

JANUARY 2023

ASK BRANDON

www.comoxvalley.realestate 250-897-9926

BRANDON GUILÉ
PERSONAL REAL ESTATE CORPORATION



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LUXURY TOWNHOMES COMING 2023

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BUY / SELL / BUILD / INVEST

My goal, as always, is to be your trusted source of all things Real Estate. I pride myself on being at the forefront of knowledge and skills when it comes to navigating the Buy/Sell/Build/Invest Real Estate landscape. I have built amazing connections with associated trades and professionals who help to make the entire process smoother, more cost effective, and most of all, less stressful. We are all customer service first oriented. I feel fortunate to have met so many wonderful people along the way, from clients to colleagues and new friends. I've been lucky enough to have had the opportunity to work beside the best in the business, some amazing developers and builders, and many of the trades and industry professionals here in the Valley.

"Brandon is a rare breed. He does what he says. He steps in when I became overwhelmed. He is a team builder that makes you want to work with him. I have bought and sold many properties in my life. This is my first experience where I felt supported in every way. I have now worked with Brandon on three transactions and, i am sure, will be doing more with him in the future. Thanks again." Jeff T.

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THINKING OF MAKING A MOVE?
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BRANDON GUILÉ

Personal Real Estate Corporation

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My experience includes buying and selling residential and commercial properties, lease negotiating, project development, land acquisition, strata, and bareland strata properties, investment properties, dream homes, and more. I take pride in all that I do and look forward to helping each and every one of you succeed in your Real Estate goals. I believe in continual education in our ever-changing landscape as I know it's an absolute competitive advantage for my clients and me. Please take the time to check out my testimonials at Rank My Agent. If I have had the pleasure of working with you, and you would like to provide me with a review, I would very much appreciate that. My clients and their experiences are #1. If you already have, I thank you so much!

THE CRYSTAL BALL REPORT



Welcome to 2023 everyone! Here's my 2022 in review followed by projections for the year ahead. A huge heart felt thank you to all of my family, friends, & clients making 2022 the best one yet.

2022 proved to be quite the roller coaster. A super busy, low inventory 1st quarter resulted in many multiple offers and homes selling for way over asking price. One of my listings sold for \$211,111 over asking. List price \$899,000. Happy Client!

Buyers were locking in interest rates knowing they were beginning to climb. As the year progressed the Bank of Canada raised the rates 7 times in efforts to hold off a looming recession due to record high inflation, supply chain issues, and the War in Ukraine. The rate hikes slowed the buying and allowed the market through the summer to replenish some much-needed inventory. At one point in February the MLS had fewer than 185 units for sale. Annually we see 1500-1800 total transactions, or about 120-150/month. So we were down to 1 month of Inventory. This is the major reason for high prices and multiple offers. Basic supply and demand. As the 3rd quarter approached, the inventory had grown to over 540 units (We had 640 units for sale in 2016) which gave buyers options. With large interest rate hikes this affected both buyers and sellers and we witnessed a substantial drop in prices. As I write this, we sit at 358 Units for sale. Pushing back into a seller's Market and you are witnessing prices hold and, in some cases, rebound. There are still some great deals out there to be had. 2023 will be a great year to buy if you are not looking for a high ratio mortgage. The most successful Real Estate people always try and take advantage of market dips.

As we know month-to-month, and statistics in general, can be skewed. Historical stats and trends, however, are better predictors and should be relied upon in times of uncertainty. Campbell River stats are very similar trends. Historically in the Comox Valley home prices between 1980 and 2000 rose on average **+4%** annually. From 2000 to 2015 that number doubled to **+8%** annually. In the last 7 years that percentage has grown to **+12%** annually, Albeit the last 7 years have been all over. 2014 v 2015 **+1%**, 2015 v 2016 **+14%**, 2016 v 2017 **+19%**, 2017 v 2018 **+10%**, 2018 v 2019 **+7%**, 2019 v 2020 **+9%**, 2020 v 2021 **+26%**, 2021 v 2022 **-5%**.

