

B.C. HOME SALES TO TREND HIGHER THIS YEAR, NEXT

Housing sales across B.C. will rise 5.6 per cent this year and accelerate further 6.1 per cent next year, according to the B.C. Real Estate Association (BCREA), which would put the activity above the five-year sales average for the province.

Meanwhile, a Vancouver new home developer expects an increase of Asian buyers into the Lower Mainland housing market, linked to an upturn in China's economy and the Central 1 Credit Union sees B.C.'s economy "shifting to a higher gear" this year.

The BCREA forecasts that MLS residential sales will reach 71,450 units this year, before increasing to 75,830 units in 2014. The five-year average is 74,600 unit sales, while the 10-year average is 86,800 unit sales.

"2013 is shaping up to be a transition year in the BC housing market," said Cameron Muir, BCREA chief economist. "The groundwork has already begun for stronger housing demand as a significant number of part-time jobs in B.C. were converted into full-time employment last year."

"Residential values are expected to be on a more

solid footing in 2013 as lower prices, both actual and inflation adjusted, have improved affordability. Many potential buyers that stayed on the sidelines in 2012 will likely enter the market over the next year due to the relatively strong financial condition of BC households."

The average MLS home price in B.C. is forecast to edge down nearly 1 per cent to \$510,400 this year and rise 0.6 per cent to \$513,500 in 2014.

Developer Will Lin, CEO of Rize Alliance, is among those who believe that buyers from China are coming back to Vancouver, and perhaps sooner and stronger than most expect. On the Huffington Post, Lin said it is all linked to China's economy and its reliance on real estate.

Lin is not alone in his belief that China's economic policies and performance influences Vancouver's real estate marketplace.

Bloomberg recently published a chart highlighting

the relationship between Vancouver real estate and China's economy, establishing a direct correlation between the two. The news agency notes that China's economy saw a 7.9 per cent increase in fourth quarter, the biggest rise in two years.

In a release this week, Central 1 Credit Union said the provincial economy, "will shift to a higher gear later in 2013 and beyond" due to a recovery in the U.S. economy and higher employment in B.C.

"Real GDP growth is forecast to inch ahead by 2.2 per cent in 2013 before accelerating to 2.8 per cent in 2014 and averaging 3.7 per cent in 2015 to 2017", the Credit Union reports.

Housing sales across B.C. are forecast to rise 11.7 per cent over this year and next.

