

Vancouverites house rich, cash poor as market takes on chill

Darcy Wintonyk and Lynda Steele, CTV British Columbia

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Vancouver's red hot housing market has taken on a distinctive fall chill, which has many would be buyers and sellers sitting on the fence right now.

Christine Jassen and her partner are looking to cash in on their biggest asset by selling their 52-year-old ranch home on Vancouver's tony west side for just over \$1.9 million.

"I'm in my 50s; it would be wonderful to have an account full of a few hundred thousand dollars, absolutely."

But while last year this home would have likely seen multiple offers, it's now been on the market for 130 days with no takers. It's even had a price reduction.

Realtor Lorne Goldman, who specializes in real estate on Vancouver's west side, says he's seen the price of some listings drop by 10 per cent recently.

"I think buyers are hoping 'the bubble's going to burst, the bubble's going to burst,'" but you know, people have so much equity in their houses, it's gone up so much, nobody's really forced to sell," he told CTV's Steele on Your Side.

But there are also lots of 'house rich, cash poor' residents in Metro Vancouver whose yearly property taxes have soared beyond their ability to pay – seniors on a fixed income who bought properties years ago before the prices skyrocketed.

Blair Mantin, bankruptcy trustee at Sands & Associates, says seniors are the fastest growing segment of people he sees who are in financial trouble.

He calls them the grandpa debtor: "We deal with people when they're in a situation where they can no longer pay their bills and need to take some steps, whether that's a payment plan, or to sign themselves into bankruptcy," Mantin said.

Seniors are less likely to be able to pay off debt because they can't count on their income going up.

"Once they're on a fixed income it's pretty tough to chisel away when you're only able to make the minimum payments," he said.

Many homeowners in high-end neighbourhoods are looking for relief.

This year, 31,291 B.C. residents over the age of 55 have registered to defer their property taxes. Of those cash-strapped homeowners, 3,000 are in the city of Vancouver.

Others are looking to sell off high-priced real estate so they can help their adult children get into the housing market.

Goldman calls it the bank of mom and dad.

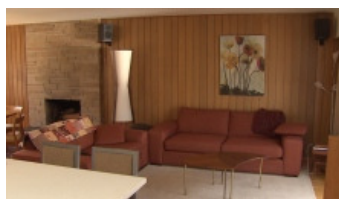
"So when kids are looking to buy it's quite unaffordable in Vancouver so they get a loan from the bank but help on the deposit from their parents," he said.

Greater Vancouver home sales in August were the second lowest since 1998, but the prices stayed relatively flat.

Goldman says despite the market correction this year the Asian buyers are still coming from Mainland China. The Wall Street Journal did a study recently, and found their number one priority is a good education system and their number one destination is still Canada.

Have your say: Is the Vancouver housing bubble going to burst?

PHOTOS



This rancher home is selling for \$1.9 million on Vancouver's west side.

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