



EAGER BUYERS KEEP MARKET BUOYANT IN 2012

Home buyers, led by baby boomers, are expected to increase about 9 per cent across the Metro Vancouver region this year, compared to 2011.

Fueled by low interest rates and one of the strongest regional economies in the country, the Lower Mainland housing market is expected to remain strong and stable this year, analysts say.

This follows a year of surprising strength as housing sales through MLS rose in most markets and prices either advanced or stayed on par with 2010.

In the Fraser Valley, housing sales increased 4 per cent in 2011 from a year earlier and spiked 45 per cent in White Rock and South Surrey. The average detached house price increased 3.3 per cent. The average price of townhomes increased 2.6 per cent, and the average price of Valley apartments increased by 0.9 per cent to \$225,976 in 2011.

Chilliwack and District saw a late year rally

in MLS housing sales, which bodes well for 2012.

In Greater Vancouver, overall housing sales increased 5.9 per cent from 2010 and the residential benchmark price increased 7.6 per cent, to \$621,674 by December, compared to the same month a year earlier.

Canada Mortgage and Housing Corp. analysts see further stability in the Lower Mainland for this year.

The official forecast is for Greater Vancouver resales to rise 9 per cent and the average overall home price to increase 2.2 per cent from 2011 to \$805,000. The average detached house price in the Vancouver area is expected to crack above \$1.1 million in 2012.

Partially due to the housing sector, the unemployment rate in Metro Vancouver is forecast to fall to 7 per cent in 2012, from 7.7 per

cent last year.

Residential real estate is what keeps the economy here ticking, suggested Andrew Bibby, president and CEO of Grosvenor Americas. "Housing is the driver for Vancouver's economy," Bibby told the recent

Emerging Trends in Real Estate 2012 conference presented by the Urban Land Institute.

Bibby's suggestion has merit: last year in Greater Vancouver, sales of 33,000 resale homes generated \$26 billion. At the same time, annual new-home construction permits in the Lower Mainland are in the \$3 billion range and residential construction directly employs 113,000 people, not counting realtors, mortgage brokers and other soft support. Home renovations are worth another \$7 billion to the provincial economy.

Another telling conclusion from the Trends conference: the best global real estate investment for 2012 is a single-family detached house in either Vancouver or Toronto. The second is a residential rental in either city.

Ask your local Realtor about the opportunities in today's real estate market.