

# WHITE ROCK/SOUTH SURREY REAL ESTATE

HOMELIFE BENCHMARK REALTY *January 1/07 to June 30/07*

| CATEGORY        | 2006 SALES | 2007 SALES | % CHANGE SALES | 2006 LISTINGS | 2007 LISTINGS | % CHANGE LISTINGS |
|-----------------|------------|------------|----------------|---------------|---------------|-------------------|
| Townhouse Sales | 176        | 240        | +36.4%         | 229           | 322           | +40.6%            |
| Average Price   | \$374,271  | \$451,270  | +20.6%         |               |               |                   |
| Apartment Sales | 342        | 290        | -15.2%         | 407           | 443           | +8.8%             |
| Average Price   | \$267,769  | \$289,538  | +8.1%          |               |               |                   |
| House Sales     | 585        | 610        | +4.3%          | 878           | 1005          | +14.5%            |
| Average Price   | \$721,255  | \$799,570  | +10.9%         |               |               |                   |
| Combined Total  | 1103       | 1140       | +3.3%          | 1514          | 1770          | +16.9%            |

## Townhouse sales lead the way as the Seller's market continues...

Year to date townhouse sales rose 36.4% over last year, with the average selling price at \$451,270 a 20% increase over last year's average of \$374,271. House sales also increased by 4.3% to 610 with average sales prices topping \$799,570, 10.9% higher than 2006. Apartment sales declined by 15.25, but still increased in average sales price by 8.1% to \$289,538.

Listing inventory increased in all three categories, but not enough to swing the market in the Buyer's favour. With a sales to active listing ratio of 27.36%, the seller remains clearly in the driver's seat. That being said, I still am signing a significant number of price reductions as overly optimistic Sellers decide to quit fishing and start selling.

Buyers shouldn't hold their breath waiting for prices to drop. The B.C. economy keeps chugging along nicely and although interest rates are increasing, it appears they will only go up a fraction of a percentage point. Cost of construction led by ever increasing labour costs will continue to put upward pressure on prices. So although we may see a decrease in number of sales because less people will be able to afford to buy, other external factors should serve to keep our prices right up there with where they should be considering we live in the best place in Canada.

Now that I have told you where the mar-

ket is at the moment, I thought I would talk about commission rates and how they work. A few month's ago my wife and I were all set to list and sell a property in Washington state. The commission that would have been payable was based on five or six percent of the selling price. If this were applied to White Rock's average house price of \$799,000, a Seller would be looking at a fee of up to \$47,940. For other reasons we decided to hang on to the property.

Go back east to Quebec and Ontario and you will find many realtors charging five percent across the board. In all cases the commission is usually split between the Listing and Selling Broker.

Here in sunny White Rock/South Surrey, you will find most properties listed with a commission based on seven percent of the first \$100,000 and 2.5% of the balance. Apply this to the average price of a house and the local Seller would be faced with a fee of \$24,475 plus 6% GST, almost 50% less than our neighbours across the border and back in eastern Canada. As a matter of fact, as far as I can tell, it is cheaper to use a Realtor here to sell your house than any other place in North America.

As with the other commission structures the fee is usually split between the Selling

and Listing realtor with 46% of the fee usually, but not always, earmarked for the selling agent. It should be pointed out that some companies offer to list your property for even less than the seven and two and a half combination.

Our office charges at least seven percent on the first \$100,000 and 2.5% on the balance, and offers a minimum of 3.22% and 1.15% to any realtor who brings in a successful offer on one of our listings. Many companies that charge less also expect the realtor who brings in the offer to accept a lesser commission than he would if he sold one of our listings. We at HomeLife want all agents to be comfortable in the knowledge that they will be adequately compensated when selling one of our clients' properties and to concentrate on getting the sale done rather than making side arrangements for adequate compensation.

While some may argue that our commission rates are too high, they are a definite bargain when you compare them to other parts of the country and the U.S. Another reason why White Rock/ South Surrey is the best place to call home.

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