The last negative year(s) we experienced were in 2012 **-1%** and in 2013 **-2.6%**.

So, we have crashed back down to reality from 2021 in 2022. **What does 2023 have in store for us?**

January 25th is the first interest rate announcement of the year. A few Economic indicators considered are unemployment rate and bond yield rates. Employment is up and bond yields are down so it's a dice toss what will happen. Some feel that we will see another half point, others that there will be no changes. Overall, for the year experts believe the rates will stay relatively constant with potential rate drops in the last few announcements of the year assuming inflation falls as predicted. Long term we should see the rates drop a percentage or two over the next 24 months. Prices should level out but a busy spring could add inventory forcing competitive pricing.

There are some ways for the government to ease the pain for buyers. They could eliminate the stress test which was implemented years ago as a protection mechanism in the event rates might climb to 5%. Guess what? They did! So why continue with this policy? Stress test forces buyers to qualify 2% higher than the given current rate.

Another option would be to extend terms to 40 years vs the max 35 years that are available in some situations. On average, homeowners buy and sell every 7 years. Mortgages are front loaded with interest heavy payments so stretching the length to soften the monthly expense today is one way to go. History says your value will grow helping to offset the added interest burden.

The government has stepped in with more changes to the Industry. As always, being reactive instead of proactive. These new changes include the prohibition on rental and age restrictions in Strata developments, New 3-day Buyer Rescission period on accepted offers, and a 2 year freeze on non-Canadians buying real estate. Of course, all 3 of these changes are full of exceptions and rules. See Page 11 New Changes to Real Estate, for more on this.

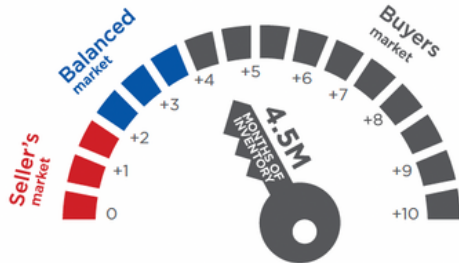
Please reach out to me directly to discuss how this may affect you, and how you can use these changes to your advantage in your Real Estate portfolio.

MARKET REPORTS

COMOX VALLEY REAL ESTATE MARKET UPDATE

JANUARY 2023

MARKET CONDITIONS



4.5

MONTHS OF SINGLE FAMILY HOME INVENTORY

As of December 31, 2022 we had 135 listings. 30 listings were sold in December

AVERAGE SALE PRICES BY CATEGORY

\$785,900

DETACHED



▼ **Month to Month**
Down 0.05% from \$786,300 (based on 30 sales)

▼ **Year to Year**
Down 4.9% from \$826,400

\$416,700

CONDOS



▲ **Month to Month**
Up 7.8% from \$386,500 (based on only 7 sales)

▼ **Year to Year**
Down 5.3% from \$439,800

\$512,400

ATTACHED TOWN HOMES



▼ **Month to Month**
Down 15% from \$605,600 (based on only 6 sales)

