



# Market at a Glance

## Greater Vancouver Real Estate Market 4<sup>th</sup> Quarter 2009 & Forecast for 2010

### Market Trend

Low mortgage rates have fueled housing demand across the country, leading to a V-shaped recovery in housing sales in major markets in BC in the 2<sup>nd</sup> half of 2009. Among them, Greater Vancouver, Victoria and Fraser Valley are the bright spots. The similar momentum is expected to carry through the first half of 2010. Total number of sales for the whole year for detached houses and condo units increased by 44.8% from a year ago. It dropped by 6.3% , however, when compared to the total number of properties changing hands back in 2007.

Canada's economy is recovering, but very slowly. As the economy gradually improves and stabilizes, we would expect to see interest rate going up. The BC. Real Estate Association forecasts mortgage rates to rise more quickly at the end of 2010 and through 2011.

Supply and demand is the most important component to the home prices. Anyone interested in the housing market should pay

close attention to the number of homes for sale and the actual number of transactions. The ratio of home sales to active listings at a given price range is a good indication of any upward or downward pressures on the prices.

Here is general rule of thumb: home prices are more likely to be pulled downward when the sales to active listings ratio is below 10%. It will be pushed upward when the ratio reaches 25%. A relative balance may be reached when the sales to actively listing ratio is between 15-20%. A quick check of the ratios over a period of several months can help us understand the direction the market is heading.

**Call Charlotte Chang  
for your next real estate move !  
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Source: BCREA, REBGV