

OPINION

A busy January has Vancouver realtors bullish on the market



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This home at 3607 Dunbar St., in Vancouver, received 27 offers.

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Vancouver realtors are hoping that recent frenzied activity is a sign that the market in 2024 is on the upswing.

Listing agent Amar Manuel received 27 offers on a house at 3607 Dunbar St. last week, and although he expected it would draw attention priced at just under \$2.3-million, the seasoned realtor was still shocked at the number of bidders. He listed it on a Monday and took offers a week later, so it sold within seven days.

About 100 groups came through the open house. Most bids were serious offers, and they came from families that wanted to get a foothold in the high-end, west side neighbourhood, says Mr. Manuel. The price reflected the house's need for repairs, and its location on a busy arterial road. But it's also perfectly liveable and has a basement suite with a potential revenue stream. And it sits on a 50-foot-wide lot, which is larger than the area's 33-foot-wide average. The property, which was owned by an investor and rented out, was listed at \$2,298,000, which is low for a west-side detached house that isn't a teardown. The assessed value is \$2,411,500.

Because the deal hasn't completed, the listing agent would not disclose the sale price.

"It's a starter home for a young family looking on the west side," says Mr. Manuel. "On the east side, you can get more of a house. On the west side, you are close to the Endowment Lands and UBC, so for that buyer looking on the west side, in one of the nicest neighbourhoods, \$2.3-million is affordable."

The last half of 2023 was a dismal time for most Vancouver area realtors and



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mortgage brokers, following a series of interest rate increases by the Bank of Canada. Last month there was a 38.5-per-cent spike in number of sales compared to January, 2023 according to Greater Vancouver Realtors, formerly known as the Real Estate Board of Greater Vancouver. That's still 20 per cent below the 10-year seasonal average, likely due in part to declining inventory. Sellers are reluctant to list their homes for sale, but the expectation is that will change in the spring, particularly with the expectation that interest rates will drop later this year.

Mr. Manuel thinks the current buyers are those people who expect prices to go up once that drop happens. The trade-off is a lower price point at a slightly higher borrowing rate, with a short-term mortgage.

“Two months ago, I don't think this would have happened. I think everyone feels a lot better about interest rates, and interest rates possibly going down a little bit,” said Mr. Manuel. “People feel that if interest rates go down, maybe the market moves up, so we'll buy now with rates higher and prices a little bit lower.”

Long-time realtor Lorne Goldman says the west side detached house market is the barometer of B.C.'s housing market. He recently saw a property in the Arbutus Flats neighbourhood receive eight offers, listed for \$3 million plus.

“In my experience, after decades in this business, I can tell you that when the market goes sour, the first place it goes sour in the province is the west side, and when it starts to get going again, the first place is the west side,” says Mr. Goldman. “It's been that way for a long time.

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“What you see is a reluctance to put houses on the market and a desire from buyers to get into places with backyards in good public-school districts.

“So, we are optimistic, and we weren’t optimistic at this time last year, that’s for sure. It just wasn’t very good. And now the buyers are coming out.”

In 2020, Mr. Goldman was representing a Dunbar house that had sat empty for 23 years, owned by an offshore investor. He finally sold it when the vacancy taxes were introduced. But Mr. Goldman doesn’t believe the federal government’s extension of the foreign buyer ban until 2027 will have any meaningful impact on prices.

“It will be minimal,” says Mr. Goldman. “Conversely, what political party is going to jump in and say, ‘We need to bring foreign buyers back?’ The perception in the public is that if we have the ban, we see prices drop. It didn’t happen.

“And if you have a foreign buyer who is intent on buying in Canada, they will have a relative, or a friend who could circumvent the rules.”

Realtor Shaun Gregory agrees that the west side tends to pick up before other parts of the city, but more people want to live around the vibrant high streets of the east side. Mr. Gregory had one of the slowest markets in his 11 years of being a realtor last year. He has also seen a major spike in activity, with properties that had sat on the market for months now receiving offers. Prices aren't going up, but that could change later in the year.

“With interest rates holding, we are seeing buyers on the sidelines come back to the market. Multiple offers are coming back, absolutely anything under \$1-million is getting a lot of activity. The bulk of them seem to be first-time buyers coming back.”

Mortgage broker Alex McFadyen says applications are up 40 per cent in January, compared to the month before. That's not to say it's a tidal wave of interest just yet. He's seeing people who might have purchased last fall returning to the market, including a lot of first-time buyers and move-up buyers.

“Applications are up, and it has translated into somewhat of an increase in transactions. But I still sense a lot of tentativeness, and it's not like it was a couple of years ago,” he says.

Realtor Cheryl Davie, who mostly deals in mid-market housing, is finally seeing sales go through after a “brutal” fall market, but she also sees some reluctance.

“It seems like there's a lot more life in the market, but it just feels like people aren't ready to jump in, and a lot of people are holding back. I didn't expect that. I thought it was busier. Once we had that rate announcement where they didn't raise it, I thought that would spur more activity. It's not widespread, that's what I'm finding.”

Mortgage broker Eitan Pinsky said a sign of the currently competitive market is that about one-third of the transactions he's seeing are sales that have no conditions on them. Eager buyers are doing preinspections rather than making their offers subject to inspection. That's because demand is largely outpacing supply in the Lower Mainland. In the last week alone, he's seen four sales. The decent properties are getting multiple offers.

"You know how people say that prices in Vancouver are unreachable? Yes, they are unreachable for many people. But I have boatloads of clients that work for Amazon or Microsoft ... who usually have household income of anywhere from \$400,000 to \$800,000, and they can afford these [homes]," says Mr. Pinsky. "'Affordable' is a loaded term."

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