

Globe Real Estate

THE MARKET

Low rates and a crimped supply of homes has buyers rushing for their chequebooks. **Jennifer Van Evra** reports

THE BIDDING WAR IS BACK

BELOW

This home on West 5th Ave. in Kitsilano sold for \$1.142-million – nearly \$200,000 over the asking price. 'My clients were hoping to get around \$1-million or maybe \$1.05-million,' agent Terry Flahiff says. 'I think they were very happy.'

JENNIFER VAN EVRA FOR THE GLOBE AND MAIL



If someone is offering on a house that's \$950,000, but they can afford \$1.1-million, they think they'd better pay it now because that house will cost \$1.75-million before they know it.

Rod MacKay, agent

When Vancouver real estate agent Terry Flahiff listed the Kitsilano bungalow a few weeks ago, he knew it would generate interest. Located on the city's west side, the 1926 home featured hardwood floors, a large renovated kitchen, a bright two-bedroom basement suite, a white picket fence and a tree swing.

Sure, the yard was small, the view out the back was a giant condo complex, the bedrooms were tiny – the master was slightly more than 100 square feet – and it was just half a block off one of the city's busiest thoroughfares. Still, those shortcomings were quickly forgiven by the dozens of prospective buyers who streamed through the first open house saying, "Honey, I love it" and trying to imagine life without closets.

Five days later, seven agents lined up to make their offers. The asking price was \$959,000, but because of the competi-

tion, they knew they had to push higher. Only two bids came in at less than \$1-million, and in the end, the home sold for a staggering \$1.142-million – more than \$180,000 over the original price tag.

"My clients were hoping to get around \$1-million or maybe \$1.05-million," Mr. Flahiff says. "I think they were very happy."

As neighbours south of the border continue to pay the price for their housing market collapse, it seems that home buyers in Vancouver have forgotten the global economic downturn like it was yesterday's news – and that rush of optimism is fuelling a return to bidding wars.

Earlier this week on the Eastside, a partly updated Commercial Drive bungalow with a two-bedroom suite and a new garage and studio drew 10 offers – most of them with no inspections, despite the fact that the 1926 house needed a new roof, electrical upgrades and drain tile work, and had an old

oil tank buried in the back yard. The first showing was Thursday last week, and on Sunday it sold for \$113,000 over the asking price.

The same dizzying chain of events is being repeated around the city, where homes are selling in a matter of days, some for prices that sellers could not have imagined just a few months earlier. To make matters worse, many are being bought outright, because an offer that includes subjects (that is, the buyers want a few days to get an inspection or appraisal, finalize financing and so on) just can't compete.

According to veteran agent Rod MacKay, prospective buyers who have been waiting in the wings for the past year feel more confident about the economy and want to capitalize on the record low mortgage rates and reduced home prices before they drift outside their financial grasp. And because of the low mortgage rates, home ownership is now within reach

for thousands of first-time buyers who had been priced out of the market, adding to the pressure at the bottom. Meanwhile, sellers aren't jumping in nearly as quickly: A third fewer houses were on the market this August than a year earlier, giving buyers a tough lesson in the laws of supply and demand.

"Prices have moved up 10 per cent in the last six months, so people are worried that if they wait for the perfect house, it won't be affordable," says Mr. MacKay, whose client offered \$62,000 over the asking price on the Commercial Drive home, but landed near the bottom of the pack because her offer was contingent on getting two weekdays to finalize the financing. "So if someone is offering on a house that's \$950,000, but they can afford \$1.1-million, they think they'd better pay it now because that house will cost \$1.75-million before they know it."

Still, experts say that even

though Vancouver posted record sales in August – a whopping 117 per cent over the previous year – the overheated market is not likely to last. The backlog of buyers will purchase homes, and more sellers will enter the market, marking a return to a more balanced situation.

"The volatility has definitely been very surprising. We expected to see improvement from the recessionary lows, but we didn't see it rising this quickly," says Brian Yu, an economist with the British Columbia Real Estate Association, pointing to a steep decline in mortgage rates and low inventory as the central reasons behind the speedy return to a red-hot market.

"But the Vancouver numbers are showing some signs of plateauing, so the markets are probably going to stabilize over the next while," he says. "They can't increase at this rate forever."

