

WHITE ROCK/SOUTH SURREY REAL ESTATE

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

CATEGORY	2006 SALES	2007 SALES	% CHANGE SALES	2006 LISTINGS	2007 LISTINGS	% CHANGE LISTINGS
Townhouse Sales	272	331	+21.7%	329	452	+37.4%
Average Price	\$402,082	\$455,241	+13.2%			
Apartment Sales	484	441	-8.9%	650	677	+4.2%
Average Price	\$277,485	\$301,851	+8.8%			
House Sales	808	899	+11.3%	1304	1470	+12.7%
Average Price	\$732,492	\$801,851	+9.5%			
Combined Total	1564	1671	+6.8%	2280	2599	+13.8%

Market Continues to Make the Expert Forecasters Look Foolish

Many a prognosticator has been fooled by the real estate market during the past year. Not many predicted the strong activity and price increases that we have again experienced, including me.

Last year at this time, my Quarterly Report started off with the headline "Listings Up...Sales Down!" I went on to expound on how we were on the path to a balanced market and price stabilization as the result of rising inventory and decreasing affordability. Of course the market defied this logic and proceeded to set records for average prices as well as generating more sales than we did year to date in 2006.

Townhouse sales led the way with unit sales increasing 21.7% and an average price increase of 13.2% to \$455,241. Although the number of apartment sales declined 8.9%, the average price managed to top out at \$301,851, an 8.8% increase. Those bargain hunters sitting on the sidelines were out of luck as the average price of a house continued its upward voyage to over \$800,000.

So here we are, entering the last three months of 2007, and not only are listings up, sales are up. So what gives?

Well there are plenty of opinions being presented in all the media from newspapers to television to the internet. Most center around our robust economy and low interest rates and the fact that we live in such a desirable area. I can buy into that, but how do you explain the fact that even Toronto has experienced unprecedented sales volume this past year? Not that I wouldn't want to live in the Toronto area but compared to our little bit of paradise, there is no contest.

A closer look at Fraser Valley statistics does show that White Rock and Cloverdale and to a lesser extent, Langley, are going against the grain with more sales year to date this year compared to last year. Delta, Surrey, Abbotsford and Mission all showed decreases in number of sales this year. This seems to be a typical scenario for White Rock/South Surrey statistics, where we seem to hit our stride marketwise after our neighbours in the Valley. So it stands to reason that our market will show signs of weakening in the next few months as well.

A few other statistical indicators might also be worth examining at this time. One is the **Sales to Active Listings** ratio which is derived from comparing the number of sales in a given month to the total number of listings

that are active at the end of that month. Currently it is 17.55% for the Peninsula. The significance of this is that anything below 18% is considered a Buyer's market while anything over 22% is considered a Seller's market. So technically, the South Surrey/White Rock real estate market should be favouring the Buyer. The other statistic to note is the **Days to Sale (DTS)**, that is the number of days it takes a property to generate an unconditional contract of purchase and sale from the effective date of the listing. Currently the YTD average is 46.8. Last year it was 39.1. Obviously if it is taking longer to get a property sold, the conclusion would be that the market isn't as strong as it was last year.

In light of these latest figures, surely it is safe to say that we are experiencing the downturn in activity that will lead to a softening of prices in the not too distant future. But is the Market going to make fools of us again? Only time will tell.

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