



# ***Davis Realty News***

October 2005

## ***Real Estate Bubble?***

There has been a lot of discussions lately about the continued growth of the real estate market....

***Is there a bubble? Is the market going to crash? Is investing now a good idea? Is selling now a good idea? Is it becoming a buyers market? Is it the beginning of a downturn? Will values continue upwards?***

Last year an article in the Vancouver Sun by Ozzie Jurock, a leading real estate investment expert addressed these questions.

*quote:*

**" I guess, I always have the same answer: It isn't the market, it is the deal YOU personally make, period. Of course, people don't want to hear that. It implies that I have to do some work, ask myself some serious questions. Like: Do I want income? Do I want to earn a profit through a quick sale? Have I identified an area I actually want to own in? Do I know what exactly I want to own? No, we want to know whether it is a good market."**

**" So in today's crazy world, the 'yeah butters' point to higher interest rates, falling volume or this or that negative statistic and come up with a long term conclusion "all will be bad". And I will point to the most under reported inflation in history (real estate: Britain year over year up 20% across the board! Vancouver's average single family home up 22% to \$521,782, Vancouver Island 18% higher. Oil: up to record highs. Lumber: almost double in a year. Construction boom: Olympic building not even started yet) and conclude that hard asset real estate will be much higher in the future."**

**" the real estate market just is. It is a hard asset and in this inflationary world (yes, inflationary world) it will continue to perform..."**

**\* end quote**

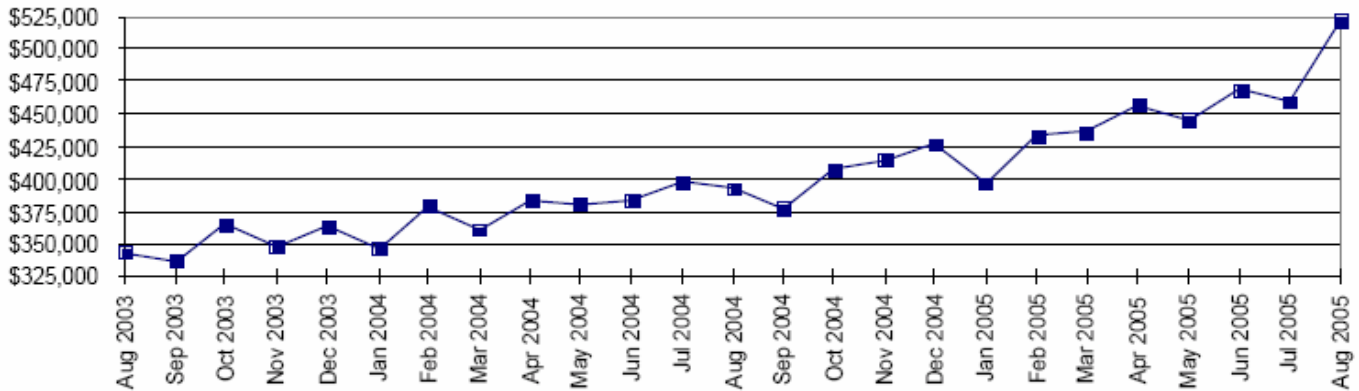
## Bubble continued...

So given that the market has continued to grow and prices are rising steadily in the past year, there is no clear indication that the "bubble" even exists. The statistics from our local Victoria Real estate Board (see graph below) show very clearly that there is long term growth now, in the past and every indication that this will continue. It is a world wide phenomenon.

There is no such thing as the right time or wrong time to deal with real estate except in the case of doing nothing at all. If you do not own something today, you can never realize a profit when it is sold!

### Single Family Homes (Greater Victoria Only)

Average Selling Prices



## From Carolyn's Kitchen... Soups On!

### Homemade Tomato Soup

2 quarts of stewed tomatoes or  
2 - 28 oz. cans crushed tomatoes

2/3 cup flour

1 litre of milk

1/4 cup dried or fresh parsley

Place tomatoes in saucepan and heat through. Melt butter in a larger saucepan, add flour to form paste, then slowly add milk and seasonings and continue to cook over medium heat until thick. Slowly add

## Jack's Famous Night Out....

And last but not least... This month's winners of *Jack's Famous Night Out* is Rowena Paddon, she will enjoy a night out at the movies for 2 with treats! If you would like your name in the next draw, just call Jack to say hi! He likes talking to his clients.... or send us an email anytime to [jdavis@davisrealty.ca](mailto:jdavis@davisrealty.ca)



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