



Weekly economic Briefing

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Lower Mainland housing prices continue to soar

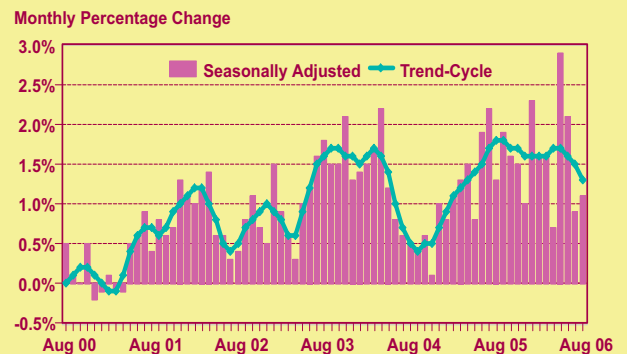
The sale price of a typical residential property in the Lower Mainland increased by more than 1% in August from July, according to the latest seasonally adjusted estimates from local real estate boards' Housing Price Index (HPI). That equates to an annualized rate of just over 14%. On a trend basis, the typical Lower Mainland residential property price rose 1.3% from July to August, or close to 17% at an annualized rate. The HPI provides the most timely, comprehensive and reliable estimates of housing price trends in the Lower Mainland.

The rate of price appreciation on housing has been slowing since April, as interest rate increases have dampened demand from low-equity buyers. Even so, the robust rate of price inflation in August reveals that strong economic growth continues to trump moderate rises in mortgage rates. The market for housing in the Lower Mainland remains under-supplied, with sellers clearly favoured in bargaining.

The most significant price changes in August were increases for detached houses in the Cambie-Bridgeport area of Richmond, apartments in Vancouver's False Creek North area, and detached houses in the Fraser Heights area of Surrey. Benchmark prices in these markets ranged from \$615,000 to \$739,000 in August, with high single-digit rates of increase indicated during the month.

Other hot housing markets in the Lower Mainland in August included detached houses in the Renfrew Heights area of Vancouver, apartments outside the core area of Richmond and in Burnaby, as well as attached houses in the north-northwest area of Richmond. In general, housing price gains in August were strongest for detached houses.

**MLS Housing Price Index (HPI)
Residential Properties, Lower Mainland**



Source: Greater Vancouver and Fraser Valley real estate boards.

Credit Union Central of British Columbia forecasts that the current housing price growth phase will continue in the Lower Mainland through at least 2007, although price appreciation is expected to moderate from the double-digit annual gains of the past few years.

MLS Housing Price Index, August 2006 – Most Significant One-Month Price Changes

Property Type	Area	Benchmark Price \$	% Change from July
DETACHED	RICHMOND CAMBIE BRIDGEPORT	648,164	10.9
APARTMENT	VANCOUVER WEST FALSE CREEK NORTH	738,964	7.0
DETACHED	NORTH SURREY FRASER HEIGHTS	614,932	6.9
DETACHED	VANCOUVER EAST RENFREW HEIGHTS	617,176	6.5
APARTMENT	RICHMOND OTHER	247,299	6.5
ATTACHED	RICHMOND NORTH NORTHWEST	411,771	3.5
APARTMENT	BURNABY	299,188	2.2
DETACHED	GREATER VANCOUVER BOARD	653,616	1.4
DETACHED	LOWER MAINLAND (GV+FV AREA)	576,071	1.4
DETACHED	FRASER VALLEY BOARD	464,517	1.3
RESIDENTIAL	FRASER VALLEY BOARD	412,092	1.2
RESIDENTIAL	LOWER MAINLAND (GV+FV AREA)	459,714	1.1
RESIDENTIAL	GREATER VANCOUVER BOARD	482,304	1.0

Source: Greater Vancouver and Fraser Valley real estate boards.