

MAY 2024

LIVING SPACES

THE INSIDERS' LOOK AT REAL ESTATE

FORECAST *REAL ESTATE EDITION*

CAPITAL GAINS TAX

Inclusion Rate Rises - What it Means for You

FEATURED LISTING

FIRST TIME HOME BUYER PERKS

2024 Budget Boosts Home Buying Affordability

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- REALTY -

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A REAL ESTATE NEWSLETTER



INCLUSION RATE RISES WHAT IT MEANS FOR YOU

Understanding Capital Gains:

- A capital gain occurs when you sell an asset for more than its purchase price. For example, buying a condo for \$400,000 and selling it for \$500,000 results in a \$100,000 capital gain. This tax also applies to stocks, bonds, and rental properties but not to your primary residence.

Capital Gains Tax Basics:

- **Current Taxation:** Presently, only 50% of capital gains are taxable. If you make a \$100,000 gain, \$50,000 is added to your taxable income.

2024 Budget Changes:

- **Increased Inclusion Rate:** The inclusion rate will rise to 66.67% for gains made after June 25, 2024. For the \$100,000 condo sale gain, \$66,670 will now be taxable.
- **\$250,000 Exemption:** Gains under \$250,000 will maintain a 50% inclusion rate, reducing the tax impact on smaller gains.

Implications for Home Sellers:

- **Strategic Impact:** The new rates might reduce short-term flips due to higher taxes but encourage holding properties longer.
- **Planning Needs:** Effective tax planning will be crucial. Home sellers may need to spread gains over several years or strategize around the \$250,000 exemption to minimize tax liabilities.

Future Planning:

- **Consulting Professionals:** Navigating these changes will require consulting with tax advisors to optimize financial outcomes and prepare for the new tax landscape.
- **Effective Date:** Changes take effect on June 25, 2024. Early consultation and preparation are advisable for those planning high-value transactions.

UPCOMING EVENTS

May 4-5
The Olde Farmhouse Spring
Vintage Market
17798 62 Ave, Surrey

May 5
Steveston Farmers and
Artisans Market
4111 Moncton Street, Richmond

May 12
Mother's Day

May 17-20
Cloverdale Rodeo & Country Fair
6050A 176 Street, Surrey

May 31
White Rock Night Market
14989 Marine Dr, White Rock

APRIL FORECAST REAL ESTATE EDITION

April's real estate activity in the Fraser Valley signaled a gentle increase in home sales, though still 5% lower than April last year, with 1,471 homes sold. This cooling trend places the month among the slower Aprils of the past decade.

Inventory has notably increased, with active listings rising to 7,313—a figure not seen since September 2020. This 18% increase from last month has led to a balanced market, where the sales-to-active listings ratio is now at 20%.

FOR BUYERS

The current market offers a more relaxed pace, allowing buyers to take their time. With the market balanced and inventory high, buyers have a diverse selection of properties to choose from without the frantic competition of previous years. However, caution remains due to interest rate uncertainties.

FOR SELLERS

Sellers are finding that while the market is stable, the increase in inventory means there's more competition for buyers' attention. Homes are still selling relatively quickly but may require competitive pricing and strategic marketing. As inventory continues to rise, sellers should prepare for potentially longer selling periods but can take comfort in steady prices. For the coming months, maintaining flexibility and staying informed about market trends will be key to navigating any shifts in buyer behavior or economic conditions.

MARKET FORECAST

The market's gradual price increases—such as the 1% rise in single-family homes, 0.9% in townhomes and 1.2% in condos—suggest stability, but the landscape is evolving. With the market conditions as they are, both parties have opportunities to negotiate favorable deals.

Given these conditions, now is a perfect time to seek guidance and explore your options in the housing market. Whether you're looking to buy your dream home or considering selling your property, I'm here to help you navigate this evolving landscape. Contact me for personalized advice and expert insights to make the most of the current opportunities in the Fraser Valley real estate market.





MARKET UPDATE

TOTAL HOME SALES	SALES TO ACTIVE LISTINGS	NEW LISTINGS
1,471	20%	3976
AVG. SALES PRICE DETACHED	AVG. SALES PRICE TOWNHOUSE	AVG. SALES PRICE APARTMENT
\$1,557,647	\$868,211	\$579,904

FRASER VALLEY, BC

READY TO MAKE A MOVE?
LET'S CONNECT

Whether you're considering buying your first home, thinking of selling, or just curious about your property's current value, I'm here to provide you with detailed information and personalized guide.

Market Insights:
Want deeper insights into our local real estate trends? I've got the latest data and analysis to help you make informed decisions.

FIRST-TIME HOME BUYER PERKS

In an effort to make home ownership more attainable for first-time buyers amidst rising home prices and rents, the federal government's 2024 budget introduces significant enhancements to the Home Buyers' Plan (HBP) and new mortgage rules. Here's a straightforward look at these changes and what they mean for you:

Enhanced Home Buyers' Plan (HBP):

- **Old vs. New Withdrawal Limits:** The HBP previously allowed first-time home buyers to withdraw up to \$35,000 from their Registered Retirement Savings Plans (RRSPs) to fund a down payment. Budget 2024 raises this cap to \$60,000. For couples, this means a combined potential withdrawal of \$120,000, dramatically increasing their purchasing power.
- **Extended Repayment Flexibility:** Previously, repayment of the withdrawn amount needed to start the second year after the initial withdrawal. The new budget proposes a deferment, allowing a five-year grace period before repayments need to begin for withdrawals made between January 1, 2022, and December 31, 2025.

30-Year Mortgage Amortizations for New Builds:

- **What's Changing:** The budget also proposes allowing 30-year mortgage amortizations for first-time buyers purchasing newly built homes, effective August 1, 2024. This extension from the standard 25-year amortization period lowers monthly payments, making it easier for new homeowners to manage expenses.

Impact for First-Time Home Buyers:

These measures are designed to reduce the initial financial burden on first-time home buyers:

- **Increased RRSP Withdrawal:** Allows access to more funds for the down payment, critical in today's market where saving enough can be a challenge.
- **Repayment Flexibility:** Provides breathing room to stabilize financially after purchasing a home.
- **Longer Mortgage Terms:** Offers the possibility of lower monthly payments, making homeownership more accessible and sustainable.

FEATURED LISTING

\$2,598,000

REASONS TO SEL THIS SPRING

- **Spring Activity:** Capitalize on spring's surge in real estate interest, providing an ideal opportunity for sellers to engage interested buyers, potentially leading to quicker sales.
- **Quicker Sale:** Homes are selling faster, with reduced days on the market compared to previous months, indicating strong buyer interest this season.
- **Higher Benchmark Prices:** The gradual increase in benchmark prices across all housing types, including significant year-over-year gains, suggests a profitable selling environment.



1623 Duncan Drive, Tsawwassen



3 Bathrooms



3 Bedrooms



2,496 Sq. Ft.



1 Car Garage



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