▼ **Year to Year**
Down 10% from \$572,100

HPI BENCHMARK PRICE DETACHED HOME

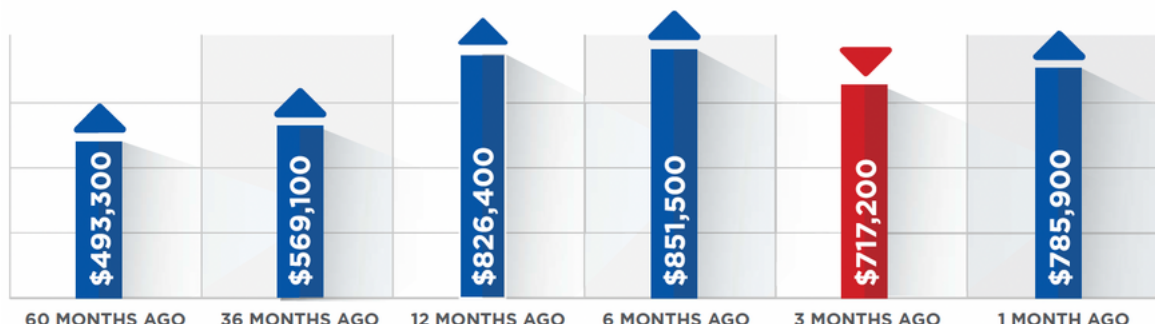
\$789,500

DECEMBER 2022



▼ **Month to Month**
Down 2.3% from \$807,900

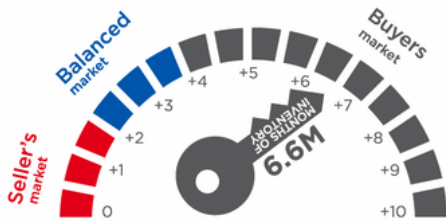
60-MONTH AVERAGE PRICE HISTORY - DETACHED HOME



60 MONTHS AGO 36 MONTHS AGO 12 MONTHS AGO 6 MONTHS AGO 3 MONTHS AGO 1 MONTH AGO

CAMPBELL RIVER REAL ESTATE MARKET UPDATE JANUARY 2023

MARKET CONDITIONS



6.6
MONTHS OF SINGLE FAMILY HOME INVENTORY
 As of December 31, 2022 we had 118 listings.
 18 listings were sold in December.

AVERAGE SALE PRICES BY CATEGORY

\$705,700

DETACHED



▼ **Month to Month**
 Down 3.8% from \$733,700
 (based on 18 sales)

▲ **Year to Year**
 Up 3.6% from \$681,000

\$259,500

CONDOS



▼ **Month to Month**
 Down 43% from \$453,000
 (based on only 1 sale)

▼ **Year to Year**
 Down 22% from \$333,000

\$577,500

ATTACHED TOWN HOMES



▲ **Month to Month**
 Up 20% from \$481,500
 (based on only 3 sales)

▲ **Year to Year**
 Up 25% from \$460,300

MLS® SALES SUMMARY - DECEMBER 2022

Presented in chart form below are the single-family residential unit sales, average sale prices, and median price information for all zones within the board area.

Zone	UNIT SALES				AVERAGE SALE PRICE				Median
	Dec 2022	Nov 2022	Dec 2021	% Change	Dec 2022	Nov 2022	Dec 2021	% Change	
Zone 1 - Campbell River	18	23	24	-25.00%	\$705,722	\$733,665	\$681,012	3.63%	\$677,500
Zone 2 - Comox Valley	30	41	39	-23.08%	\$785,897	\$786,279	\$826,438	-4.91%	\$727,500
Zone 3 - Cowichan Valley	29	46	33	-12.12%	\$738,207	\$726,264	\$864,142	-14.57%	\$725,000
Zone 4 - Nanaimo	64	55	71	-9.86%	\$773,795	\$755,586	\$859,547	-9.98%	\$745,000
Zone 5 - Parksville-Qualicum	28	44	23	21.74%	\$841,864	\$894,193	\$928,591	-9.34%	\$750,000
Zone 6 - Port Alberni-West Coast	21	22	21	0.00%	\$604,516	\$660,455	\$627,421	-3.65%	\$476,942
BOARD TOTALS	200	244	222	-9.91%	\$735,529	\$755,001	\$802,874	-8.39%	\$702,501

Source: Multiple Listing Service® (MLS®) sales data from the Vancouver Island Real Estate Board (VIREB). Please note that single-family detached figures in this report exclude acreage and waterfront properties. The board totals include Zone 7 - North Island, Zone 9 - Out-of-Board Properties, and Zone 10 - Islands figures, which are not listed separately



Price decline and affordability

Jackson & Associates – Valuation and Advisory Services

Below are parts of a recent report put out by the appraisers Jackson & Associates. Excellent insight. Overall flat prices this year with best buys in the slower listing months as inventory weakens. Best time to sell? When Inventory is lowest during the year.

