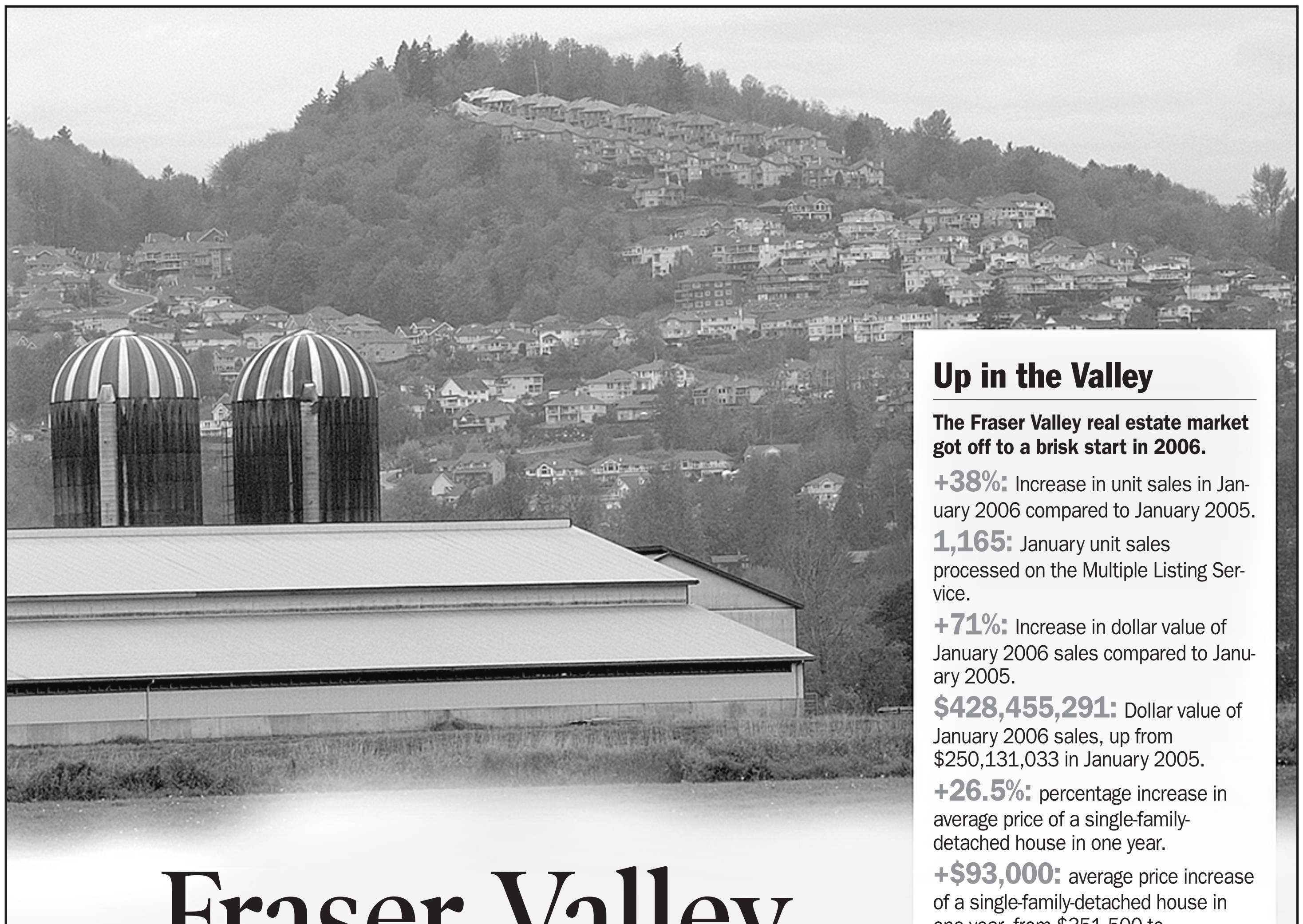

Up in the Valley

The Fraser Valley real estate market got off to a brisk start in 2006.

+38%: Increase in unit sales in January 2006 compared to January 2005.

1,165: January unit sales processed on the Multiple Listing Service.

+71%: Increase in dollar value of January 2006 sales compared to January 2005.

$428,455,291: Dollar value of January 2006 sales, up from $250,131,033 in January 2005.

+26.5%: percentage increase in average price of a single-family-detached house in one year.

+$93,000: average price increase of a single-family-detached house in one year, from $351,500 to $444,771.

+11.8%: percentage increase in average price of townhouses, up just over $27,500 to $260,445.

