

Sound real estate decisions are made using the best possible information. Since our incorporation in 1987, Landcor Data Corporation has grown to be one of the most trusted providers of objective real estate data and analysis in British Columbia.

During the past two decades we've helped hundreds of clients achieve their goals by offering the most comprehensive real estate data, analysis and insight available. From real estate valuation and analysis to land economics research to systems development, our staff of highly qualified experts are here to help you find solutions to your real estate analysis and data needs. Landcor maintains the largest, most comprehensive database of historical sales and current information on BC residential and commercial real estate. Unlike MLS® data which includes only broker sales, Landcor's data uses government land titles information which covers all registered sales including MLS® properties in BC.

Landcor's database includes:

- BC Assessment data on 1.82 million properties;
- sales transactions data for BC, including prices updated weekly; and
- geographic location data used in custom reports.

## Q3, the market correction deepens

The buyer's market took hold across the Province during the third quarter of 2008. The number of residential property sales in BC continued to decline, down more than 21% from the previous quarter, and down nearly 40% compared to the same quarter last year. The number of residential property sales was 29,410, which, while surpassing the Q1 08 total by 1,490 sales, was the lowest third quarter sales count in the past five years. In contrast, last year the third quarter saw a 4% increase over Q2 07 and a 6% increase over Q3 06.

Of the 29,410 sales this quarter 44% were detached homes. A further 28% of sales were in the condominium market.

Q3 2008 saw \$12.7 billion in total sales value generated, down 20% from Q2 08 and down 34% from Q3 07. Comparatively, last year in Q3 we saw a 10% increase over Q2 07's total sales value, and a 22% increase over the sales revenue of Q3 06. While this year's total exceeded the total sales value of Q3 04, it was the second lowest total sales value when compared to the last five years.

Overall, median sales prices have levelled off and have started to dip province wide, though the quarterly totals remain in positive growth territory compared to the third quarter of 2007 in all three of the main property types.

BC condominiums were the only property type to post a positive average and median price change over Q2 08, while detached and attached homes showed a decrease in average and median prices between -0.4% and -1.6%.

<sup>1</sup>% change Q2 08 - Q3 08   <sup>2</sup>% change Q3 07 - Q3 08

BC Market Matrix	3rd Qtr, 2008	% Chg <sup>1</sup>	2nd Qtr, 2008	% Chg <sup>2</sup>	3rd Qtr, 2007
Number of Sales	29,410	-21.6%	37,532	-38.1%	47,494
Total Value of Sales	\$12,695,126,447	-19.7%	\$15,812,906,364	-33.8%	\$19,177,265,358
Average Sales Price - Detached	\$451,396	-0.9%	\$455,531	6.8%	\$422,548
Median Sales Price - Detached	\$459,000	-0.5%	\$461,100	6.3%	\$432,000
Average Sales Price - Condo	\$319,862	2.0%	\$313,548	12.1%	\$285,412
Median Sales Price - Condo	\$313,900	1.9%	\$308,000	11.4%	\$281,895
Average Sales Price - Attached	\$362,450	-1.6%	\$368,199	4.8%	\$345,872
Median Sales Price - Attached	\$365,000	-0.4%	\$366,490	6.2%	\$343,600

### Quarterly Sales Counts/ BC All



### Quarterly Median Sales Prices/ BC All



As the quarter progressed, the strength of the residential real estate market deteriorated and posted significant month over month declines in both price and number of units sold. These trends were seen across all property types and all six geographic regions in British Columbia, and will be explored in greater detail later in this report.

### Methodology

This report is the summary of all third quarter sales transactions occurring in the province of BC between July 1st to September 30th of each year analyzed. All numbers are based on BC Assessment's data available as of November 10th, 2008.

### Q3 sales overview: by region

#### Greater Vancouver

41% of the sales in Q3 this year took place in Greater Vancouver and exceeded 12,000 completed transactions. 43% of the region's total (5,166 sales) were condos, with a median sales price of \$350,000. 34% were detached homes (4,080 sales) resulting in a median sales price of \$660,000. 1,894 attached homes sold in Q3 08, with a \$403,100 median sales price.

