



November home sales spike as mortgage rate hike anticipated in '08

Derrick Penner

Vancouver Sun

Wednesday, December 05, 2007

More buyers rushed into the Lower Mainland's real estate markets in November, perhaps to beat higher mortgage rates forecast to take hold in 2008.

"That's what we saw in the summer when we did see a couple of upticks [in mortgage rates]," Robyn Adamache, a market analyst for Canada Mortgage and Housing Corp. said in an interview. "A lot more people jumped into the market to get things going before rates went up any further."

Multiple-Listing-Service re-corded sales rose in Metro Vancouver and the Fraser Valley.

The Real Estate Board of Greater Vancouver, which covers Metro Vancouver and the Sea-to-Sky region, saw 2,883 Multiple-Listing-Service-registered sales, a 22-per-cent increase from November 2006, and just slightly below 2005.

Most of those sales -- 1,816 -- were condominiums or townhouses.

"Affordability is a key question," Brian Naphtali, the Vancouver real-estate board's president said in a press release.

The so-called benchmark price for a typical Metro Vancouver detached home hit \$729,011, an increase of 12.6 per cent from the same month last year. The benchmark Metro Vancouver apartment price was \$374,393, which was up 13.6 per cent year-over-year.

November sales in the Fraser Valley were up 11 per cent to 1,327 units, which Fraser Valley Real Estate Board president Jim McCaughan said could have something to do with better selection.

The Fraser Valley saw 2,154 new listings registered in November, raising overall inventory to 8,593 units, a 16-per-cent increase.

"We've had strong demand for essentially the last five years," McCaughan said. "However we haven't always had as broad a selection of product."

Adamache added that it is hard to quantify whether people are not buying in a hot market because the homes they want to buy are not on the market, but "it seems to make sense [that] if there are more listings, there's more choice."

The average Fraser Valley house price hit \$511,176 in November, a year-over-year increase of five per cent.

Adamache said that while sales took an upswing in November, overall market statistics are tracking closely with her forecast that calls for sales to slow down in 2008 as more listings hit the market, and rising mortgage rates put the squeeze on more potential buyers.

depenner@png.canwest.com

HOT NOVEMBER

Real estate sales rose in both Metro Vancouver and the Fraser Valley in November compared with the same month a year ago, though CMHC expects higher mortgage rates to curb demand somewhat as 2008.

REAL ESTATE BOARD OF GREATER VANCOUVER *

SALES: 2,883 +22%

HOUSE PRICE: \$729,011 +13%

TOWNHOUSE PRICE: \$455,332 +11%

APARTMENT PRICE: \$374,393 +14

FRASER VALLEY REAL ESTATE BOARD +

SALES: 1,327 +11%

HOUSE PRICE: \$511,176 +5%

TOWNHOUSE PRICE: \$325,409 +6%

APARTMENT PRICE: \$215,118 +7.5%

SOURCE: Real Estate Board of Greater Vancouver, Fraser Valley Real Estate Board.

* Prices are so-called benchmark prices for typical units within property categories.

+ Prices are average prices within property categories.

CLOSE WINDOW

Copyright © 2007 CanWest Interactive, a division of CanWest MediaWorks Publications, Inc. All rights reserved.