



FOR IMMEDIATE RELEASE

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## **VIREB reports May sales declines, price hikes**

NANAIMO, BC – Multiple Listing Service® (MLS®) sales summary data released by the Vancouver Island Real Estate Board (VIREB) for May 2008, shows average sale price increases and further declines in unit sales volume.

The average sale price across the VIREB region for May 2008 was \$359,070. This is a 9 per cent increase from the \$328,530 posted at the end of May 2007.

There were 451 sales of single family properties in the VIREB area through the Multiple Listing Service® (MLS®) in May 2008, down from 511 sales in April 2008 and down from 685 sales in May 2007.

VIREB President Subhadra Ghose says a nearly 30% increase in inventory coupled with a moderation in the number of sales offers further indication of a more balanced market.

“For sellers, proper pricing is vital. For buyers, they can relax now a bit and take their time, because there is a lot to choose from. It is a balanced market.”

For the period from the end of May 2007 to May 2008, average sale prices across VIREB's six zones increased: Campbell River increased 20 per cent (to \$338,105), the Comox Valley was up 11 per cent (at \$379,081), Nanaimo is up 5 per cent (to \$363,401), Parksville/Qualicum grew 8 per cent (to \$402,824), Port Alberni increased 15 per cent (to \$235,162) and the Cowichan Valley increased 9 per cent (to \$378,968).

Ghose points to recent economic reports that show BC led the country in employment growth during April. In that report, while wood manufacturing employment was down, those losses were more than offset by large gains in construction and food and beverage manufacturing employment.

“On Vancouver Island, while we’ve seen job losses in the pulp industry with closures of places like Harmac in Nanaimo, our regional economy is much more diversified than during previous closures so the effects will be reduced.”

Economists continue to report strong consumer confidence in BC and interest rates remain attractive.

“We remain cautiously optimistic about continuing single digit increases through the rest of the year,” Ghose says.

VIREB Vice President Ray Francis, in the Comox Valley, says so much inventory means sellers have to price well.

“I think sellers are becoming more aware of how important this is, which better helps us as REALTORS® to do our job,” Francis says, noting it is a more stable market.

In the Cowichan Valley, VIREB Director Bob Brooke says the market is changing.

“As inventories increase and there are less buyers, the market swings from a sellers market to a buyers market. Has this happened? No. Will it happen? Yes.”

In the Alberni Valley, VIREB Director Lyle Price is seeing the same trend.

“Buyers have more choice, which is a good thing. It’s a balanced market with lots of inventory. And properties that are priced right continue to sell,” he says.

VIREB represents approximately 1,210 licensed REALTOR® members in more than 85 member offices on Vancouver Island (north of Victoria).

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VIREB cautions that average price information can be useful in establishing trends over time, but does not indicate the actual prices in centers comprised of widely divergent neighborhoods or account for price differential between geographic areas.

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