#### Vancouver Island

20% of the sales in Q3 08 took place on Vancouver Island, exceeding 6,000 completed transactions. 15% of these sales were condos, for 914 transactions, with a median sales price of \$276,000. Detached homes accounted for 54% of the region's residential sales with 3,261 sales and a median sales price of \$418,000. 730 attached homes sold in the third quarter of 2008 on Vancouver Island resulting in a median sales price of \$334,000.

#### The Kootenays

A mere 4% of the sales in Q3 this year in BC took place in the Kootenays, exceeding 1,200 completed transactions. 15% of these sales (187) were condos, with a median sales price of \$270,000. Detached homes accounted for 47% of the region's residential sales with 563 sales and a median sales price of \$301,500. Only 30 attached homes sold in the third quarter of 2008 in the Kootenay Region resulting a median sales price of \$299,950.

#### The Okanagan

14% of BC's Q3 08 residential sales took place in the Okanagan, with 4,081 sales. 860 condo sales made up 21% of total sales, with a median sales price of \$279,250. Detached homes accounted for 44% of the sales with 1,780 sales and a median sales price of \$410,000. 176 attached homes sold in the third quarter of 2008 in the Okanagan, with a median sales price of \$308,500.

#### Fraser Valley

11% of the BC's residential sales this quarter took place in the Fraser Valley, with 3,361 sales. 27% were condos (923 sales), with a median sales price of \$216,900. Detached accounted for 52% of sales at 1,755 and a median sales price of \$460,000. 390 attached homes sold this quarter, with a median sales price of \$305,200.

#### BC North/Northwest

9% of BC's residential sales this quarter took place in the Northern Region, with 2,710 sales. 49 condos (2%) sold, with a median sales price of \$120,000. 55% were detached home with 1,491 sales and a median sales price of \$215,000. 148 attached homes sold this quarter, with a median sales price of \$204,442.

<sup>1</sup>% change Q2 08 - Q3 08   <sup>2</sup>% change Q3 07 - Q3 08

Gr. Vancouver Market Matrix	3rd Qtr, 2008	% Chg <sup>1</sup>	2nd Qtr, 2008	% Chg <sup>2</sup>	3rd Qtr, 2007
Number of Sales	12,033	-24.9%	16,012	-16.2%	19,111
Total Value of Sales	\$6,895,502,187	-21.0%	\$8,726,017,520	-15.7%	\$10,357,285,401
Average Sales Price - Detached	\$707,381	0.6%	\$703,153	5.3%	\$667,506
Median Sales Price - Detached	\$660,000	0.8%	\$655,000	4.8%	\$625,000
Average Sales Price - Condo	\$367,018	3.7%	\$354,037	7.9%	\$328,030
Median Sales Price - Condo	\$350,000	2.7%	\$340,800	7.8%	\$316,000
Average Sales Price - Attached	\$428,873	-1.9%	\$436,993	5.7%	\$413,488
Median Sales Price - Attached	\$403,100	-1.8%	\$410,500	5.3%	\$390,000

Vancouver Island Market Matrix	3rd Qtr, 2008	% Chg <sup>1</sup>	2nd Qtr, 2008	% Chg <sup>2</sup>	3rd Qtr, 2007
Number of Sales	6,016	-8.1%	6,544	-22.3%	8,420
Total Value of Sales	\$2,339,633,054	-5.7%	\$2,481,490,475	-19.3%	\$3,075,716,201
Average Sales Price - Detached	\$419,700	0.8%	\$416,441	7.6%	\$386,902
Median Sales Price - Detached	\$418,000	0.7%	\$415,000	7.1%	\$387,500
Average Sales Price - Condo	\$273,884	-0.7%	\$275,939	11.7%	\$247,066
Median Sales Price - Condo	\$276,000	0.4%	\$275,000	8.6%	\$253,250
Average Sales Price - Attached	\$314,396	-0.5%	\$315,879	5.1%	\$300,628
Median Sales Price - Attached	\$334,000	3.8%	\$321,750	4.5%	\$308,000

