by just 4.6% from December 2010 for a typical property.
- Price growth was more diverse at the neighbourhood level, with owners in the Oakridge/S. Cambie neighbourhood gaining 15% for their apartment's predicted selling price. Fairview, on the other hand, bucked the trend and inched forward by just 2.6%.

## THE REAL WESTSIDE RESULTS – FROM 2011

If you follow the real estate market in the mainstream media, you often hear broad statements regarding prices in Greater Vancouver. Instead, we want to share a more relevant snapshot of Vancouver's Westside with you.

In this section we're providing you with the latest Median & Average sale prices from 2011, plus the Median Days on the Market. The analysis combines sales results from the following key Westside neighbourhoods:

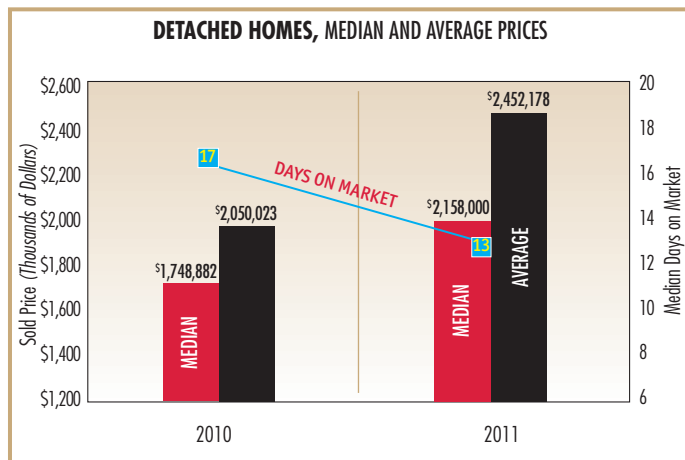
- Arbutus
- Cambie
- Dunbar
- Fairview
- Kerrisdale
- Kitsilano
- MacKenzie Heights
- Oakridge
- Point Grey
- Quilchena
- Shaughnessy
- South Granville
- University

**BOTTOM LINE: TRUE INSIGHT TO VANCOUVER'S WESTSIDE NEIGHBOURHOODS.**

*Buyers looking for a Detached Home on the Westside in 2012 should expect to pay \$2 million.*

## Q4 2011 SOLD LISTINGS – DETACHED HOMES

*Faith's Key Westside Neighbourhoods*



	2010	2011	% Change	
Unit Sales (Detached Homes)	Q1 Unit Sales	410	592	44%
	Q2 Unit Sales	409	554	36%
	Q3 Unit Sales	338	304	-10%
	Q4 Unit Sales	354	241	-32%
	Year-to-Date	1511	1691	12%

### DETACHED HOMES, 2011 SALES BY NEIGHBOURHOOD

Neighbourhood	Units	Share (%)
Dunbar	263	16%
Point Grey	237	14%
Cambie	177	10%
South Granville	173	10%
Kerrisdale	168	10%
Kitsilano	167	10%
Shaughnessy	128	8%
Arbutus	124	7%
MacKenzie Heights	89	5%
Quilchena	79	5%
Oakridge	43	3%
University	41	2%
Fairview	2	0%
All Neighbourhoods	1691	100%

### FAITH'S KEY INSIGHTS:

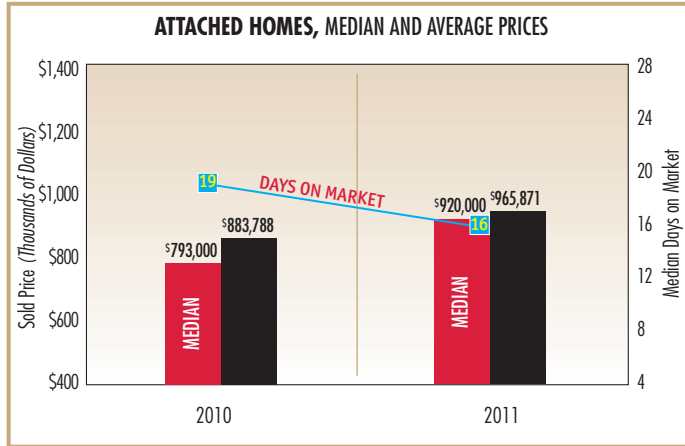
- Unit sales performance differed greatly between the first and second halves of 2011, with 68% of the year's sales occurring in Q1 and Q2. Despite the slowdown in Q3 and Q4, total unit sales for the year increased by 12% compared to 2010.
- Detached homes were selling 4 days quicker and for higher prices in 2011, with the median and average selling prices jumping by 23% and 20% respectively.
- Buyers looking for a home on the Westside in 2012 should expect to pay approximately \$2 million.

