

Vancouver real estate still a seller's game

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housing market | Inventories of residential real estate swelled in February and sales slowed across the Lower Mainland, but not enough to turn the region into a buyers' market, according to the latest statistics.

Greater Vancouver saw new listings on the Multiple Listings Service rise 26 per cent in February to 5,260 compared with the same month a year ago. Sales, meanwhile, declined 6.4 per cent to 2,676 compared with February 2007.

The Real Estate Board of Greater Vancouver covers the Metro Vancouver region except for Surrey and takes in Squamish, Whistler and part of the Sunshine Coast.

In the Fraser Valley, the 2,808 new property listings in the region stretching from Surrey to Mission bring total inventory to 8,185 units, a 30-per-cent increase from February a year ago.

Fraser Valley sales of 1,308 represented seven-per-cent decline from the same month in 2007.

"That is what we're expecting [to happen]," Cameron Muir, chief economist for the B.C. Real Estate Association, said in an interview. "Our expectation for 2008 is more moderating."

However, after two months into the new year, Muir added that market conditions are still "a little bit above what we would term balanced," let alone in territory where buyers have the advantage over sellers.

Muir noted that the Metro Vancouver ratio of sales to new property listings dipped to 50 per cent in February, which is close to buyers' territory. However, that had more to do with a flood of new listings in the month.

Brian Naphtali, president of the Real Estate Board of Greater Vancouver, said in a news release that there has been enough of a shift in supply and demand to at least "[allow] people more time to make decisions when purchasing a home."

Additional supply doesn't seem to have affected prices so far this year. The so-called benchmark price of a typical single-family home in Greater Vancouver reached \$761,342 in February, up 14 per cent from February 2007.

And sales across the Greater Vancouver region favoured apartment condominiums with 1,197 transactions, representing a decline of 5.7 per cent from 2007, compared with 1,121 sales of single-family homes, which was down 11.2 per cent from 2007.

Market activity is still strong though, Kelvin Neufeld, incoming president of the Fraser Valley Real Estate Board, reported.

Between new arrivals coming to the Lower Mainland for work, buyers priced out of Metro Vancouver or first-time buyers "all this activity is keeping prices competitive," Neufeld said in a press release.

The average valley detached-house price hit \$544,495 in February, an increase of 7.4 per cent.

Canada Mortgage and Housing Corp. analyst Richard Sam is beginning to investigate whether prices for detached houses hitting new highs in both markets is helping to shore up Greater Vancouver's condominium markets.

He said sales for detached houses and multi-family units are down in the Fraser Valley, but for 2008-to-date, Greater Vancouver condominium sales are holding their own compared with 2007.

Sam suspects that some buyers who now feel priced out of the Fraser Valley's single-family market are setting their sights closer to Metro Vancouver to buy multi-family housing.

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EARLY MODERATION

In the terminology of real estate market analysts, conditions in Lower Mainland property markets are settling into balance: an even distribution of supply and demand.

GREATER VANCOUVER

Sales: 2,676 -6.4%

New listings: 5,260 +26.2%

Benchmark single-family home price: \$761,342 +14%

FRASER VALLEY

Sales: 1,308 -7%

New listings: 2,808 +10%

Average single-family home price: \$544,495 +7.3%

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

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