HOMES

House prices pretty steady in region

by PAUL STRICKLAND
Citizen Staff

House prices are steady or rising only slowly in Prince George, according to a national realtor's most recent survey of the housing market here.

The typical detached bungalow here sold for $127,000 last month, unchanged from three months ago, according to Royal LePage's Fall 1994 Survey of Canadian House Prices. But that was up $3,000 from the $124,000 this average suburban home sold for in October 1993.

Royal LePage describes the typical detached bungalow as a three-bedroom single-storey home with one and one-half bathrooms and a one-car garage. It has a full basement but no recreation room, fireplace or appliances. Its total area is 111 square metres (1,200 square feet), and it is situated on a fully-serviced 511-square-metre lot (5,500 square feet).

An executive detached two-storey home rose to $192,000 in October from $190,000 three months ago, according to the survey. The October figure was up a full 3.8 per cent from the $185,000 this kind of home would have sold for a year ago.

Royal LePage describes this type of home as having four bedrooms, two and one-half bathrooms, a main-floor family room and an attached two-car garage. There is a full basement but no recreation room or appliances. The total area of this house is 186 square metres (2,000 square feet), and it is located on a fully-serviced 604-square-metre lot (6,500 square feet).

In other housing categories, prices were steady over the past three months.

Prices were unchanged from July for a standard townhouse ($85,000), a senior executive home ($260,000), a standard two-storey house ($160,000) and a standard condominium apartment ($85,000).

However, in all these categories the home prices were still a few thousand dollars higher than they were a year ago.

In its autumn forecast, the Canada Mortgage and Housing Corporation (CMHC) says the average new house price will be $187,900 by the end of the year, up a little more than four per cent from $179,000 at the end of 1993.

The typical existing but reasonably modern home is expected to sell for $130,000 by the end of 1994, up more than 11 per cent from the $118,176 that it sold for at the end of last year, the CMHC said.

The Royal LePage survey shows the price of a single-family bungalow in Prince George is still lower than most other large centres in B.C., said Al Idiens, economics and business instructor at the College of New Caledonia.

"It's $127,000 for the standard bungalow here," he said. "That's lower than in any other place listed. The average in other similar-sized cities is $140,000."

For example, the typical detached bungalow in Kamloops is $140,000. Average prices in other regional centres are $144,000 (Chilliwack), $149,900 (Kelowna), $144,000 (Vernon) and $152,000 (Penticton).

Despite increasing in price more than 10 per cent in the past year, townhouses are likewise cheaper in Prince George than in similar-sized centres. While the typical townhouse here now goes for an average $85,000. in Chilliwack it would cost $90,000 and in Vernon it would command $97,000. In other regional centres they sell for more than $100,000.

The reason the detached bungalows continue to be cheaper here than in other regional cities is that it has a large supply of these average suburban homes while the needs and desires of many prospective homebuyers are changing, he said.

"It's just a matter of supply and demand," he said.

As city residents grow older or people with different housing preferences arrive to work at the University of Northern B.C. or new businesses, they may prefer other housing types like condominiums. These may, in comparison with typical bungalows, be in relatively short supply.

"A lot of the detached bungalows were built in the late 1960s or early 1970s, when the city underwent that incredible boom," Idiens observed.

House price increases here should be modest in the next year, no more than the minimal rate of inflation now prevailing in Canada, he continued.

"That should be around one to three per cent," he suggested.

The CMHC predicts the average new house will go for $195,400 by the end of 1995, up an even four per cent.

The average existing house sold through the Multiple Listing Service (MLS) should be $140,400 by the end of next year, a rise of an even eight per cent, according to the most recent CMHC forecast.

