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Sales Activity Down in January, But House Prices Continue to Rise

NANAIMO, BC – Sales activity across the Vancouver Island housing market area was down in January, but the average price continues to inch upward.

In the VIREB coverage area, 196 single-family homes sold on the MLS® system in January 2015. This represents an 8% decrease from the 212 sales recorded in January 2014 and a 23% decrease from last month, which posted 257 sales.

BCREA's chief economist, Cameron Muir, states that despite January's numbers showing a decline from last year, it is too early to predict whether they indicate initial signs of uncertainty in the market.

"Although sales in January are down across the province, the recent reduction in interest rates could have a positive impact on the housing market," said Muir. "As well, affordability in most communities remains strong. Job losses from falling oil prices aside, the economic outlook is encouraging."

With the average price of a single-family home up seven per cent from last year, combined with continued lower inventory levels, VIREB past president Blair Herbert is not concerned by January's sales drop.

"One month does not make a year," said Herbert. "The Home Price Index (HPI) in the VIREB coverage area continues to rise, although slowly, and those increases reflect a strengthening market."

Overall, the housing market in the VIREB area remains in balanced territory, a trend that is not expected to change in the near future. However, since individual markets can vary considerably, it is always best to consult a local REALTOR® for accurate information.

Herbert also added that Vancouver Island could very well benefit from lower oil prices and a falling Canadian dollar.

"Although reduced oil prices could result in job loss for some British Columbians who work out-of-province in the oil patch, the lower Canadian dollar will make holidaying here more attractive," says Herbert. "Here on Vancouver Island, vacations sometimes result in 'staycations.' As well, there are jobs here at home that need to be filled by qualified workers."

In January 2015, the benchmark price for a single-family home in the VIREB coverage area was \$320,700, up 3.21% over 2014. Benchmark pricing tracks the value of a typical home in the reported area. The average price of a single-family home was \$340,753 compared to \$318,628 in January 2014, an increase of seven per cent.

The benchmark price of a single-family home in the Campbell River area was \$271,500, up 4.58% from January 2014. In the Comox Valley, the benchmark price was \$320,000, virtually unchanged from last year. Duncan reports a benchmark price of \$284,100, an increase of 4.41% over the same month in 2014. Nanaimo's benchmark price was \$337,200, up a little over four per cent compared to last year. The Parksville-Qualicum area posted a benchmark price of \$348,700, which is a 1.28% increase over last year. The price for a benchmark home in Port Alberni was \$168,800, down 9.27% from January 2014.

VIREB represents nearly 940 REALTOR® members in approximately 90 member offices on Vancouver Island (north of Victoria).

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

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