



March 2008

Happy St. Patricks Day!

Real Estate Tracker

MAKING THE SALE - Selling your home is no longer as simple as plunking a 'For Sale' sign on your lawn - here are some **tips for success in a challenging market:**

As housing inventories rise, sales drop and buyers become more selective, leading real estate agents in Vancouver are advising home sellers to not only check their expectations in terms of price, but ensure their home or investment property stands out from the competition.

With the real estate slowdown now in full swing across the Lower Mainland, hundreds of homes have been sitting on the market for 30, 60, 90 days and in some cases even a year or more. Yet despite the seemingly endless barrage of negative news, homes are still selling and in many cases quickly.

Why do some homes languish on the market and others sell?

It's a simple question, but one that home sellers often ignore or choose not to address because their desire to achieve a particular price outweighs their need to sell. Sadly, in other cases it's an unwillingness to come to terms with the realities of a fast changing market.

Regardless, the answer to the question usually lies in a handful of factors and to a large extent they are controlled by sellers.

The first factor is price. Pay attention to comparable sales in your area and only consider ones that have occurred recently. We all love to project our dreams onto our neighbour's selling price, but prices in the Lower Mainland are changing rapidly. You may be setting yourself up for

disappointment by using stale data to set your price - and data can be stale in a month.

Most importantly, listen to the advice of your agent and avoid pressuring them to list your home at the price you want versus what the current market will bear. Set the price realistically for the first open house and you will improve your chances of generating interest and a sale.

Second, working with a reputable agent you trust and respect is critical. Check references and consider how other properties they have listed are being priced and marketed. Also, the way agents market themselves often translates into how they market homes and with real estate, like any other product, it's all about marketing.

Lastly, pay attention to how your homes is being presented for sale because once your home goes on the market, it's in competition with all the other homes in your area and price range. Start by asking the opinion of your agent and then contact a professional home staging company for a second opinion. Most home staging companies offer a wide range of services from consultations to other enhancements like cleaning, de-cluttering, painting, landscaping and changing décor using rental furnishings, art, lighting and accessories. It is crucial that prospective buyers have a good first impression of your home because often you only get one chance.



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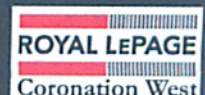
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Real Estate Tracker

Brace for quick, sharp economic upturn

Canada's central bank says the current recession will be deep but relatively short-lived.

The Bank of Canada's first detailed economic analysis this year shows three-quarters of contraction in Canada, beginning last fall and continuing until mid-2009.

The January-March quarter retreat will be particularly pronounced, with a 4.8% annualized rate of decline.

But in a break with many private-sector economists, bank governor Mark Carney says Canada will start bouncing back as early as July, grow strongly next year at a 3.8% clip and return to full capacity in mid-201

"When recoveries come, they come sharply," said Carney in a news conference.

The central banker says the extraordinary monetary and fiscal stimulus being injected around the world, including a multibillion-dollar package expected from Ottawa in Tuesday's budget will be instrumental in rescuing economies.

Canada's recovery will be quicker than previous recessions in 1981-82 and 1990-92 and stronger than other G7 countries because of the relative health of the economy, including low interest rates, low inflation, government balance sheets, and relatively low unemployment entering the slump, Carney said.

"Our level of indebtedness is far less than in other countries and our budgetary wiggle room of the federal government and provincial governments is much better than before," he said.

Prime Minister Stephen Harper has suggested Ottawa is prepared to inject up to \$30 billion in spending for such things as infrastructure construction and tax cuts.

The central bank says it detects faint signals of easy money markets and believes credit conditions will continue to improve.

"The anticipated normalization of financial conditions, together with the stimulus coming from monetary and fiscal policies, should boost the growth of consumer spending in 2010," the bank writes in its January Monetary Policy Report.

Canada's money markets, although tight, have not been as adversely affected as in many other countries, the bank adds.

While effective interest rates to businesses and households remain high relative to the Bank of Canada's historically low benchmark rate (recently dropped to 1%) commercial rates are lower than when the crisis began.

The bank also says availability of credit in Canada remains relatively healthy, although it notes some non-bank lenders have ceased operations.

Finance Minister Jim Flaherty called tight credit

Financial News

OTTAWA – The Bank of Canada announced on March 3rd, 2009 that it is lowering its target for the overnight rate by one-half of a percentage point to 1/2 per cent. The operating band for the overnight rate is correspondingly lowered, and the Bank Rate is now 3/4 per cent. This means Prime is actually sitting at 2.5% for any variable rate clients.

Fixed rates have actually decreased quite a bit as well and are actually the lowest that any of us have seen in bank history. Most of the 5 year fixed rates are in the mid to low 4% range.

Unfortunately when the fixed rates fall this low it creates a different type of penalty than your typical 3 month interest penalty. A lot of times an IRD or (interest rate differential) is created which can sometimes be more costly to break your mortgage to take advantage of the lower rates now offered but in the long run it usually proves to be worth the effort.

If you are interested in seeing if it would be worth it for you to take advantage of the new rates please don't hesitate to give us a call. We can run amortization schedules so that you can see if it would be advantageous to move from your existing fixed rate to either a new fixed rate or a variable mortgage.

On another note the new Federal Budget also brought out new bonuses for home owners and buyers. Budget 2009 proposes to introduce a new non-refundable tax credit based on an amount of \$5,000 for first-time home buyers who acquire a qualifying home after January 27, 2009 (i.e. the closing is after that date). The credit for a taxation year will be calculated by reference to the lowest personal income tax rate for the year and is claimable for the taxation year in which the home is acquired.

A message from the President of the Greater Vancouver Real Estate Board: Sales are improving!

In January 2009, we saw an average of 38 sales per day across our Board area. As at the close of business on February 17th, we're averaging 77 sales per day for the month! February is typically a busier month for sales than January. Nonetheless, I thought you would appreciate this update. Keep up the great work!

Yours truly,

W. Dave Watt
President
Real Estate Board of Greater Vancouver

"Oh, by the way, if you know of anyone who is thinking of buying or selling a home who would appreciate this same level of service, just give me a call with their name and number. I'll be happy to follow up with them for you"
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