



SLOWDOWN HELPS HOMEOWNERS RENOVATE FOR WHEN IT HEATS UP



by Mark Cooper

When real estate is in the news, friends and acquaintances often press me to forecast the future of home prices on the North Shore. Further up? Steady? Down?

I tell them that my daily dealing with homeowners, realtors and builders here hasn't given me a crystal ball, but they still ask. My responses these days are fairly positive – the North Shore is in a great position to weather any real estate storm, and to continue to more than capitalize on any general upswing.

But if my friends get any value from my musings, it may be from my opinions about how construction and renovation could affect value in the various possible futures.

Turmoil and dropping prices in the US are having some effect here, but in the longer term, things look good. We've had a pre-2010 boom. The real effect of the Olympics, though, will come a year or two after the games. Expo 86 boosted prices after millions saw the West Coast. In 2010, TV and the internet will beam our beautiful mountains to billions.

Vancouver is always in the top three most livable cities, but homes here are still less expensive than most of the top 10. In London, a basic one-bedroom flat can go for \$2 million.

The Thames may be nice, but it's no Ambleside –

and you can't ski 10 minutes from home. In San Francisco any property with just a glimpse of The Bay gets \$3 million... the price for sweeping views of ocean and city from a North Shore mansion. Prices here have some room to grow.

North Shore homeowners have made sizable gains in their equity positions in recent years and, with softer markets elsewhere, many are tempted to cash out. But it can be scary to give up a home now – it's expensive to find another home here, and even more expensive to trade up.

So, if you're happy with what you have – the neighbourhood, the neighbours, schools, etc. – you have an incentive to re-invest in your own home. Besides, if you buy a different house, you'll probably do some renovation anyway.

Selling and buying means a myriad of costs: agents' commission, lawyers, transfers, taxes, moving costs, refinancing fees and possible penalties. Add it up and think about the renovation that money could buy.

Kitchens and bathrooms continue to be the renovations that produce the most value. On the North Shore, renovations that add a level or part-level to take greater advantage of the views are smart. And just opening up a floor plan can make your home feel huge. Enlarge for a growing family, or for more entertainment space.

But be sure your renovation makes your home "cool."

Green building used to be mainly about saving on energy costs, although renovations usually cost more than savings on heating. Now, eco-friendly building is valued just on its own.

Exotic hardwood floors still look nice, but buyers want materials to be environmentally responsible – they don't want to help destroy the Amazon. To look at what's happening with green building here, check out

This may be something that's like the dramatic change in the North American vehicle market – a few months ago, almost overnight, big trucks and SUVs stopped selling. Part of that has to do with the cost of fuel, but it's also about what's now cool.

In a recent column Peter Simpson, head of the Greater Vancouver Home Builders' Association, pointed out that there's no slowdown in the market for homes that have what buyers now demand – advanced technology, sustainable construction methods and eco-friendly materials. As he quotes business guru Tom Peters, "Cool stuff is cooler than stuff that's not cool."

Mark Cooper is president of Shakespeare Homes and Renovations, Inc. 604-970-2281
www.shakespearehomes.com