



## Pressure eases on Valley real estate

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The Fraser Valley's real estate market moved closer to balance in October with the number of houses for sale hitting a seven-year high.

Fraser Valley realtors recorded 1,464 Multiple-Listing-Service-registered sales during October, up 14 per cent from the same month a year ago, according to the Fraser Valley Real Estate Board.

The 3,124 new homes listed in October represented a 12-per-cent increase from new listings in October 2007. The total Fraser Valley inventory sat at 8,712 units at the end of October.

"It's been seven years since Fraser Valley buyers had this much inventory to choose from," Jim McCaughan, the Fraser Valley Real Estate Board president said in a news release.

In an interview, he added that realtors would like to see even more homes added to inventory to ease pressure on markets.

"We've almost got a very nice balance between people being able to sell in a short period of time and buyers being able to take their time to make a purchasing decision," McCaughan said.

The average number of days that a detached house spent on the market increased to 52 days in October sales, the Fraser Valley board reported. That's an increase of 10 days compared to October a year ago.

The average price on a Fraser Valley detached home reached \$517,087 in October, up 6.1 per cent from October 2007.

Tsur Somerville, director of the centre for urban economics and real estate at the University of B.C.'s Sauder School of Business, said the signals are consistent with the over-all market slowdown that has been expected. He added that the rising inventory "is not consistent with gross oversupply" that would trigger a correction in the market.

However, Somerville said a market slowdown is needed at this point, because too much real estate is becoming unaffordable for too many people.

He added that changes in mortgage terms that allow for 40-year amortization periods have helped reduce monthly mortgage payments for some buyers, which has helped the market.

"At some point even that plays itself out," Somerville said. "There are price points that people just cannot enter at, so it isn't a place to get a lot of growth."

The average price of a Fraser Valley townhouse reached \$329,991 in October, an increase of 9.5 per cent. The average apartment condominium price of \$193,466 was a 17.5-per-cent increase from a year ago.

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#### MISSION POSSIBLE AS DOWNTOWN COMMUTE

The Fraser Valley community joined to downtown Vancouver by the West Coast Express was the clear leader in one-year price gains for single-family detached homes in the Fraser Valley Real Estate Board's region.

Single-family-detached, average price % change, Oct. 2006-Oct.2007

Mission: +18.4%

Abbotsford: +10.3%

White Rock: +9.6%

Langley: +9.5%

Surrey: +8.4%

North Delta: +5.2%

Board average: +6.1%

Source: Fraser Valley Real Estate Board

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