

# White Rock/South Surrey Real Estate

HOMELIFE BENCHMARK REALTY

**January 1/08 to June 30/08**

CATEGORY	2007 SALES	2008 SALES	% CHANGE SALES	2007 LISTINGS	2008 LISTINGS	% CHANGE LISTINGS
Townhouse Sales	240	197	-17.9%	322	378	+17.4%
Average Price	\$451,270	\$474,991	+5.3%			
Apartment Sales	290	274	-5.5%	443	642	+44.8%
Average Price	\$289,538	\$312,611	+8.0%			
House Sales	610	436	-28.5%	1005	1341	+33.4%
Average Price	\$799,570	\$867,390	+8.5%			
Combined Total	1140	907	-20.4%	1770	2361	+33.4%

## Phew!!! Finally a Breather

After about five years of a hectic, stressful, Sellers' market, Buyers, Sellers, Realtors and conveyancers are getting a bit of a rest as the real estate market adopts a more sedate pace.

Listing taken are up 33.4% while sales are down 20.4%. Detached houses unit sales dropped 28.5% while 336 more units were listed year to date. Apartments saw a whopping 44.9% increase in listings but only a 5.5 drop in sales. Average prices in all categories were still up compared to last year's end of June figures but the increases were less than the year before.

The sales to active listing ratio which measures the number of sales in a given month to the total number of active listings at the end of that month has plummeted to 11.73% from last June's 27.36%. According to this statistic almost 12 out of 100 listings are likely to sell in a month. Although these may seem like scary numbers (for Sellers that is), there are still properties that are receiving multiple offers shortly after hitting the market. So yes, there are still ready, willing and able Buyers out there looking for realistically and competitively priced product. Unfortunately, too many Sellers are hoping to get as much or more as their neighbor might have gotten at the peak of this current market, and as a

result these unsold units are adding to the active listing supply by staying on the market for longer than the usual 60 to 90 days that it takes for a house to sell. Eventually these Sellers will either reduce their price to a saleable one or just take the property off the market and we will start to see more of a balanced market.

But wait, aren't the average prices above last year's numbers? Why shouldn't a Seller expect to get more money than last year? Personally, I have never heard an explanation as to why average priced statistics seem to lag behind changing supply and demand figures, so I will proffer my own explanation. When a market experiences a strong surge in prices that we just went through people who already own property obviously benefit by the rise in prices, so they are able to afford to buy another property because of the increase in equity of their current home.

The first people to drop out as Buyers in a rising market are those that don't presently own real estate...first time buyer. As a result of first time buyers dropping out of the sweepstakes the lower priced product is going to languish on the market sooner than the product that a move-up or down-size buyer would likely buy. Therefore while the number of sales may be dropping the damage is most likely

being done in the lower priced segment, leaving the average price to surge a little bit further because there are fewer low priced units selling. Eventually, the effect of having less first time buyers will dilute the buying power of the repeat buyers and the lower priced units will get reduced to bring the first time buyers, back to the fold and bingo, the overall average price will drop.

A figure that seems to back this theory up is that the Housing Price Index in several areas of the peninsula actually dropped over the past 3 months meaning you theoretically could have bought the "typical" house for less money than in March..

In any case, no statistics are foolproof but studying as many as you can get your hands on usually gives you a reasonably accurate idea of what is going on in the market. So, even though I believe the peak for this cycle is behind us, we still have great economic fundamentals a lot of qualified buyers and all that a Seller has to do to be one of the 12 out of a hundred sales each month is be the best priced of the competition.

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