



Fraser Valley Real Estate Board

NEWS RELEASE

For Immediate Release: January 5, 2009

2008 YEAR OF CHANGE AND OPPORTUNITY FOR FRASER VALLEY REAL ESTATE MARKET

(Surrey, BC) – December’s sales statistics from the Fraser Valley Real Estate Board’s Multiple Listing Service (MLS®) reflect the real estate story of 2008: change. Sales of all property types for the year declined 30 per cent in the Fraser Valley; however, sales for the month were down almost 50 per cent compared to December 2007 – punctuating how the move to a buyers’ real estate market, similar to changes overall in the economy, took place in the second half of 2008.

Residential benchmark prices, the value of a ‘typical’ Fraser Valley detached home as determined by the MLSLink® Housing Price Index (HPI)*, decreased 6.5 per cent this year, with December showing the seventh consecutive monthly decline. The benchmark price was \$496,391 in December 2007 compared to \$464,189 last month. That price has decreased 9.7 per cent since May 2008 when it was \$513,798.

The HPI benchmark price of Fraser Valley townhouses decreased by 8 per cent in one year, going from \$322,295 in December 2007 to \$296,296 in December 2008, while the benchmark price of apartments decreased from \$247,822 to \$237,786, a - 4 per cent change in one year.

“Prices could not have continued to increase at the pace they were over the past six years,” says Kelvin Neufeld, President of the Fraser Valley Real Estate Board. “The change in the real estate cycle has created tremendous opportunities for consumers right now and they’re starting to recognize that fact.

“Fraser Valley REALTORS® were already seeing home sales in early December surpass those of November, signaling that buyers recognize the current advantages of price reductions combined with historically low interest rates and inventory at record levels.”

Fraser Valley’s total sales volume in 2008 was 13,194 compared to 18,862 in 2007. Over the course of the year, Fraser Valley REALTORS® listed 35,651 properties, an 8 per cent increase compared to 2007’s 32,953 listings. The number of active listings at year’s end finished at 9,960, 50 per cent higher compared to 6,646 active listings in December 2007.

Year-to-date average prices of single-family detached homes in the Fraser Valley increased 3.4 per cent going from \$520,317 in December 2007 to \$537,960 in December 2008. In one year, the average price of a townhouse increased 3.6 per cent going from \$322,578 in 2007 to \$334,259 in 2008. The average apartment price increased 5.8 per cent, reaching \$229,488 in 2008 compared to \$216,990 in 2007.

* The MLSLink® Housing Price Index (HPI), established in 1995, is modeled on the Consumer Price Index (CPI) which measures the rate of price change for a basket of goods and services including food, clothing, shelter, and transportation. Instead of measuring goods and services, the HPI measures the change in the price of housing features. Thus, the HPI measures typical, pure price change (inflation or deflation).

The HPI benchmarks represent the price of a typical property within each market. The HPI takes into consideration what averages and medians do not – items such as lot size, age, number of rooms, etc. These features become the composite of the ‘typical house’ in a given area. Each month’s sales determine the current prices paid for bedrooms, bathrooms, fireplaces, etc. and apply those new values to the ‘typical’ house model.

Contact: Laurie Dawson, Communications Coordinator, Fraser Valley Real Estate Board
Tel: 604.930.7600 Fax: 604.930.7623 email: laurie.dawson@fvreb.bc.ca