PRICE OF A BUNGALOW IN B.C. COMMUNITIES

CITY	Price October 1994	Price 3 mo. Ago	Price 1 year Ago	% Change 1 Year	Estimated Taxes	Est. Monthly Rental
Vancouver Area						
Abbotsford	185,000	187,000	185,000	0.0	1,800	900
Burnaby	295,000	295,000	295,000	0.0	2,300	1,250
Coquitlam	278,000	275,000	265,000	+4.9	1,700	950
Vancouver – East Side	290,000	290,000	280,000	+3.6	1,930	1,100
Langley	210,000	210,000	201,000	+4.5	1,800	1,000
Maple Ridge	189,000	190,000	185,000	+2.2	1,900	900
Mission	181,000	182,000	–	–	1,850	925
North Delta	226,000	222,000	220,000	+2.7	2,100	1,100
North Vancouver	305,000	305,000	282,000	+8.2	2,050	1,200
Port Coquitlam	215,000	215,000	205,000	+4.9	1,600	1,000
Richmond	315,000	330,000	300,000	+5.0	1,950	1,050
Surrey	210,000	210,000	190,000	+10.5	1,800	950
Tsawwassen	270,000	270,000	270,000	0.0	2,300	1,200
Vancouver Westside	500,000	480,000	465,000	+7.5	2,650	1,300
West Vancouver	400,000	375,000	355,000	+12.7	2,500	1,500
White Rock	306,000	306,000	280,000	+9.3	2,343	1,400
Chilliwack	144,000	144,000	142,000	+1.4	1,225	850
Kamloops	140,000	140,000	127,000	+10.2	1,800	900
Kelowna	149,900	149,000	149,000	+0.6	1,500	950
Penticton	152,000	153,000	150,000	+1.3	1,750	800
Prince George	127,000	127,000	124,000	+2.4	1,897	900
Vernon	144,000	143,000	139,000	+3.6	1,500	850
Victoria	240,000	240,000	235,000	+2.1	2,000	1,100

Many pay more than they can afford for housing

by ERIC BEAUCHESNE
Southam News

OTTAWA — More than a third of Canadian renters spend over 30 per cent of their incomes on shelter, the benchmark after which housing is not considered affordable.

For 16 per cent of renters, housing eats up more than half their incomes.

That shortage of affordable housing would come as a surprise to anyone reading a recent news release by the federal housing agency.

"Canadians are among the best housed people in the world," Canada Mortgage and Housing Corp. boasted. "The vast majority of Canadians live in comfortable, adequate and affordable accommodation."

That postcard of the state of housing, however, is challenged by social groups, municipalities and even the United Nations.

"It doesn't present the whole picture," says Daniel McGregor of the Federation of Canadian Municipalities, who calls the affordable housing shortage a "crisis."

The reason: Canada's stock of social housing is one of the lowest among industrial countries, McGregor says.

"We have one million households spending too much on housing," adds Francois Dumaine of the National Anti-Poverty Organization.

Unlike the federal government, municipalities and social groups are on the frontlines in the fight to ensure Canadians are adequately housed.

And they charge that the Liberals, in particular Finance Minister Paul Martin, have "abandoned" an election promise to provide needed funds.

"Let me make it abundantly clear that a Liberal government is committed to stable and secure funding for the non-profit and co-operative housing sectors," Martin vowed last year.

Yet in his first budget, Martin froze spending on social housing, implementing a Tory measure his party vehemently criticized when in Opposition.

"The Liberal government is the first federal government in a generation that has decided to stop funding on new units," McGregor says. "As a result, social housing construction has come to halt across the country, except for Ontario."

Ottawa's budget for social housing is $2 billion a year, virtually all needed just to maintain and pay mortgages on existing units.

But even before the freeze, a United Nations committee was critical of Ottawa's lack of support for social housing.

"Given the evidence of homelessness and inadequate living conditions," it said, "the committee is surprised that expenditures on social housing are as low as 1.3 per cent of government expenditures."

The committee also noted "the omission from the government's written report and oral presentation of any mention of the problems of homelessness."

It's not that Ottawa is ignorant of the plight of low-income families.

The CMHC report, in an admission absent from its two-page news release, acknowledges that "one in eight Canadians live below acceptable housing standards and additional but unknown numbers of people are homeless."

But the solutions Ottawa is toying with won't warm the hearts of the poor.

As part of a national housing strategy, it is considering hiking rents in social housing to 30-per-cent of family income from 25 and of cutting heating allowances.

But those measures — which could go to cabinet for approval before year end — won't solve the problem and won't save taxpayers' money, McGregor says.

In fact, he says, the direct savings will be "barely enough" to maintain the current inadequate stock of social housing.

And the failure to attack the shortages will cost taxpayers in other ways, he adds, arguing substandard housing adds to social costs for things like policing, administration of justice and health care.

But the real victims are children, he says. When squeezed, poor families cut basic necessities, such as food, to pay rent.