Source: Fraser Valley Real Estate Board

Fraser Valley real estate sales reverse trend

HOUSING MARKET | Beating January 2005's Multiple Listings Service numbers 'a great start'

BY DERRICK PENNER
VANCOUVER SUN

Fraser Valley realtors recorded their third-best January sales month, racking up 1,165 Multiple Listing Service recorded transactions, 38-per-cent higher than the same month last year, the Fraser Valley Real Estate Board reported Thursday.

January's sales were lower than December's 1,218 MLS sales, however Jake Siemens, president of the Fraser Valley Real Estate board, said that January's drop is the "typical market trend," and he considers beating the January 2005 sales results to be "a great start."

"In December, experts forecasted more moderation for the year ahead," Siemens said in a news release. "So far, that's not the case for the Fraser Valley."

Siemens was surprised, but not concerned, to see a dramatic increase in new listings in January. Some 2,127 homeowners put their properties on the market in January, up 84.5 per cent from December, giving the Valley an inventory of 4,722 homes.

"That absolutely helped the supply-and-demand issues," Siemens said.

Fraser Valley housing values also continued to rise. The average price for a single-family home hit $444,471, up 26.5 per cent from January a year ago and higher than the $410,246 average recorded in December.

The average Fraser Valley townhouse sold for $260,445 in January, up 11.8 per cent from January a year ago and still marginally higher than the $259,348 average recorded in December.

And an average apartment in the Fraser Valley sold for $169,473 in January, 24.5-per-cent more than it did a year ago, and slightly more than the $168,465 average price in December.

White Rock had the most expensive real estate in the region, where the average single family home sold for $777,702, which was 49.3-per-cent higher than January, 2005, and even 25.2-per-cent higher than December.

In Surrey, the average single family home hit a price of $436,749, up 23.8 per cent from a year ago and 5.3 per cent from December.

"January has been great, but it's not necessarily an indication of what's going to happen for the rest of the year," Siemens said.

For the rest of the year, Canada Mortgage and Housing Corp. analyst Cameron Muir said Fraser Valley markets should see price gains slow as listing activity continues to rise.

Muir said it is not surprising to see higher sales in the Fraser Valley because affordability "is becoming increasingly important in the marketplace," and the Fraser Valley "is increasing being seen as an affordable option."

Muir added that some of the January buyers may have been drawn into the market to beat mortgage interest-rate increases that are expected to take hold later in the year.

Muir was also not surprised to see more new listings hit the Fraser Valley market in January. He said CMHC is forecasting increased listing activity both in the valley and in Greater Vancouver, which is one of the factors that will slow down price gains. "It's probably good news to see such strong listing activity as early as January," Muir said. "I think most homebuyers would appreciate having greater selection to choose from."

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Injured logger challenges optional insurance rule

ACCIDENTS | Fallers considered independent by WorkSafeBC; workers' compensation optional

BY GORDON HAMILTON
VANCOUVER SUN

A faller who nearly severed his hand when his chainsaw kicked back on him is challenging a WorkSafeBC policy that provided him with optional, rather than mandatory, accident insurance coverage.

Roland Doucette, of Williams Lake, can never return to his old job that paid him $500 a day. He is now supporting a family on $1,500 a month as a result of the accident, which happened while he was cutting timber one year ago for a heli-logging operation on Gilbert Island east of Port McNeill. His left hand was totally severed except for skin and a nerve.

His hand was reattached after he was airlifted to Vancouver. But Doucette, 31, has been unable to regain his livelihood as easily as he regained his hand.

Like most fallers in the bush today, Doucette is not employed by a forest company. He is considered a one-man operation doing contract work, and is classified by WorkSafeBC as an independent operator. That classification makes workers' compensation optional.

Doucette had coverage. But he had taken out the minimum amount, believing that the $330 a month he was paying in compensation premiums would see him through if he had an accident.

"I thought I was covered," he said in an interview from his home at Williams Lake. "I was covered. But not very well."

Doucette is seeking to have the policies overturned that allowed him to make up his own mind about workers' compensation coverage in an appeal he has filed with the Workers Compensation Appeal Tribunal. Of the 179,000 employers who are insured by WorkSafeBC, 22,000 have personal optional coverage, called POP. There are 719 forest workers classified as independent operators who have the optional coverage. Over 8,000 truck drivers and transportation service workers, who own their own vehicles, are also included in POP, as are farmers, retailers and professionals.

The classification is not new, but logger advocates maintain people like Doucette are not independent at all; they are told when and where to work, transported to and from the worksite and are told how much they will be paid.

"This is a common story for loggers who have been put in the position of being contract loggers," said Darrel Wong, president of Steelworkers Local 2171.

