



View adds 8 per cent to resale home value

Having a view adds 8 per cent to the value of a resale house in Metro Vancouver, while having a close proximity to a good school adds 6 per cent to the price, according to a unique study done by Canada Mortgage and Housing Corporation.

The study, the first of its kind, looked at actual MLS sales data on 1,200 houses and 3,000 condominiums sold this year through the Real Estate Board of Greater Vancouver, and the information is considered accurate for both the Fraser Valley and Chilliwack markets, according to CMHC senior housing analysts Robyn Adamache.

"The study showed what buyers are prepared to pay extra for," Adamache told CMHC's annual Housing Outlook Conference in Vancouver last week.

Location proved to be the number one determination of value, the study found, and the results were startling.

Using Coquitlam as a base, the study found that a detached house valued at \$600,000 in Coquitlam would sell for \$1.8 million on the West Side of Vancouver, \$1.1 million in West Vancouver and for \$800,000 in neighbouring Burnaby.

The age of a detached house proved important as well. Based on the study, buyers were willing to pay an average of 26 per cent more for a house that was less than 10 years old, compared to an older house.

In the condo market, the value perception study revealed that buyers would pay 24 per cent more for a condo apartment that was less than five years old, compared to older models.

As for size, the study should a direct correlation between the condo's square footage and the price - for every 10 per cent increase in floor size, the sale price went up by 10 per cent, for example.

A second bath in a condo added 8 per cent to the value, the study found.

Allow pets in a condo building increased the selling price by 6 per cent, and if rental are allowed, the price premium was an extra 5 per cent.

The Outlook conference also forecasted what is going to happen in the Lower Mainland housing market for next year - and it appears a balanced market is expected.

CMHC forecasts that Greater Vancouver MLS sales will increase 9.1 per cent in 2012 to 36,000 units, while the average price for all types of housing will increase 2.2 per cent to \$805,000, compared to \$788,000 this year.

In the Fraser Valley MLS sales are forecast to decrease 3.4 per cent in 2012, to 14,000m units, with the average price for all types of property holding steady at \$505,000.

In Chilliwack, sales and prices are forecast to remain stable in 2012, with an average detached house price in the \$350,000 range.

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