



# REALTORLINK

**Strategic information for REBGV REALTORS®**

**June 27, 2008**

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The numbers. What are they telling us?

The housing market is a key economic indicator in the province. If houses are being built and sold, the supply chain, which includes everyone from builders and developers to mortgage brokers, REALTORS® and home renovators, will remain vibrant and will continue to generate spin-offs into the economy.

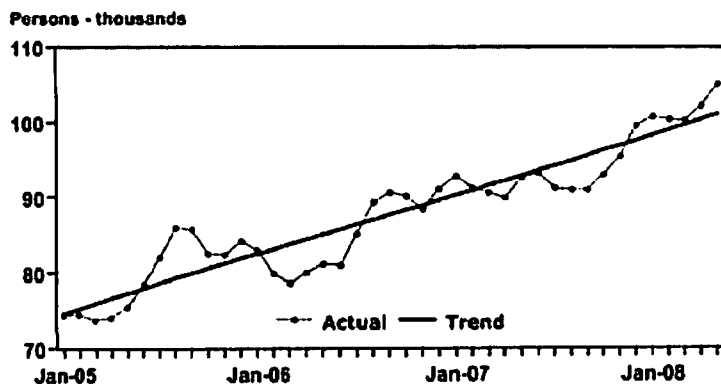
**The Real Estate Board area**

In May 2008, residential property sales in the Greater Vancouver area declined 30.7 per cent to 3,002 units from the 4,331 sales in May 2007. Listings increased 20.2 per cent to 7,390 units from 6,149 listings in May 2007. At the same time, the benchmark price of a detached unit rose 8.4 per cent to \$771,250, for an attached unit, 9 per cent to \$478,931 for an attached unit and 8.7 per cent to \$389,668 for an apartment.

**What does this mean?**

"This is good news from an affordability standpoint," explains Real Estate Board president Dave Watt. "The housing market is at a balanced state, sellers have more competition and buyers have more selection to choose from."

## Construction Industry Employment, Vancouver Census Metropolitan Area, January 2005 - May 2008



Source: Statistics Canada. Note: Actual is three-month moving average.

**Building permits and construction employment:**

**Residential Building Permits – Metro Vancouver (GVRD)**

Residential permits fell one per cent to \$345.5 million in April 2008 from \$347.6 million in April 2007 and the number of units declined 29 per cent to 1,821 units from 2,557 units in 2007.

**Non-residential Building Permits – Metro Vancouver**

- Non-residential permits decreased 15 per cent in April 2008 to \$173 million compared to \$204.4 million in April

2007.

- Commercial permits decreased 11 per cent to \$154.7 million compared to \$173.2 million in April 2007.
- Industrial permit values increased 37 per cent to \$10.6 million in April 2008 from \$7.8 million in April 2007.
- Institutional-government permits dropped 68 per cent to \$7.6 million from \$23 million.

#### Construction employment – new records set

In the Metro Vancouver area, 105,100 workers were employed in May 2008, up 13.5 per cent from 92,600 a year ago.

While the month of May is typically busy following the slower winter months, the construction activity we are experiencing is also the result of:

- various Olympic venue construction projects and infrastructure projects, including the RAV line;
- strong commercial markets; and
- a still active residential market – 3002 units sold in May 2008.

#### The U.S.

South of the border, the real estate downturn has been affecting many areas of the economy. But there is hope for a turnaround.

Home sales are expected to rise moderately in the next six months as a result of recent price declines and more affordable mortgages says the National Association of REALTORS®.

NAR's Pending Home Sales Index, a forward-looking indicator based on contracts signed in April 2008, rose 6.3 per cent since March 2008.

"Bargain hunters have entered the market en masse," says Lawrence Yun, NAR chief economist.

NAR President Richard F. Gaylord explains, "overall affordability conditions are the best we've seen since the middle of the housing boom in 2004, but with far more choices and much less pressure than buyers experienced four years ago to make an investment in their future."

Building Permits Issued – Vancouver CMA							
Period	Total	Non-Residential Permits				Residential Permits	
	Permits	Total	Industrial	Commercial	Inst.-Govt.	Value	Units
(Dollars – Thousands)							
Mar-08	462,707	153,043	6,389	132,086	14,568	272,830	1,447
Apr-08	564,802	172,957	10,651	154,721	7,585	345,484	1,821
% Change	22	13	67	17	-48	27	26
Apr-07	581,450	204,369	7,767	173,224	23,378	347,625	2,557
Apr-08	564,802	172,957	10,651	154,721	7,585	345,484	1,821
% Change	-3	-15	37	-11	-68	-1	-29
Jan-Apr-07	2,174,383	799,540	41,038	633,872	124,630	1,254,203	7,051
Jan-Apr-08	1,866,457	533,773	50,358	425,533	57,882	1,172,438	5,999
% Change	-14	-33	23	-33	-54	-7	-15

Source: Statistics Canada

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