Kootenay Market Matrix	3rd Qtr, 2008	% Chg <sup>1</sup>	2nd Qtr, 2008	% Chg <sup>2</sup>	3rd Qtr, 2007
Number of Sales	1,209	-29.6%	1,717	-24.2%	2,266
Total Value of Sales	\$306,516,222	-30.7%	\$442,211,320	-13.6%	\$511,724,116
Average Sales Price - Detached	\$297,795	1.4%	\$293,671	13.4%	\$258,921
Median Sales Price - Detached	\$301,500	5.8%	\$285,000	5.6%	\$270,000
Average Sales Price - Condo	\$232,487	-1.6%	\$236,241	10.9%	\$213,093
Median Sales Price - Condo	\$270,000	2.6%	\$263,113	16.9%	\$225,000
Average Sales Price - Attached	\$288,084	16.1%	\$248,051	6.7%	\$232,408
Median Sales Price - Attached	\$299,950	18.8%	\$252,500	3.1%	\$244,950

Okanagan Market Matrix	3rd Qtr, 2008	% Chg <sup>1</sup>	2nd Qtr, 2008	% Chg <sup>2</sup>	3rd Qtr, 2007
Number of Sales	4,081	-29.0%	5,750	-27.2%	7,898
Total Value of Sales	\$1,397,979,769	-29.6%	\$1,984,947,691	-21.2%	\$2,519,131,602
Average Sales Price - Detached	\$403,572	-0.6%	\$406,190	9.8%	\$369,879
Median Sales Price - Detached	\$410,000	-0.5%	\$412,000	8.4%	\$380,000
Average Sales Price - Condo	\$279,006	-1.1%	\$281,967	13.7%	\$248,026
Median Sales Price - Condo	\$279,250	-1.0%	\$282,000	13.7%	\$248,000
Average Sales Price - Attached	\$305,306	-5.3%	\$322,477	4.5%	\$308,667
Median Sales Price - Attached	\$308,500	-3.1%	\$318,451	9.8%	\$290,000

Fraser Valley Market Matrix	3rd Qtr, 2008	% Chg <sup>1</sup>	2nd Qtr, 2008	% Chg <sup>2</sup>	3rd Qtr, 2007
Number of Sales	3,361	-25.9%	4,538	-19.6%	5,645
Total Value of Sales	\$1,298,414,406	-23.4%	\$1,695,588,911	-17.6%	\$2,056,698,283
Average Sales Price - Detached	\$468,005	2.2%	\$458,112	7.2%	\$427,501
Median Sales Price - Detached	\$460,000	2.2%	\$450,000	5.2%	\$427,899
Average Sales Price - Condo	\$220,168	-2.0%	\$224,705	1.8%	\$220,627
Median Sales Price - Condo	\$216,900	-3.6%	\$225,000	1.1%	\$222,500
Average Sales Price - Attached	\$304,240	-4.2%	\$317,413	12.3%	\$282,686
Median Sales Price - Attached	\$305,200	-4.6%	\$319,900	10.3%	\$290,000

BC North/NW Market Matrix	3rd Qtr, 2008	% Chg <sup>1</sup>	2nd Qtr, 2008	% Chg <sup>2</sup>	3rd Qtr, 2007
Number of Sales	2,710	-8.8%	2,971	-28.5%	4,154
Total Value of Sales	\$457,080,809	-5.3%	\$482,650,447	-26.5%	\$656,709,755
Average Sales Price - Detached	\$198,076	1.6%	\$194,992	5.0%	\$185,763
Median Sales Price - Detached	\$215,000	1.4%	\$212,000	5.0%	\$202,000
Average Sales Price - Condo	\$109,494	-2.2%	\$111,991	8.5%	\$103,206
Median Sales Price - Condo	\$120,000	2.6%	\$117,000	6.5%	\$109,900
Average Sales Price - Attached	\$173,366	16.3%	\$149,051	13.3%	\$131,499
Median Sales Price - Attached	\$204,442	21.3%	\$168,500	15.0%	\$146,500

### Q3 sales overview: month over month

In our provincial price point analysis, we were startled to find no change in the median price of attached and detached properties in this quarter as compared to Q2 08, and that condominiums actually posted an increase of 2% in their median price over Q2 08. We recognized that the overall results of Q3 08 did not reflect the reality of the market that we currently find ourselves in.

