

First-time buyers heating up Fraser Valley housing market

FEATURE | With a little help from their parents – and relatively low prices – first-time buyers are snatching up real estate from Surrey to Chilliwack

By **PATRICK BLENNERHASSETT**
wieditor@biv.com

Canada's 2011 census revealed Surrey was Canada's third-fastest-growing city, with population growth outpacing Edmonton and Calgary – two cities that are part of a booming oil sector and not hemmed in by geography. The question is, who are the roughly 1,000 people moving to Surrey every month?

One thing's for sure, they're moving to the Fraser Valley in record-breaking numbers. In June, 1,688 homes sold, according to the **Fraser Valley Real Estate Board (FVREB)**, up 26 per cent from a year earlier and 2 per cent higher than May, which had seen the strongest sales in seven years.

The biggest increase has been in single-family detached homes, which make up 60 per cent of sales. **Ray Werger**, president of the FVREB, who's been selling real estate in the Fraser Valley for 22 years, said he's noticed a specific trend when it comes to Surrey.

"One definite trend we are seeing is the baby boomer generation either helping their kids get into the market, buying detached homes with basement suites for them or their elderly parents as well," he said.

Werger noted that though it's hard to track these numbers on a large scale because the FVREB can't ask specific financing questions of homebuyers, the demographics are clear.

In June, the benchmark price in the Fraser Valley, as determined by the MLS Home Price Index (HPI), of a "typical" residential home – detached, townhouse and apartment combined – was 1.3 per cent higher than in June of last year. For the single-family detached home, the HPI benchmark price in June was \$568,600, an increase of 3 per cent compared with June 2013. This is the record high benchmark price for detached homes since the HPI began in January 2005.

The benchmark price of Fraser Valley townhouses decreased by 0.3 per cent, going from \$298,700 in June 2013 to \$297,800 in June 2014. The benchmark price of apartments was \$197,000 in June, down 2.7 per cent compared with a year earlier.

Benchmark prices for detached houses range from \$360,000 in Mission to \$900,000 in White Rock/South Surrey.

Affordability

Shayna Thow, director of sales for **BLVD Marketing Group** – which handles marketing for two Surrey developments for Vancouver's **Fairborne Homes Ltd.** – said



Shayna Thow, director of sales for BLVD Marketing Group, says first-time homebuyers are flocking to the Fraser Valley. | BLVD MARKETING

Surrey has become a viable option for first-time homebuyers who can't afford to buy in Vancouver. While the average price for a single-family detached home in Greater Vancouver has soared to more than \$1.36 million, the average price in the Fraser Valley is still under \$600,000.

"We are currently seeing over 50 per cent of our buyers coming into the Surrey market as first-time purchasers who will be living in the home as a primary residence," said Thow. "The majority of these buyers are under the age of 35 and are utilizing

family members to help aid them with deposits and getting into the market."

Demand has eaten into inventory. June finished with 9,853 active listings, a decrease of 6 per cent compared to the 10,515 active listings available during June of last year.

James Stewart, chair of the **Downtown Surrey Business Improvement Association (BIA)** and a business lawyer in Surrey since the '80s, said the BIA has seen an influx of company leaders, with their companies in tow, moving south of the Fraser River.

"There are young families that are moving to Surrey because of affordability. But there are also a lot of affluent people moving to Surrey who are business owners, professionals. People who could actually live wherever they want to, but choose to live on the larger, newer, fresher properties in Surrey because Surrey as a community is evolving."

Werger agrees. He recently sold a home to the senior vice-president of a Prince George specialty wood finishing company who's moving his family and his entire operation to Cloverdale.

"I said, 'Why are you guys bringing the company down here?' and he said, 'Most of our customers are offshore so we don't need to be up in Prince George. We're tied into the transportation grid here a lot better.' So that's their thinking." ■



Average price of a detached house in Surrey is half that in Vancouver.

| BLVD MARKETING