House prices across the country have fallen precipitously in response to rising interest rates. The Canadian Real Estate Association (CREA) recorded a decline in their benchmark housing price of 16.4% from the market peak in March to November 2022. This marks the deepest 8-month decline in their records dating back to 2005.

Looking more granularly at the composition of this decline, it has not been borne equally by all housing types. In the year leading up to the housing market peak, prices for single-family detached (SFD), townhouses, and apartments behaved in lockstep. After the peak, price performance began to diverge as shown in the figure below. Lower-density housing products appear to have shouldered the brunt of the price correction, with the national benchmark price for SFDs down 18% compared to the 10% decrease felt by apartments.

How does this affect buyers?

Just as price declines have not been equally felt by the various housing types, so has the affordability of buyers' preferences. At the peak of the housing market, an interest rate of 2% for a year fixed-term mortgage was available to most buyers. At the time of writing, prevailing fixed rates are hovering at 5.5%. This has drastically increased the debt cost of residential mortgages, offsetting the affordability increment gained through the price decline alone. Since higher-density housing products have experienced less of a correction, there is less price decline available to offset the increased borrowing cost, resulting in a disproportionate increase in new mortgage payments. Figure 3 illustrates the price impact on new mortgage payments and price declines from March to November for the three major housing products. In summary, despite the significant price declines, affordability is worse today than it was at the peak with higher-density housing products experiencing the greatest loss of affordability.




			
	Detached	Townhouse	Apartment
March	\$ 966,200	\$ 778,300	\$ 598,100
November	\$ 794,000	\$ 668,000	\$ 536,400
Price Decline	-18%	-14%	-10%

Figure 1 – National Average Unseasonalized Housing Price by Type from March to November
Data Source: CREA

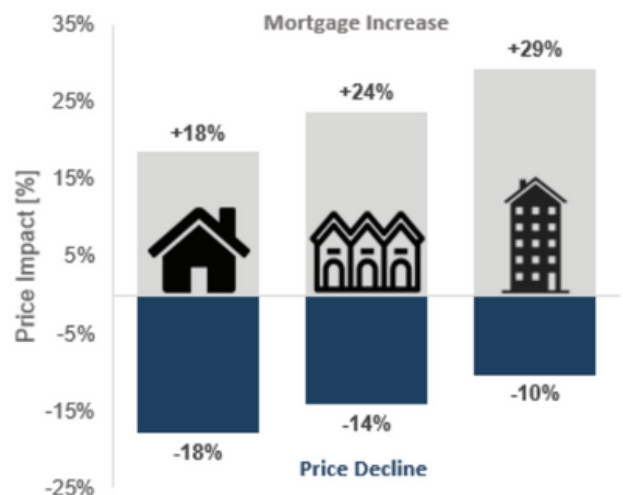


Figure 3 – Price Impact on Nominal Mortgage Payments and Housing Prices from Peak to November

MT. WASHINGTON REAL ESTATE REPORT



As of January 6th there are 17 total active listings on Mt. Washington, including 1 townhouse, 5 bare lots and 11 condos (no chalets). 2021 saw a continual increase in demand and a continual decrease in Inventory. Basic economics says this is the recipe for continued market growth.

The inside stats on the 2022 Mt Washington Real Estate Market:

- 30 properties sold for the year, compared to 88 in 2021
- 16 condos, 4 chalets, 1 1/2 duplex, 3 townhouses, and 6 lots
- Chalets low was \$775,000, Median at \$875,000 and High of \$1,260,000
- Condo low of \$299,900, Median of \$489,000 and a High of \$750,000
- Last Penthouse to sell at Bear Lodge in April 2022. 3bed/2bath for \$692,000.
- In 2022, 16 condos sold. In 2021, 44 condos sold. In 2020, 31 condos sold. In 2019, 29 condos sold. In 2018, 30 condos sold. A drop of 50% compared to the average.
- Land prices ranged \$325,000 - \$384,900, with a Median of \$350,000.
- No lots sold in the Village 799.