He said forest workers are being put in an untenable situation by being classified as independent operators. They often under-insure themselves to lower their premiums. Fallers' premiums are among the highest charged by WorkSafeBC. Fallers pay $9.34 on every $100 they earn for coverage. When he worked, Doucette was earning $500 a day. But he applied for optional coverage at a time when he was not contract-falling year-round. He chose to insure himself for earnings of only $2,500 a month.

Later, he started contract falling full-time, but had neglected to update his coverage, believing $330 a month would be enough to buy him plenty of insurance.

"Now he is paying the price," said his lawyer, Craig Paterson. "And the only reason is because he was given the choice to insure himself by WorkSafeBC."

Fallers advocate Mike McKibbin claims companies took fallers off their payroll to get out from under high workers' compensation costs and that many fallers have difficulty juggling their jobs with the responsibilities of being one-man companies.

"We are fallers; we are not money managers, especially during uncertain times," McKibbin stated in a Western Fallers Association report on contributing factors to the high forest industry accident rate.

Paterson argues that the policy is illegal. Fallers such as Doucette are actually employees, not independent operators. Workers' compensation benefits should be compulsory, he said.

But WorkSafeBC maintains that workers' compensation is a two-edged sword. Not all independent operators want to give up rights in order to join the insurance pool. The compensation program takes away from workers the right to sue. It is also no-fault.

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Eastern B.C. retailers need solution to PST problem

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COLUMNIST

When Finance Minister Carole Taylor flatly turned down a request from eastern B.C. retailers for a break on provincial sales tax, she offered to pay the cost of the detailed studies they'd done to back their case.

This was only fair, as Taylor conceded in her letter to Dawson Creek councillor Alvin Stedel and his Provincial Sales Tax Steering Committee, the group seeking a PST reduction for border communities. After all, it was her government that asked them a couple of years ago to research and present the case.

But was dismissal of their request also fair?

Not according to this dogged group of retailers who are tired of seeing customers flock across the border to buy in tax-free Alberta. And they're not giving up, countering Taylor's letter of refusals with the logical point that, if their proposed solution to a mutually acknowledged problem isn't right, then what does she propose to do instead?

At the moment, the answer seems to be: "Not much."

Taylor's letter does promise a continued focus on enforcement, and her colleague, Revenue Minister Rick Thorpe, is to make an announcement this morning on that very theme.

But, regardless of what Thorpe has in mind, enforcement will always be a limited tool. His announcement today, for example, is prompted by the Costco fiasco, where a firestorm of criticism erupted after his department tried to lean on just one Alberta retailing company that sells tax-free goods to British Columbians. He may or may not be able to finesse his way through this one, but the fact remains that there are countless thousands of transactions between B.C. residents and Alberta merchants that audits will never uncover.

This issue isn't about an international border with customs officers who can stop and inspect people and vehicles that cross. This involves the movement of Canadians who have a right to cross inter-provincial borders at will, and it's neither fair, nor practical, nor politically acceptable to get too heavy handed.

Yet the problem that motivates Stedel and his group is real, and has serious implications for their businesses, their communities, and even the provincial treasury.

What's happening is a vicious circle that skews the growth of border communities. As B.C. merchants lose sales to cross-border shoppers who go to Alberta to avoid the tax, their establishments gradually wither in number and in size. This prompts still more residents to shop across the line, now not just for price but also for selection. This further erodes the local business base, and on it goes.

Taylor cites a report from her own officials in turning down the proposal. The response to her letter from Stedel's group convinces me they did their homework better than her bureaucrats.

They note that the bureaucrats misinterpreted quite a bit of their argument, including how long their research shows it would take for increased sales to make the tax cut revenue neutral. Then it used the misinterpretations, not the original argument, as reasons to shoot it down.

The government report says a graduated tax would just shift the problem west, creating unfairness on the other side of the reduced-PST zone. But that ignores a geographic analysis showing how natural barriers isolate the PST-reduced zone from neighbours to the west. In other words, both the Peace District and southeastern B.C. have much closer ties to Alberta than to central B.C., and shoppers from, say, Prince George, are unlikely to drive to Chetwynd or Dawson Creek to save three points on a 7 per cent tax.

Finally, there's the government's nonsensical contention that the requested change would be too complex, or it would be unfair to amend tax policy to benefit businesses in some areas.

Stedel and his group point out that complexity never stopped the taxman before and, besides, it's the business people themselves who are asking for this change. And tax policy is used to foster regional or sectoral development all the time — including breaks for energy exploration centred in many of the very communities where the seven per cent PST is stunting retail development.

In my view, they make a compelling case that their request was dismissed too lightly. I think Taylor owes them a second look at this — or a practical proposal of her own to solve the problem.

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