

B.C. is a haven for multi-millionaires

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British Columbia's unprecedented housing market expansion will continue into 2009, as economic fundamentals and market conditions remain conducive to high sales volumes and rising prices, according to Credit Union Central of British Columbia's latest forecast.

"Lower mortgage rates, high income growth and rising in-migration through to 2009 are favourable trends supporting sales demand," said Central's Chief Economist, Helmut Pastrick. "Poor affordability for low-equity buyers due to high housing prices is the main restraint to even higher sales levels."

Housing prices will reach new highs this year and next, but with a slowing in the rate of increase as market conditions ease. Prices will typically increase by 10 to 12 per cent this year and five to six per cent during 2009, after rising 12 to 14 per cent last year.

"The high-end market is booming across Canada as more baby boomers inherit large amounts of money, and the Canadian economy is booming right along with it," says Ann Chiasson, an agent with Sea to Sky Premier Properties in Whistler, whose current listings include an \$18 million Whistler chalet. She adds that reasonable interest rates and a desire for unique, higher-end properties are driving the market as well.

Also fueling the high-end market are foreign and second-home buyers, though not necessarily from the United States. The weak American dollar, which for the first time in decades was worth less than the Canadian dollar, has been making real estate in Canada more expensive for Americans.

However for many high-end buyers from major U.S. cities, prices here are a bargain by comparison. In New York for example, a penthouse suite at the Pierre Hotel in Manhattan goes for \$70 million and a four-bedroom suite at the Waldorf Towers rents for \$75,000 a month.

Since the top-flight market is so cost-prohibitive, factors such as mortgage, appraisal and vacancy rates, as well as moving expenses and market fluctuations, have little-to-no effect on high-end buyers or sellers.

For real estate agents, selling homes valued at over \$10 million is a very specialized trade and most brokers in the game hold only a handful of such listings at a time. An occasional sale of a luxury property brings a larger financial boom than regular sales of median-priced properties.

A search of B.C. properties on the MLS website shows more than 500 properties priced over \$2 million. Sotheby's International alone lists 88 properties across the country in the \$2 million plus price range -- 49 of them are in B.C.

Topping the list is a \$29 million waterfront estate on Vancouver Island (pictured left) that Sotheby's listing agent Bob Milloy describes below:

Simply stated this is the finest oceanfront estate property in the Pacific Northwest. Strategically nestled on a magnificent 2.4-acre gated property with over 1,400 feet of ocean frontage, the dramatic 15,800 square-foot residence blends artfully into its seaside landscape. The residence is crafted in concrete and features spectacular living spaces including a dramatic grand hall and a world-class executive office.

While the B.C. market did enter the multimillion-dollar housing market slightly later than some other regions, it is indeed following all the usual high-end pricing patterns. That is, numbers are going up.

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