Always remember that pricing can be affected by as much as \$60,000 based on the difference between Freehold and Leasehold, and GST if applicable. Make sure to confirm this when you're looking at prices.

*These stats are taken from the MLS system and do not consider private sales.

Mt Washington had an average year in sales

Factors include;

- A strong Mtn. ownership group continuing to make improvements to the infrastructure and plan towards a 4-season resort
- interest rates on the rise
- Ability to convert leasehold properties to Freehold properties
- COVID forced BC'ers to look locally for Vacation properties and investment properties
- Optimism over the improvements to the fire safety programs and upcoming Volunteer firehall
- SKY ISLAND - 56 New Lots coming. Check out the Mt Washington Website for an interactive 3D Map



**SKY
ISLAND**



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CUMBERLAND REPORT

Dodge City 2022 in Review

INTRO

As of January 6th, 2023 there are 18 total active listings in Cumberland, priced between \$390,000 - \$1,184,900.

2022 saw a busy 1st half of the year cooling in the 2nd half as record high inflation and 7 Interest rate hikes in a calendar year hurt affordability and pushed many buyers to the "wait and see" sidelines.

THE OVERVIEW

- 72 total properties sold, compared to 99 in 2021 and 81 in 2020.
- 59 Single Family Homes (SFD), 9 Townhouses, 1 manufactured home, 1 condos, 2 Half Duplexes, **NO** commercial properties or lots



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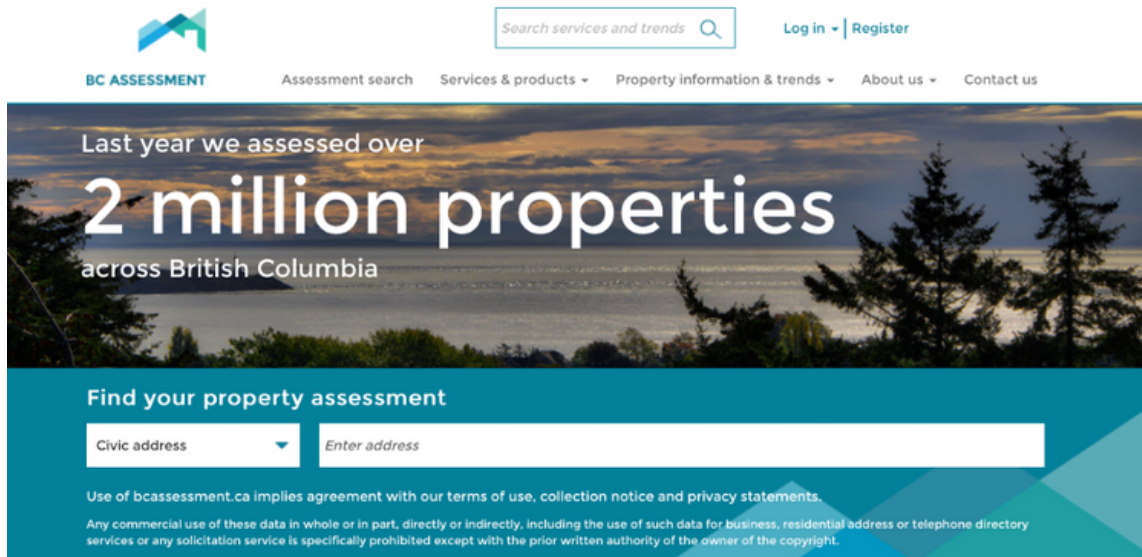
THE STATS...

