

Real estate in Metro Vancouver: Is spring a good time to buy?

Survey shows consumer sentiment divided

BY JENNY LEE, VANCOUVER SUN MARCH 29, 2012



Metro Vancouver residents are split this year over whether spring is a good time to buy real estate, according to a new consumer confidence survey.

Photograph by: Bill Keay, Vancouver Sun

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"What's really interesting is how definitive it's become," said Ian Martin, general manager of REW.ca, the online real estate search site that commissioned the survey. "It's polarized. Split right down the middle."

Traditionally, spring is the busiest time for buying and selling residential properties, but this year's record-low interest rates — the Bank of Montreal has been offering 2.99 per cent — combined with record-high prices is splitting consumer sentiment.

Forty six per cent of metro Vancouver and Fraser Valley residents surveyed think it's a good time to buy over the next three months and 42 per cent disagree, Martin said, citing a REW.ca commissioned Mustel Group telephone survey of 278 metro Vancouver and Fraser Valley adults from March 5-19.

Only 13 per cent of respondents said they didn't know. The number of "Don't know" responses would normally be in the 20 per cent range, Martin said.

Of those that said it's a good time to buy, 28 per cent cited low interest rates followed by 17 per cent citing the buyer's market with many properties for sale as the key reason.

Of those who said it's a poor time to buy, half cited high prices and 17 per cent expect a market correction with falling prices, and 15 per cent are concerned about the economy.

This consumer uncertainty is reflected in this year's sales figures, Martin said. Sales volume of detached homes dropped 21.5 per cent February 2012 over February last year, according to Real Estate Board of Greater Vancouver figures. Apartment sales dropped 15.4 per cent and townhomes dropped 13.3 per cent in the same period. In both Greater Vancouver and the Fraser Valley, to date, sales volumes are below the 10-year average. Sale prices, however, continue

to rise. Pricing in February 2012 was six per cent up over the same month last year.

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