*Detached Homes were selling 4 days quicker in 2011.*

*68% of the year's Detached Home sales occurred in the first 6 months of 2011.*

## 2011 SOLD LISTINGS – ATTACHED HOMES

Faith's Key Westside Neighbourhoods



		2010	2011	% Change
Unit Sales (Attached Homes)	Q1 Unit Sales	115	154	34%
	Q2 Unit Sales	150	160	7%
	Q3 Unit Sales	105	108	3%
	Q4 Unit Sales	97	71	-27%
	Year-to-Date	467	493	6%

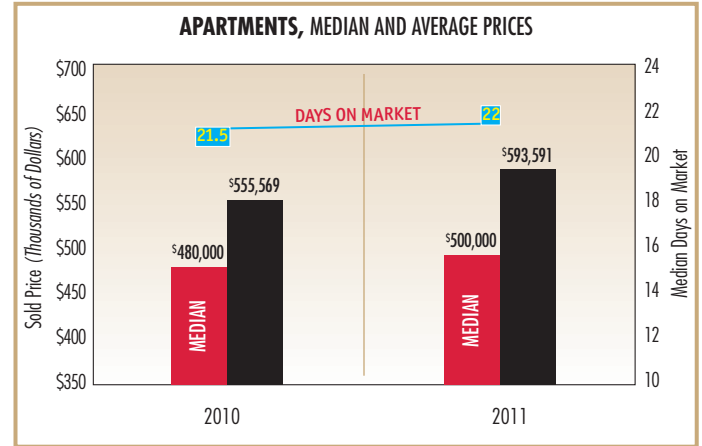
Neighbourhood	Units	Share (%)
Kitsilano	203	41%
Fairview	141	29%
University	56	11%
Quilchena	19	4%
Cambie	17	3%
Shaughnessy	15	3%
Kerrisdale	14	3%
Oakridge	11	2%
South Granville	8	2%
Point Grey	5	1%
Dunbar	3	1%
MacKenzie Heights	1	0%
Arbutus	0	0%
All Neighbourhoods	493	100%

### FAITH'S KEY INSIGHTS:

- 2011 provided steady improvements for Attached Homes on the Westside, with unit sales finishing 6% above 2010 levels. This growth in sales was boosted by a white-hot first quarter that offset the drop in Q4.
- 70% of the year's sales activity occurred in the Kitsilano and Fairview neighbourhoods, with the remainder spread across 9 other Westside neighbourhoods.
- Not unlike the detached category, Attached Homes were selling more quickly and for higher prices in 2011. The median price growth of 16% outpaced average price growth and pushed the category closer to the \$1 million mark.

## 2011 SOLD LISTINGS – APARTMENTS

Faith's Key Westside Neighbourhoods



		2010	2011	% Change
Unit Sales (Apartments)	Q1 Unit Sales	378	437	16%
	Q2 Unit Sales	488	405	-17%
	Q3 Unit Sales	320	319	0%
	Q4 Unit Sales	292	244	-16%
	Year-to-Date	1478	1405	-5%

Neighbourhood	Units	Share (%)
Fairview	444	32%
Kitsilano	397	28%
University	248	18%
Kerrisdale	97	7%
Quilchena	77	5%
Point Grey	44	3%
Cambie	38	3%
Oakridge	26	2%
Dunbar	16	1%
Shaughnessy	14	1%
South Granville	4	0%
Arbutus	0	0%
MacKenzie Heights	0	0%
All Neighbourhoods	1405	100%

### FAITH'S KEY INSIGHTS:

- Apartments represent the only property category on the Westside to experience a unit sales decrease in 2011, dipping 5% below 2010 levels.
- In contrast to Detached and Attached Homes, Apartments actually took longer to sell in 2011 than in 2010.
- Price growth was minimal at best, with the median and average stretching by only 4% and 7% respectively.
- 60% of buyers made Fairview and Kitsilano their neighbourhood of choice in 2011.