After executing a review of the month-by-month market performance for this time period, we found that these results highlighted the dramatic decline that the residential real estate market experienced during Q3 08, and further illustrated both how quickly it occurred and the resulting impact on sale prices. Of the 29,410 sales this quarter, 41% took place in July (12,077), a month that historically accounts for approximately 35% of quarterly sales. Two months later, September sales fell by 38% to 7,504.

#### Greater Vancouver

After falling 5% in July, compared to June sales counts, Vancouver took its biggest hit in August, falling 27% in total number of sales compared to the previous month. The median price of detached homes declined \$26,750 while the condominium median price point dropped \$19,000, from July to September.

#### Vancouver Island

Vancouver Island saw positive growth in the number of sales in July, up 3% over June; then dropped drastically in September, falling 29%. Condominiums held their price well, while attached homes fell nearly 5% in median sales value in September compared to August.

#### The Kootenays

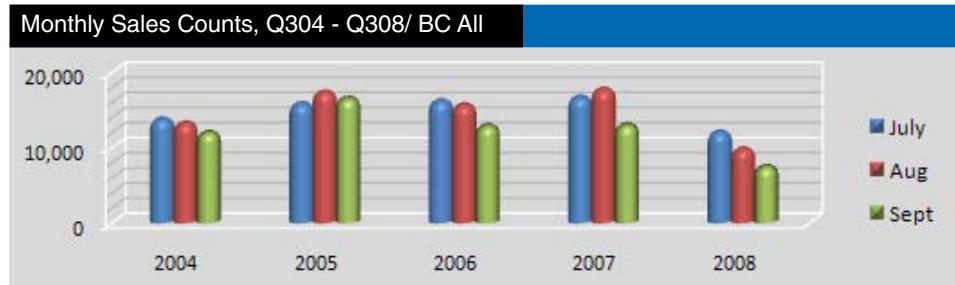
The Kootenay region saw the largest drop in total monthly sales count in August, falling 33% after a decline of 9% in July. Because the number of sales were so small this quarter in the Kootenays, the average and median price of attached homes posted higher than that of detached due to the \$1 million + sale of a duplex in the region.

#### The Okanagan

The Okanagan saw its sales volumes drop significantly every month in the quarter. July fell 20% from June's totals, August fell 17% and September tumbled another 22%. The median price of detached properties also fell, declining more than \$30,000 in the three month period.

#### Fraser Valley

The Fraser Valley saw little change in the first month of the quarter, with their total sales counts from June to July dipping a mere 2%. The region wasn't isolated from the downturn however, ending the quarter with a 41% decrease from August to September in units sold. In the third quarter detached home prices reduced \$42,450 (median price).



Gr. Vancouver Monthly Market Matrix	July		August		September
	% Chg <sup>3</sup>		% Chg <sup>3</sup>		
Number of Sales	5152	-26.7%	3775	-17.7%	3106
Total Value of Sales	\$2,921,720,924	-27.7%	\$2,112,690,868	-11.9%	\$1,861,090,395
Average Sales Price - Detached	\$715,384	-0.2%	\$713,950	-4.5%	\$681,568
Median Sales Price - Detached	\$666,750	-1.0%	\$660,000	-3.0%	\$640,000
Average Sales Price - Condo	\$369,571	-5.6%	\$348,727	10.1%	\$383,885
Median Sales Price - Condo	\$365,000	-5.8%	\$343,700	0.7%	\$346,000
Average Sales Price - Attached	\$434,327	-0.5%	\$432,166	-3.9%	\$415,474
Median Sales Price - Attached	\$414,700	-3.6%	\$399,900	-2.0%	\$391,800

Van. Island Monthly Market Matrix	July		August		September
	% Chg <sup>3</sup>		% Chg <sup>3</sup>		
Number of Sales	2331	-7.5%	2156	-29.1%	1529
Total Value of Sales	\$917,379,241	-8.1%	\$842,653,355	-31.2%	\$579,600,458
Average Sales Price - Detached	\$423,724	0.5%	\$425,897	-4.8%	\$405,397
Median Sales Price - Detached	\$424,300	-1.0%	\$420,000	-3.6%	\$405,000
Average Sales Price - Condo	\$272,486	-0.6%	\$270,901	3.3%	\$279,718
Median Sales Price - Condo	\$280,000	-3.6%	\$270,000	4.1%	\$281,000
Average Sales Price - Attached	\$322,007	0.1%	\$322,474	-8.6%	\$294,812
Median Sales Price - Attached	\$335,000	0.0%	\$335,000	-4.5%	\$320,000

