

WHITE ROCK/SOUTH SURREY REAL ESTATE

HOMELIFE BENCHMARK REALTY

January 1/06 to December 31/06

| CATEGORY | 2005 SALES | 2006 SALES | % CHANGE SALES | 2005 LISTINGS | 2006 LISTINGS | % CHANGE LISTINGS |
|----------------|------------|------------|----------------|---------------|---------------|-------------------|
| Townhouse | 373 | 330 | -11.5% | 466 | 432 | -7.3% |
| Average Price | \$356,382 | \$405,572 | +13.8% | | | |
| Apartment | 631 | 586 | -7.1% | 776 | 831 | +7.1% |
| Average Price | \$228,877 | \$273,395 | +21.0% | | | |
| House | 1114 | 973 | -12.7% | 1458 | 1570 | +7.7% |
| Average Price | \$543,738 | \$736,421 | +24.0% | | | |
| Combined Total | 2178 | 1889 | -13.3% | 2790 | 2833 | +1.5% |

“SELLERS MARKET TO A BUYERS MARKET... THE STORY OF REAL ESTATE IN 2006.”

2006 started off where our record breaking 2005 left off, a solid Seller's market with a low inventory of properties, lots of anxious Buyers and soaring prices. Half way through the year, however, things started to change. The house next door to the home that just sold for a record high price, didn't sell for more. It didn't sell for the same, in fact it needed a price reduction to generate any serious action.

It was actually taking more than a day or two to generate offers. As a matter of fact the number of days to sale (ie. The number of days it takes for a listing to receive an unconditional offer) was 61.1 in the month of December compared to an average of 41.8 days for the entire year.

Although average house prices ended up 24.0% higher compared to 2005's average, the last three months have actually seen a month over month decline in average price.

The overall number of sales in the categories above in White Rock declined by 13.3% while the total number of listings taken increased 1.5%. There were 546 active listings (all categories including lots, mobiles, etc.) at the end of December in White Rock/South Surrey. There were 88 sales including all categories, a sales to

active listing ratio of 16.1% for December. In a Seller's market the average ratio would have to be over 22% while a ratio between 18 and 22% would indicate a balanced market. A ratio under 18% is considered a Buyer's market. The ratio for all areas of the Fraser Valley board is 15%, so we are in line with the average for the valley.

The good news for Sellers is that as long as they price their property realistically, they will get action and probably one offer or more although perhaps for a little less then one would have received in the first part of 2006. The good news for the Buyers is although prices will still be up there, they will have a far better selection and will be less likely to be a participant in a bidding war with another desperate Buyer.

How does this affect the whole process? While Realtors will have to work harder to get their listings sold, finding properties for Buyers will be more civilized and less stressful experience for everyone involved. The bad news for Sellers is that it will take longer to sell than a year ago, but not by much. The bad news for Buyer's is they will still pay plenty but will have a little more time to make their decision.

The question that is on the minds of most Buyers these days is should they delay their purchase in the hope that prices drop? Well, despite the incredible price increases over the past two years, our

current prices are in line with where they should be if you compare prices and inflation over the past 25 years. Compared to many other areas in the developed world, our real estate is still a bargain. With continuing low interest rates, and aggressive mortgage lending practices (e.g. 0% down), buying continues to be favored over renting.

So, wait for prices to drop? Maybe some investors will, but home Buyers should consider factors other than price. Factors like are they willing to postpone improving quality of life for another year or 2 and.....what if prices do not fall?

It certainly looks like the market is landing softly and with our province still performing strongly economically, future prospects look more positive than negative.

In short, despite a slowing market, there is still a lot of demand out there compared to a few years ago, and today's Buyers will be rejoicing 10 years from now with their wise investments.

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Figures based on Fraser Valley Real Estate Board Multiple Listing Service Statistics