- Lowest price \$310,000 (a lot)
- Highest price \$1,410,000 (built 2017)
- Median price \$865,000
- Median price per sq. ft \$465
- Highest price per sq. ft \$753
- Avg # Days on Market - 17
- 24 of 59 Single Family Homes sold unconditionally in 2 weeks or less of listing (41%)
- 33 of 59 Single Family Homes sold for asking price or higher- 56% (2021 - 72%, 2020 - 48.5%)
- **The highest over-asking price paid was \$142,300 over list price.**
- Only 4 homes sold for more than 10% over asking
- Oldest homes to sell. 6 Homes from 1901 and 1 dated 1891 on Dunsmuir
- 9 Townhomes sold. Low \$400,000 High of \$740,000 -Stoneleigh
- Knickle & Grant selling New Build homes on Maple Street at the base of Coal Valley Estates

Check out my website at comoxvalley.realestate for more great information!



Statistics provided by Building Links and MLS. These statistics do not take into account private sales.



Owners of over 384,000 properties throughout Vancouver Island should have received their 2023 assessment notices, which reflect market value as of July 1, 2022.

“Homeowners across Vancouver Island can generally expect about 10% to 20% rise in assessment values with a few exceptions in the Central and North Island areas,” says Vancouver Island Deputy Assessor Jodie MacLennan. “While the current real estate market has been trending downwards, it is important to consider that 2023 assessments are based on what your home could have sold for as of July 1, 2022, when the market was performing higher.”

As B.C.'s trusted provider of property assessment information, BC Assessment collects, monitors and analyzes property data throughout the year.

It should be noted that an assessment is performed online by assessors using previous sales data prior to July 1st, of “like” properties, considering size, location, # of bedrooms and bathrooms, age, lot size, and any building permit values updated with the local municipality.

They are unable to consider interior updates that didn't require a permit or those performed without permit. They don't consider that you just put a new roof on your home or updated your septic system, brand new kitchen or that new heat pump upgrade. For these reasons and many more it's important to understand an assessment is for tax purposes and should be only 1 information source when looking to value a home currently for sale in the Marketplace. The market changes substantially in 12 months so adjustments should be made for the time of year it is currently compared to the July 1st snapshot.

Your local Real estate expert can help you realize the actual Market Value of your home or any other home for sale based on a number of factors that best reflect your homes true value in the market right now.

Overall, Vancouver Island's total assessments increased from about \$342 billion in 2022 to almost \$386 billion this year. About \$4.78 billion of the region's updated assessments is from new construction, subdivisions, and the rezoning of properties. About 1.5% addition to the Inventory stock. With heavy immigration underway it's imperative to see this number grow substantially to maintain affordability. New builds have fallen short of meeting immigration demand for decades which is one of the key factors in home prices climbing on Vancouver Island and across the country.

BC Assessment's Vancouver Island region includes all communities located within Greater Victoria, South Island, Central Island, North Island, the West Coast, Northern and Southern Gulf Islands and Powell River.

It is important to understand that changes in property assessments do not automatically translate into a corresponding change in property taxes. As indicated on your assessment notice, how your assessment changes relative to the average change in your community is what may affect your property taxes. My 2023 Property Assessment notice shows my property value change as +10% however the City of Courtenay's average change is +13% so I should not see an increase in my taxes. Find yours in the right-hand column of your assessment.



Brandon is a **MASTER CERTIFIED NEGOTIATION EXPERT** 2018 graduate and one of only a select few agents located on Vancouver Island with this designation.



Our dog, Sula, is the by far the best negotiator in our house!

Core concepts of Negotiation

Negotiation is a process in which two or more parties seek to reach an agreement on a course of action or the terms of a relationship.

