City avoids worst of slumping sale prices

With half the year over, it is likely that 1985 real estate market activity and sales prices will not meet the levels achieved last year. Simply stated, 1993 and 1994 were extraordinary years, with 30-year low mortgage rates driving most sales and purchases.

With the exception of the past two years, the 1995 market conditions and mortgage conditions are more reflective of anytime in the previous quarter century. Despite this, the median sale price (half the houses sold above this price, half below) of detached homes in the region has fallen an average four percent, with housing starts and sales down staggering 30 percent.

The main reason behind this year’s slow-down is the rise in mortgage rates, over-supply in new home and condominium construction, and fewer Assumptions.

Unfortunately, property foreclosures are up significantly. It appears that many people who decided this difficulty were premature first-time buyers who took advantage of five percent down payment programs, gambling with short-term lower interest mortgage rates, as opposed to locking in a very good long-term rate.

As for the housing market in Burnaby, our community’s location, quality of life and neighborhoods have seen our median sale prices drop only two per cent, or half of the regional average. The following chart contrasts the median sale prices of Lower Mainland communities.

<table>
<thead>
<tr>
<th>July’95</th>
<th>July’94</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnaby</td>
<td>$370,000</td>
</tr>
<tr>
<td>Coquitlam</td>
<td>$321,000</td>
</tr>
<tr>
<td>Langley</td>
<td>$215,000</td>
</tr>
<tr>
<td>Maple Ridge/Pitt Meadows</td>
<td>$208,000</td>
</tr>
<tr>
<td>New Westminster</td>
<td>$207,000</td>
</tr>
<tr>
<td>North Delta</td>
<td>$250,000</td>
</tr>
<tr>
<td>Port Coquitlam</td>
<td>$238,000</td>
</tr>
<tr>
<td>Surrey</td>
<td>$225,000</td>
</tr>
<tr>
<td>Vancouver, eastside</td>
<td>$200,000</td>
</tr>
<tr>
<td>Vancouver, westside</td>
<td>$260,000</td>
</tr>
<tr>
<td>W. Vancouver/White Rock</td>
<td>$265,000</td>
</tr>
<tr>
<td>White Rock/Surrey</td>
<td>$298,000</td>
</tr>
</tbody>
</table>

ON THE MARKET

Wholehearted support given to LRT line from Chamber, Lougheed and Brentwood

By Scott Nelson

Business along the Lougheed Highway stands to gain substantially through the construction of light rail transit, mayor Bill Copeland said Thursday.

With the line built down the entire stretch of the Lougheed, the city now has the opportunity to revitalize much of the industrial area on each side of the highway to residential, too, Copeland said.

"The LRT will be good for business at both malls (Lougheed and Brentwood) and all other businesses along there," Copeland said. "It will bring people from Vancouver and Coquitlam. I’ll talk to two major universities (UBC and SFU) – it’s all pluses for us."

"I just hope they find the resources to keep everything on schedule."

Local business was elated by Premier Mike Harcourt’s announcement the line would be complete by the year 2005.

"Our instant reaction is that we’re extremely excited," said Burnaby Chamber of Commerce manager Abby Anderson. "I’d like to see a guzzillion dollars banked in the ground, though, to show we’re going to happen and happen quickly – once it’s there it shows a strong commitment."

Anderson added the route should open up the entire Lougheed strip both economically and residentially. "There’s an opportunity particularly for our two malls along there to flourish," she said. "It will also bring to the area people we haven’t had here before.

Having a healthy community is just as important as an economic boom," she added. "There’s some very forward thinking that’s gone into this." Anderson explained. "I think the government deserves a lot of credit here."

Loralee Clarke, manager of Lougheed Mall, said she was thrilled about the prospect of having the LRT run right up to the mall’s doorstep. "We haven’t yet analyzed the full impact of having the line here but we do recognize that wherever the LRT concept goes there are usually some sales rewards as well as other land use opportunities."

Paul Kilman, manager of Brentwood Mall, sees one aspect every day where LRT would benefit. "Look out my window here and see the corner of Lougheed and Willingdon as being one of the most congested intersections in the city and I’m sure the LRT would go a long way toward alleviating that." With the city in the early stages of developing the Brentwood Town Centre plan, Kilman believes there will be more office towers and residential development in the area.

"That will benefit us because of the increased market size and access to it," he said. "We’ve analyzed this a good deal and there’s really no downside to it from our perspective."

Anderson agreed. "At first blush, no, there’s really no downside. At this point we don’t want to take a pessimistic approach and try to find mistakes – this is long overdue and we should celebrate that."

"If we do find some glaring problem surely there’ll be enough flexibility along the way that it can be fixed."

Kilman said Brentwood Mall was originally concerned about an increase in crime similar to that in the Metrotown area, but added that issue was laid to rest after discussions with transit officials.

"Our security here is pretty good," he said. "I think it could handle anything that did come up."

"That’s progress," Anderson said of the possibility and "feasibility" has been easier to come by since browsing projects. "People in the city can’t wait to get the LRT out of the ground."

City has three Entrepreneur finalists

Burnaby business people will be well represented at the Fraser Valley Region Entrepreneur of the Year Awards ceremony later this month at the Vancouver Trade and Convention Centre.

Finalists from the city include Gregory Area of PFG Security, the emerging entrepreneurship category; Harold Gaty and Howard Lintern of Parco Apparel, as manufacturing category winners; and William Burdick of McIntosh Ltd in the mature entrepreneur category.

Winners will be announced into the International Year of the Entrepreneur at an international conference in Palm Springs, California this November.

According to a recent report, and is cited for helping to lead PFG Security into a period of spectacular growth in revenue and profitability as an international supplier of high value components for ATM transmission and networking applications.

The Linten family was recognized for building their once small clothing company into a supplier of fine dress products for such internationally recognized firms as the Versace Company and The Saks.

Thorton is nominated for his successful innovation of King Mobley Oil through a series of oil changes since 1991.

Last year Burnaby business man John Cornish of the Nor- west Group was named Entrepreneur of the Year in the most prestigious category at the ceremony.

"Where's my car?"

This lone man strolling through a Burnaby parking lot was spotted from 19 storeys up in the air.

PHOTOGRAPH BY CHIG SHIU