

## Prices of luxury homes soar to new heights

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More than 400 properties sold for at least \$1.5 million during the first five months of this year -- a 90-per-cent increase over the same period last year, according to a Re/Max report released Wednesday.

The most expensive home sold on the Multiple Listing Service in the first five months of this year is a 20,000-square-foot mansion on Drummond Drive in Vancouver that sold for \$8.5 million. The most expensive property currently for sale on the MLS is an 11,000-square-foot waterfront home on Radcliffe Avenue in West Vancouver. It's listed for \$20.88 million.

Re/Max executive vice-president Elton Ash cited three main factors for the surge in luxury home sales all across Canada -- a strong economy, solid consumer confidence and existing equity-rich homeowners moving up to the top end of the market. The report also said out-of-province and international buyers are significant factors in Greater Vancouver, Victoria, Kelowna and Edmonton.

Sixty-two residential properties in Victoria sold for \$1 million or more between January and May of this year, a 48-per-cent increase. The number of \$1-million-plus Kelowna home sales shot up by 125 per cent to 36.

West Vancouver realtor Malcolm Hasman, who sold the Drummond Drive mansion and is the listing agent for the Radcliffe Avenue property, said more than half of his buyers are from outside Canada -- mainly families from the U.K., Australia, the U.S., Iran, China and Korea.

"They're mostly cash buyers attracted by the city's lifestyle and the most popular price range is from \$3 million to \$6 million," he said.

Hasman said the seller of the \$20.88-million West Vancouver home is a non-Canadian who purchased the property two years ago for \$17 million. He said four offers have been rejected in the past eight months, mostly from foreign residents looking to move to Vancouver.

The Re/Max report said limited inventories of upscale homes in Vancouver, Calgary and Toronto have placed serious upward pressure on prices in "blue chip" neighbourhoods. Hasman said the inventory of West Vancouver waterfront properties has dipped to its lowest level in 20 years.

"There's a total inventory of close to 400 waterfront properties, but there are fewer than eight available for sale now and only five are priced below \$10 million," he said.

The report said emerging \$1-million-plus neighbourhoods in Vancouver include Kerrisdale, South Granville and Marpole, where teardowns and infill developments are creating exclusive new enclaves.

Vancouver real estate analyst Oswald Jurock said more than half of the high-end buyers around Vancouver are local residents but out-of-province buyers from Alberta, the U.S. and offshore locations play a major role in upscale markets in Vancouver Island and the interior of B.C.

He said the number of single-family homes valued at \$1 million or more throughout B.C. has nearly tripled in the past two years, to nearly 22,000, and he expects inflationary pressures will force prices even higher.

"We're in a worldwide inflationary environment and as long as we keep printing money, prices will go higher," he said.

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#### THE HIGH-END HOME IS IN HIGH DEMAND

Demand from local purchasers is largely driving a surge in Greater Vancouver luxury home sales, a Re/Max report says.

Most expensive Greater Vancouver home sold on MLS (to May, 2006):  
\$8,500,000

Most expensive home currently listed for sale on MLS

(3330 Radcliffe Ave. in West Vancouver, shown at right and below):  
\$20,880,000

Increase in sales of luxury homes (\$1.5 million+) in Greater Vancouver, comparing January to May 2005 to same period this year: 90%

Ran with fact box "The High-End Home Is in High Demand", which has been appended to the end of the story.

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