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Housing Market Heading To Record Highs
"This trend is expected to continue for at least the next two years"



Housing Market Heading To Record Highs

Propelled by low mortgage rates and an economic recovery B.C.'s housing market is rebounding strongly and headed to record highs. Housing sales and prices will set new records in 2010, according to the latest Economic Analysis of British Columbia forecast report issued by Central 1 Credit Union. "Low mortgage rates are a powerful sales stimulus and when combined with an improving economy, housing markets take off," said Helmut Pastrick, Central 1's Chief Economist. "The strong market momentum coming out of the recession will carry into 2010 driving unit sales and prices to new highs." Following a 25% sales plunge in 2008, housing sales will rise 10% in 2009 and with that momentum climb 30% higher in 2010. Sales for 2011 will fall back slightly from 2010's record high.

The annual median sales price for a residential property in B.C. will increase to record highs of \$391,000 in 2010 and \$415,000 in 2011. The monthly sales price will set a new high before the end of this year, regaining the entire amount lost during the recession.

Housing starts will rebound almost 50% to 21,400 units in 2010. Builders are expected to ramp up production to meet the strong pickup in sales and build houses early in the year to beat the implementation of the HST. In 2011, housing starts will rise to 27,500 units on the strength of housing sales remaining at a high level and prices rising further.

The sales upturn is stronger in the metropolitan area markets than in the resource-dependent economies of B.C. For 2009, MLS® residential sales will jump 45% in Vancouver and 25% in Victoria, but shrink in the Kootenay and B.C. Northern real estate board areas. In 2010, sales momentum eases in the metropolitan markets but strengthens in other areas with gains between 30 and 50% in the Okanagan, Northeast, and Vancouver Island markets outside of Victoria.