Kootenay Monthly Market Matrix	July		August		September
	% Chg <sup>3</sup>		% Chg <sup>3</sup>		
Number of Sales	531	-34.7%	347	-4.6%	331
Total Value of Sales	\$136,699,578	-33.5%	\$90,858,333	-13.1%	\$78,958,311
Average Sales Price - Detached	\$303,220	-1.2%	\$299,649	-4.0%	\$287,674
Median Sales Price - Detached	\$306,500	-1.5%	\$302,000	-4.0%	\$290,000
Average Sales Price - Condo	\$216,489	16.1%	\$251,387	-2.1%	\$246,230
Median Sales Price - Condo	\$255,000	12.0%	\$285,619	-0.2%	\$285,000
Average Sales Price - Attached	\$280,782	-8.1%	\$257,976	71.6%	\$442,579
Median Sales Price - Attached	\$280,000	11.8%	\$313,000	11.4%	\$348,750

Okanagan Monthly Market Matrix	July		August		September
	% Chg <sup>3</sup>		% Chg <sup>3</sup>		
Number of Sales	1644	-16.8%	1368	-21.9%	1069
Total Value of Sales	\$584,333,645	-22.6%	\$452,106,172	-20.0%	\$361,539,952
Average Sales Price - Detached	\$405,342	1.4%	\$410,891	-4.5%	\$392,604
Median Sales Price - Detached	\$420,000	-3.1%	\$407,000	-4.2%	\$389,900
Average Sales Price - Condo	\$288,685	-6.6%	\$269,771	2.1%	\$275,435
Median Sales Price - Condo	\$286,900	-4.0%	\$275,500	-2.7%	\$268,000
Average Sales Price - Attached	\$341,447	-9.0%	\$310,656	-15.4%	\$262,723
Median Sales Price - Attached	\$333,774	-8.3%	\$306,000	-8.5%	\$280,000

Fraser Valley Monthly Market Matrix	July		August		September
	% Chg <sup>3</sup>		% Chg <sup>3</sup>		
Number of Sales	1394	-11.2%	1238	-41.1%	729
Total Value of Sales	\$572,444,132	-19.5%	\$460,531,624	-42.4%	\$265,438,650
Average Sales Price - Detached	\$475,762	-1.8%	\$467,416	-3.2%	\$452,412
Median Sales Price - Detached	\$472,450	-2.6%	\$460,000	-6.5%	\$430,000
Average Sales Price - Condo	\$233,565	-8.8%	\$212,916	0.3%	\$213,599
Median Sales Price - Condo	\$229,500	-9.0%	\$208,900	-0.4%	\$208,000
Average Sales Price - Attached	\$315,529	-6.8%	\$294,056	2.4%	\$300,982
Median Sales Price - Attached	\$318,000	-5.6%	\$300,194	1.1%	\$303,500

**BC North/Northwest**

BC's Northern region has been feeling the effects of the downturn in the forestry sector for awhile, and this quarter their real estate market continued to decline.

After an 8% decrease in the number of sales from June to July, and a further 8% decrease in August, September saw the number of sales dip 22%. Detached home median sale prices reduced by \$15,000 in this quarter.

**Downturn, recession, correction - What is going on?**

Q3 saw the beginnings of what economists, financial experts and the media say could possibly become the worst recession since the 80s. Is this really the case? What caused it? What should we do now?

Some would say this market shift was imminent and there are many economic circumstances that have been blamed. One of the highest profile indicators that things were about to change occurred on August 2nd, when IndyMac Bancorp Inc, once one of the largest US mortgage lenders, filed for bankruptcy protection less than three weeks after being seized by federal regulators following a bank run by depositors.