Some core concepts of negotiation include:

- 1. Interests:** Understanding the needs, concerns, and goals of all parties involved in the negotiation.
- 2. Options:** Identifying a range of potential solutions or courses of action that could address the interest of all parties.
- 3. Criteria:** Establishing clear, objective standards or criteria for evaluating the options and determine which one is most acceptable to all parties.
- 4. Communication:** Sharing information and viewpoints openly and honestly to reach a mutually beneficial agreement.
- 5. Relationship:** Building and Maintaining a positive, collaborative relationship with the other party or parties involved in the negotiation.
- 6. Power:** Recognizing and using one's own and the other party's power & influence in the negotiation process.
- 7. Ethics:** Adhering to principles of fairness and respect in the negotiation process.
- 8. BATNA:** Best Alternative To a Negotiated Agreement. Refers to the most advantageous alternative course of action a party can take if negotiations fail and an agreement cannot be reached.

What is the New Home Buyer Rescission Period?

On January 3, 2023, The Home Buyer Rescission Period (“HBRP”), or cooling-off period, will come into effect for residential real estate transactions in British Columbia. This new measure will give homebuyers the right to rescind an offer on a home within three business days of a contract being accepted. However, there is a cost to rescind. This new legislation is in line with a similar 7-day rescission period already in place with pre-sale new development real estate. The intent is to provide Buyers with more time to consider their offers, ensure financing, and conduct due diligence on the property including home inspections. These changes are a response to concerns about Buyers being unable to include conditions in their offers, “unconditional offers” for fear that sellers would simply not accept them in a highly competitive market.

3
Days

Below are some highlights of the new HBRP.

- The right to rescission cannot be waived by either the buyer or the seller.
- If the offer has any subject clause(s) in the contract, the subject removal period runs in conjunction with the rescission period. For example, if you have a “subject to financing” clause with ten days to remove it, the three-day rescission period will start at the same time as the home inspection subject removal period.
- The rescission fee is 0.25 per cent of the accepted purchase price, or \$250 for every \$100,000, for those who cancel their contract.
- The three-day rescission period excludes weekends and holidays.
- HBRP applies to transactions of residential real estate property, regardless of whether a real estate licensee is involved in the transaction.

Foreign Buyer ban in effect for 2 years

For a period of two years starting January 1, 2023, non-Canadians are banned from purchasing homes in Canada under the definition of “residential property” indicated in the legislation and associated regulations that the federal government published on December 21, 2022.

Although further technical interpretations of the regulations are still pending, here is the current understanding of the regulations.

Exceptions exist for international students, temporary residents, specifically exempted foreign nationals and refugee claimants, subject to varying conditions, such as tax filing and residency obligations.

Properties located outside of a Census Metropolitan Area (CMA) or a Census Agglomeration (CA) are excluded from this prohibition.

An order requiring the residential property be sold may be sought if certain conditions are met, namely the non-Canadian is the owner at the time the order is made, and notice requirements have been met.

Certain aspects of the Foreign Buyers Ban still lack clarity, including the exemptions. Under CREA's jurisdictional leadership, we are actively engaged in ongoing dialogue with federal policymakers, legal experts, Statistics Canada, the Canadian Mortgage and Housing Corporation and other stakeholders for clarification on the ambiguities.

Foreign buyers account for less than 2% of buyers in most small markets. That is true for Comox valley and North.

Changes to the Strata Properties Rental Bylaws

Below are some highlights of the new changes to the rental bylaws for Strata properties;

- Bylaws that prohibit the rental of strata lots are no longer enforceable. All strata lots can now be rented out.
- Bylaws that enforce only a certain number of rental units within a strata building are no longer enforceable.
- Prohibitions on short-term rentals (less than 30 days) are still allowed and enforceable.
- Any bylaws restricting the age of persons who may reside in a strata lot for persons under 55 years are no longer enforceable.
- There is no obligation for strata corporations to update their current bylaws to reflect these changes; however, they should note that some of their bylaws will no longer be enforceable.

These changes may affect not only the use and occupancy of people's strata lots, but also the way in which their properties are listed, marketed and valued. For strata corporations in vacation 'hotspots' or older buildings with noise issues, these amendments may lead to more disputes and complaints for the strata corporation to address on an ongoing basis.

These changes open up opportunities for smart investors in highly desirable strata developments that have otherwise been solely for owner occupied ownership.

