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Housing market balancing out: analysts; Benchmark prices are rising, but sales are slowing

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Home-sellers in Greater Vancouver listed properties for sale faster than they sold in January, according to real-estate board figures.

Sellers listed 4,670 properties on the Multiple Listing Service, a 15-per-cent increase from January 2007, which is what forecasters expected.

"We've been expecting to see inventories rising," said Robyn Adamache, a market analyst with Canada Mortgage and Housing Corp., "and this should lead to a little bit more balance in the market and help to slow the rate of price growth."

Year-over-year, the so-called benchmark prices for typical units in each housing type are still showing double-digit increases.

The benchmark prices for detached houses hit \$742,490 in January, almost 16 per cent higher than a year ago.

For townhouses, the benchmark was \$462,627, up 12 per cent. The condominium benchmark was up almost 14-per-cent to \$378,336.

With higher inventory, Adamache's forecast is for those price gains to slow to eight per cent over the year and five per cent in 2009.

The benchmark for detached homes in Port Moody dropped 6.7 per cent to \$633,837.

Adamache added that sales in the Real Estate Board of Greater Vancouver's region, which takes in most of Metro Vancouver except for Surrey and includes Squamish, Whistler, Pemberton and some of the Sunshine Coast, are still strong.

She said that over recent months, homes on average sold for 98 per cent of their asking price, "which is still strong sellers story."

Sales through the Multiple Listing Service in January hit 1,819 units, a marginal 0.7-per-cent increase from January 2007.

Adamache added that January's sales figures were higher than those in January 2005, which wound up being a record year for sales.

Real estate board president Brian Naphtali said that with listings outpacing sales, "it appears the market is heading toward more balance."

Naphtali added that the slight gain in sales occurred entirely among apartment properties.

Some 860 condominiums sold in January, a near 12-per-cent increase from the same month a year ago.

However, sales of detached homes, at 641, were down 7.8 per cent from January 2007.

Sales of townhouses, at 318 units, were down almost seven per cent from January 2007.

Adamache added that it is no surprise to see more strength in condominium markets given the high numbers of condominiums built over the past five years ago. She said apartment sales accounted for about one-third of all sales 10 years ago. In January, apartments were 48 per cent of sales.

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ADDING INVENTORY

New listings by market with percentage change from 2007

Burnaby 523 +11%

Coquitlam 323 +25%

Delta 111 +16%

Maple Ridge/Pitt Meadows 321 +22%

North Vancouver 313 +13%

New Westminster 194 +19%

Port Moody/Belcarra 159 +59%

Port Coquitlam 172 +29%

Richmond 609 +6%

Sunshine Coast 130 +43%

Squamish 61 -11%

Vancouver 1,469 +8%

Whistler 96 +9%

West Vancouver/Howe Sound 189 +62%

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