

WHITE ROCK/SOUTH SURREY REAL ESTATE

HOMELIFE BENCHMARK REALTY *January 1/07 to December 31/07*

CATEGORY	2006 SALES	2007 SALES	% CHANGE SALES	2006 LISTINGS	2007 LISTINGS	% CHANGE LISTINGS
Townhouse Sales	330	401	+21.5%	432	556	+28.7%
Average Price	\$405,572	\$458,589	+13.0%			
Apartment Sales	586	561	-4.3%	831	848	+2.0%
Average Price	\$273,395	\$303,561	+11.0%			
House Sales	973	1072	+10.2%	1570	1793	+14.2%
Average Price	\$732,492	\$801,190	+8.8%			
Combined Total	1889	2034	+7.7%	2833	3197	+12.5%

Sales to Remain Strong in 2008! Prices to Moderate.

While total sales in the Fraser Valley actually dipped by one percent in 2007 compared to 2006, White Rock South Surrey total sales actually increased by 7.3 percent over the past year, lead by a 21.5% surge in the number of townhouses sold on MLS. Townhouses also lead the way in average price increases with a 13.0 percent increase, while the average price of a house on the Peninsula will set you back over \$800,000, 8.8% more than last year. Average apartment prices also gained ground to the tune of 13.0%.

The last few months of 2007 slowed down somewhat from the frenzied pace in the first three quarters, much the same as it slowed down in 2006 towards the end of the year. Whether it bounces back to that pace in 2008 remains to be seen, but judging from the buzz in the office at the time of this writing, I would venture to say that we haven't seen the last of this great market. I would be surprised, however, if we did experience the same level of price increase in 2008 that we have experienced this past year.

The number of listings continues on

its upward trend to the point now where we technically have a Buyer's market, that is, a situation where the ratio of sales to active listings in a month is less than 18%. In fact the ratio for December was 16.02%, still a very healthy number, but one that shows that there is more competition for the Seller's than there has been in the past few years to attract that hungry Buyer. The "days to sale" statistics also portend a softening of prices with December's figure clocking in at 71.3, while the year to date average "DTS" was 48.8, almost seven more days than it took in 2006 to firm up a sale.

The British Columbia Real Estate Association predicts another strong year in 2008, calling for an average price increase of six percent for houses in the Valley and total MLS residential sales of 16,250, down from the 17,888 sales of 2007, but still up from the 16,106 sales that we experienced in the first year of the current cycle, 2002, five whole years ago.

For those of you who need a reminder, 2002, was the first year of this latest and greatest real estate market for South Surrey and White Rock, and if you had bought a house that year, it would be worth 98.7% more today, in theory anyway. If you did,

congratulations, that is a phenomenal return. To put it in perspective, had you bought in 1996 and sold in 2001, your house would have only gained 4.9%...timing is everything. The number of listings taken in 2002 in the Fraser Valley was 24,676 while in 2007, that number climbed to 32,953, an increase of 33.5%. The total number of house sales in 2002 for the Peninsula was virtually the same at 1080, eight more than in 2007. However there were 14.6% and 17.1% increases in the number of townhouses and apartments respectively sold in 2007 compared to 2002. The move towards densification in our area as well as the affordability issue were the prime reasons for this shift towards attached accommodation. Look for more of this trend in the years to come in all areas.

In summary, I would have to concur with the BCREA prediction of less sales and a softening of prices in 2008, but only as long as the interest rates remain as low as they have been.

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