**IN THE NEWS...**



**EURO-CRISIS HURTS 2012 OUTLOOK: BCREA**

The ongoing European debt crisis is keeping mortgage bond yields at near-historic lows, the BCREA is reporting. Weak growth is keeping central banks on the sidelines, while Euro uncertainty drives lopsided demand for US and Canadian debt. Five-year fixed rates have remained near the low of 5.19%, while shifting consumer demand has lenders slashing variable rates to just 10-15 basis points below prime. With stabilization in Europe, improved investor confidence should push 5-year rates upwards to a still low 5.6%. [Read More \(PDF\).](#)



**REBGV: REAL ESTATE MARKET BALANCED THROUGH MUCH OF 2011**

Though heightened demand greeted the start of 2011, the housing market remained balanced for most of the year, according to the Real Estate Board of Greater Vancouver. Property sales totalled 32,390 units - a 5.9% increase from 2010 - which outpaced the 2.7% increase in MLS listings. December sales of detached properties decreased 18.1% to 769, while same-month figures for apartment and attached property sales decreased 4.6% and 20.4% respectively. More broadly, December sales decreased 34.9% from 2009 figures. [Read More.](#)



**ECONOMISTS PREDICT REAL ESTATE SLOWDOWN IN 2012: CBC**

Citing record consumer debt, a poor economic forecast, and other "downward pressure" including slow wage growth, leading economists are predicting a slow year for real estate in 2012. Low mortgage rates - spurred by debt crises in Europe and the U.S - coupled with supply boosted by downsizing boomers, have led to friendly homebuyer conditions. Low consumer confidence, however, should temper these conditions, leading to a gradual softening of the market that was first predicted to arrive in 2011. [Read More.](#)

**THE VANCOUVER SUN**

**BC PROPERTY ASSESSMENTS SHOW LARGE VARIATION IN 2012**

While almost all Metro Vancouver residents will see a significant rise in their 2012 property values, Sea-to-Sky residents are seeing mostly decreases across the board. According to BC Assessment, the July 1, 2011 valuation will show Vancouver's 192,000 property owners enjoying gains ranging from 15 - 30%, with West Vancouver leading the way. Whistler and Squamish residents, however, will see mostly sharp declines ranging from 10 - 20%, with Pemberton also affected. Values in the Okanagan and other parts of the province remained mostly stable. [Read More.](#)

**THE GLOBE AND MAIL**

**TD PREDICTS TROUBLE FOR B.C. REAL ESTATE, TORONTO CONDOS**

Economists are predicting "a significant correction" for real estate markets in Toronto and BC, though a bust is not expected. Citing an unexpected spike in 2011 Vancouver prices, Economist Jacques Marcil sees the slowdown extending into 2013, with unit sales slowing an additional 5%. He also predicts the abundance of Toronto condos - coupled with gloomy financial markets - to "exert a drag" over Ontario's market. Though most markets remain stable, valuations remain a concern across the country. [Read More.](#)



**CHMC RELEASES COMPREHENSIVE REPORT ON CANADIAN HOUSING**

Housing-related spending accounts for more than 20% of Canadian GDP, contributing \$330 billion to the economy, according to CHMC's annual Canadian Housing Observer report. Amongst other findings: the influence of seniors will continue as they grow to 24% of the population by 2036, 87% of Canadians had access to acceptable housing in 2008, low interest rates spurred the 2010 price jump, and condos accounted for 1/3 of urban housing starts in 2010. Web users can access the report at [www.cmhc.ca/observer](http://www.cmhc.ca/observer). [Read More.](#)

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As your *Neighbourhood Experts*,  
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*Westside*.



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**Means** drawing on the collective experience of our eleven real estate professionals.  
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**It means** having the Neighbourhood Experts working for you seven days a week,  
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**It means** having Marketing & Showing Specialists at your disposal with strategic media  
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**It means** having a personal Buyer Specialist to help you find the perfect new home.

**It means** having direct access to our RBC Mortgage Specialist.

**It means** having our services gladly provided in: 廣東話, 國語, Deutsch or Français.

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For the full picture, call Faith at 604-224-5277



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in Greater Vancouver's Medallion Club.

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\*Based on 2011 Greater Vancouver residential team sales statistics from the  
Medallion Club of the REBGV.

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