Many things have happened since then, including the reshaping of Wall Street with the failure or bailout of large American financial institutions, the election of a new US President, record swings in global stock markets, and a Canadian election that extended our minority

^% change month/month

BC North/NW Monthly Market Matrix	July	% Chg <sup>3</sup>	August	% Chg <sup>3</sup>	September
Number of Sales	1025	-7.8%	945	-21.7%	740
Total Value of Sales	\$173,077,098	-7.0%	\$160,939,085	-23.5%	\$123,064,626
Average Sales Price - Detached	\$207,020	-5.2%	\$196,289	-3.9%	\$188,614
Median Sales Price - Detached	\$224,000	-4.0%	\$215,000	-2.8%	\$209,000
Average Sales Price - Condo	\$133,058	-19.9%	\$106,634	-7.6%	\$98,573
Median Sales Price - Condo	\$135,000	-11.1%	\$120,000	-16.7%	\$100,000
Average Sales Price - Attached	\$192,939	-14.8%	\$164,299	-5.4%	\$155,365
Median Sales Price - Attached	\$215,013	-14.5%	\$183,750	-3.7%	\$176,944

government's hold on Canada's economic policies.

On September 4th, it was reported that the turn of the Lower Mainland real estate market's cycle had been more dramatic than expected, with real estate boards reporting a continued decrease in both number of sales and sale prices in August. *Derek Penner, Vancouver Sun, Sept 4, 2008*

On September 30, Central 1 Credit Union forecast that "Southwestern BC will not go into recession over the next two years but a dramatic drop in housing starts and sales is expected to slow economic growth to 2.7 per cent." *Gordon Hamilton, Vancouver Sun, Sept 30, 2008*

David Hobden of Central 1 Credit Union noted, "Investors and speculators have left the real estate market, leaving residential home buyers as the only buyers." *Gordon Hamilton, Vancouver Sun, Sept 30, 2008*

But the story keeps changing. More recently, Central 1 Credit Union's October newsletter reported that "The widespread impact of the credit crisis on mortgage finance, the economy and consumer confidence has generated an extra shock sending BC's housing market into recession."

It seems there is little certainty as to what to expect in the coming months and in a market characterized by volatility and unpredictability the need for impartial and complete data has never been more evident.

As financial institutions, retailers and governments search for the answers to allow them to lead, advise, and in some cases survive, they find little solace in alarmist headlines and media grumblings.

Consumers find themselves watching their nest egg dissolve daily with the close of markets. They are left wondering what this all means to them and if they should be concerned?

For all British Columbians, one worry that continues to find its way into the headlines, is the state of the equity position in people's homes. Unless you have an investment property which you were intending to flip or if you must relocate and sell your primary residence, your equity position is a moot point. In a down market you only lose money if you sell.

What we should focus on are the opportunities that arise out of down markets. These include opportunities for first time home buyers to make a sound investment at a much more reasonable price, and opportunities for Lenders to tighten their borrowing standards to create a more sustainable and accountable financial sector.

Stay tuned for Landcor's final 2008 report in the New Year to gain a clear and concise understanding of what happened in the past year to help you make educated real estate decisions in 2009.

Housing Forecast Summary: British Columbia				
	2007	2008f	2009f	2010f
Residential Sales <sup>1</sup> , units	133,903	94,500	77,000	87,000
Detached Sales <sup>1</sup> , units	70,705	46,000	38,000	42,000
Multi-family Sales <sup>1</sup> , units	62,198	48,500	39,000	45,000
Residential MLS® Sales, units	102,812	70,700	59,000	67,600
Residential MLS® Listings, units	157,894	182,500	165,000	140,000
Residential MLS® Average Price (\$)	439,123	452,000	385,000	366,000
Residential Median Sales Price <sup>1</sup> (\$)	334,900	358,000	310,000	294,000
Detached Median Sales Price <sup>1</sup> (\$)	395,000	433,000	375,000	360,000
Multi-family Median Sales Price <sup>1</sup> (\$)	292,368	310,000	265,000	250,000
Housing Starts: Total units	39,195	37,100	23,500	26,000
Single-detached units	14,474	11,000	9,000	9,500
Multi-family units	24,721	26,100	14,500	16,500
Rental Vacancy: Multi-family (%)	1.0	0.7	1.2	1.4
Renovation Spending (million \$)	4,940	5,300	5,000	5,100

<sup>1</sup> Arms-length transactions, single-unit ownership, improved properties excluding land and properties over 2 acres. 2007 is an estimate. Source: Economics Department of Central 1 Credit Union

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