

North Vancouver condo sold for \$500K below value in 'double-ending' sale

BY SAM COOPER, THE PROVINCE APRIL 2, 2016



Google Street View screen grab of condo tower at 151 W. 2nd Street in North Vancouver, where a condo unit was recently sold for around half
Photograph by: Screengrab, Google Images

Residents of a Lower Lonsdale condo tower are concerned their home values could be harmed by the

unusual below-assessed value sale of a vacant unit owned by investors from China.

In late March, North Shore realtors including Grant Connell noticed what they perceived as irregularities in a deal for the condo unit 1901 at 151 West 2nd St. in North Vancouver, which was listed for \$700,000 and sold in one day for \$730,000 according to an MLS filing.

Connell said that shortly after unit 1901 was sold, an “identical” unit in the building was sold for \$1.2 million.

According to emails reviewed by The Province, Connell and his colleagues believed the property was under-priced by about \$500,000, thus harming the seller, and also devaluing property for other unit owners in the building.

“Apartment sales are all based on comparables within your building,” Connell told The Province.

The unit in question was built in 2005, has a 1,104 square-foot floor plan and a balcony view over the Burrard Inlet to Vancouver’s skyline. It was sold on March 19 by Mandy Wingman Siu, according to an MLS document.

The realtor represented both the buyer and the seller. In real estate this is known as “double-ending” a sale, and some experts say the practice raises questions about how a realtor can fairly serve both buyer and seller.

The MLS sale record for unit 1901 says its days on the market was “0” and its previous price was “\$0.”

In a letter sent to The Province, the owner of unit 1801 in the same building, Mr. R. Thompson, called for an investigation into the deal.

“The Lower Lonsdale suite cited was listed at \$700,000 and was not only listed within days of an identical suite two floors up selling for \$1,280,000, but just weeks after a suite a floor below sold for \$1,100,000,” Thompson wrote.

“The listing realtor ... knew or ought to have known what the same floor plan in the same building was worth.”

The seller of unit 1901 is listed as “J. He, J. Li” on the realtor’s MLS form. The form says “seller is aware ... listing below assessment value.”

In an interview Saturday, Thompson said unit 1901 has had three owners since 2005, and a couple from China reportedly bought it for about \$765,000 from the second owner about five years ago.

The unit has been mostly vacant except for a period several years ago when a student resided there, he said. He said neighbours are filled with “wonderment” at the sale of unit 1901 and there is concern the deal will “confuse” market pricing.

“About three weeks ago my realtor called me and said ‘Someone just lost \$500,000.’ She said she could have sold it at least for \$1.1 million,” Thompson said.

“This is world-class stuff. You’re looking out my window at Vancouver.”

The Province reached the listing realtor, Mandy Wingman Siu, in a brief phone call on Saturday. Siu was asked why unit 1901 was sold for \$730,000, and whether she is aware that other owners in the building are concerned unit values could be impacted.

Siu said that she would prefer that her brokerage respond, but offered a quick explanation.

"This is not a normal sale," Siu said. "The buyer and the seller know each other."

Siu's brokerage did not respond by deadline Saturday.

Connell told The Province that he was contacted by Maureen Coleman, head of investigations for the Real Estate Council of B.C., after Coleman read his initial comments about the Lower Lonsdale deal in a Province story on Friday.

Coleman could not be reached by The Province on Saturday.

Meanwhile, on Friday afternoon the Real Estate Council announced it is increasing its investigative capacity and will employ private eyes to probe cases with significant risk to the public.

scooper@postmedia.com

twitter.com/scoopercooper

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