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INTERIORS

Going into the wild, but keeping a refined design



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When you're strolling through a winter resort town, it's not difficult to identify the prevailing design motif. Call it "mountain lodge" – post and beam construction, raw logs, slate flagstone floors, river rock fireplaces, overstuffed brown leather sofas, plaid toss cushions and wrought iron chandeliers. And with all the money that's poured into Whistler, B.C. – by a wide margin Canada's hottest property market over the past two decades – that motif, while not without its charms, has become a cliché.

Other than a lack of originality, there are two reasons for the proliferation of "mountain lodge" interiors. The first is the idea that the scale of the environment outside should be reflected inside. That's true – it should be. The second is the idea that interiors of raw rock and wood connect you to the wilderness because, basically, they're made of it. But that is a myth: Elemental materials don't bring you closer to nature – just closer to an idea of it.

The modern interior, with its

sweeping windows and clean, quiet lines, is more likely to connect you to the outside. It's a matter of blurring the boundaries between inside and out, and this was our mission at 7134 Nesters Rd., a 6,500-square-foot Whistler home now on the market for \$6.5-million. Our goal was to make anyone standing in the home feel as though he could reach through the window and touch Blackcomb Mountain.

The traditional colour palette in an alpine home like this is warm – raw cedar beams and chestnut-coloured floors. Wanting to minimize boundaries, however, we looked to the landscape for guidance on colour. What we saw were crisp whites (snow), dark greys and cool, deep browns (trees and rocks), and soft greys (shadows and overcast sky). It was a cool palette, to be sure, and so the client needed some convincing. But when we explained that the warmth would come in textured layers of natural materials and the strong architecture of the staircases and fireplace, he was on board.

Our design scheme started with a dark stain for the window frames. We wanted a colour that ceded to the view, so your eye would go instantly to the steep slopes of Blackcomb, not a beefy cedar window frame, so we chose a hue just lighter than espresso. (We had to take into account the seasons, too: The orange of cedar against summer's blues and greens is as visually obstructive as it is

against winter's whites and greys.) Similarly, we wanted to eliminate any distraction stemming from the cedar beams of the great room and upper floor. We stained them espresso, too. The darkness gives the room a comforting substance and weight. The doors and floors, which are made from white oak, we stained the same colour; in warm grey or white they'd have looked citted. Tactility and materiality were the keys in all our choices.

For so grand a home – apart from the views, it has five bedrooms, seven bathrooms and four patios – the entrance is a vital feature. The property has a front door five feet wide and 10 feet tall; we imported it from Italy. It pivots on a pin, and opens to reveal a two-storey wall clad in sandblasted fir planks stained grey. Walking in, your immediate feeling is one of warmth and enticement, but the entrance speaks in a clear voice: This home is a modern take on Whistler.

The great room extends that modern feeling. The room, two steps down from the kitchen and dining area, is intended as a descent into quiet. Here, the ceiling soars to 18 feet, and the focal point is a fireplace that took us several months to design. It goes all the way to the ceiling, and is made of cold-rolled steel – a material usually used in applications in which it's allowed to rust over time. With cold-rolled steel you can almost always see the bolts that attach it to the wall, but



In the great room, the fireplace made of cold-rolled steel is attached with a special system of cleats that conceals the joinery. The 18-foot ceiling is finished with espresso-stained cedar beams. BARRY CALHOUN

we wanted a smoother, quieter effect, so we had a fabricator design a cleating system that concealed the joinery. This made it look more refined, as did the treatment we gave the metal – a dark-bronze finish that removed its industrial sheen, making it velvety.

The walls were painted nearly the same colour as the chimney and window frames (most of the other walls in the home are a warm light grey). Here, we wanted the underscore the dramatic view and convey the sense of your sitting right in the landscape. The rule, as ever, is no distractions. There's little art anywhere on the main floor, and the wall colours blur into every other finish in the room, making the window glass seem to disappear. The view beyond beckons.

As we promised the client, we had to warm the place up with furnishings. Because we had so many hard surfaces – wood, metal and stone – furniture became the essential injection of softness and femininity. We chose a large, velvety sectional for the great room, soft wool curtains and rough-hewn wood tables – a welcome contrast to the more polished finishes.

The modern, organic quality of the finished home is an effective update on the resort-town chalet, and it accomplishes two things: avoids the cliché of "mountain lodge" and connects anyone in the home to the surpassing beauty of Whistler.