

B.C. housing sales will plunge 28 per cent

MLS sales to fall substantially from 2007 according to real estate report

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Expect British Columbia real estate sales to have fallen substantially by the end of this year, but stage a modest recovery in 2009, according to the latest forecast of the B.C. Real Estate Association.

Sales recorded through the Multiple Listing Service should fall 28 per cent to 73,700 units across the province by the end of 2008, compared with 102,805 units in 2007, according to the forecast released this morning.



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"The erosion of consumer confidence that began with rising fuel prices earlier in the year is continuing, as the global financial crisis and volatile equity markets have BC households concerned about their own finances," BCREA chief economist Cameron Muir said in a news release.

B.C. MLS listings to drop according to report.

However, the BCREA estimates that sales should recover four per cent to 76,500 units in 2009 on improved consumer confidence and as lower prices make housing affordable to more buyers.

Muir said home prices have been declining since their peak in the first quarter of 2008, but on balanced over the year, he expects the \$453,000 average price to remain three per cent above the overall average home price of 2007.

Muir expects the average home price to decline nine per cent to \$413,000 in 2009, but downward pressure on prices to ease by the second quarter of next year as homes become more affordable and inventories decline.

The BCREA's prediction is the latest housing forecast to be released and is more optimistic about recovery than the forecast released last week by Central 1 Credit Union, which forecast prices to fall more steeply and sales recovering in 2010.

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