



FOR IMMEDIATE RELEASE

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Housing Market Kicks Off 2016 With Strong Sales

NANAIMO, BC – The Vancouver Island housing market kicked off 2016 with strong sales, continuing the momentum created in the last quarter of 2015.

Last month, 258 single-family homes sold on the Multiple Listing Service® (MLS®) compared to 196 in January 2015, an increase of 32 per cent. Sales activity was down slightly from December 2015's tally of 276 single-family homes sold. Inventory levels are continuing their downward trend, with active listings down 21 per cent compared to one year ago.

BCREA Chief Economist Cameron Muir notes that 2016's strong start is being bolstered by a robust fourth quarter in 2015. That year-end momentum – combined with limited inventory, a strong provincial GDP, improved job growth, and higher wages – will continue to fuel our local housing market.

Muir does expect sales activity in the VIREB area to edge back about three per cent in 2016, with softer demand coming in the latter half of the year. However, that decrease is normal in light of 2015's robust sales.

Other factors likely to have a positive impact on VIREB's housing market are low oil prices and a weak Canadian dollar, notes Muir.

"It's going to take some time for the oil patch to recover, which could result in some interprovincial migration from the provinces most affected by the drop in oil prices," says Muir. "Some Albertans close to retirement will likely decide to cash in, and B.C. is a popular retirement locale for our Prairie neighbours. Moreover, a weaker Canadian dollar has a net positive impact on our economy because it makes Vancouver Island a more attractive tourist destination."

VIREB President Margo Hoffman notes that limited inventory is the biggest challenge for REALTORS® and home buyers in the VIREB area. Our housing market is now in seller's territory, primarily caused by inventory levels that steadily declined month over month in 2015.

"Inventory has been decreasing for over a year now, and in most markets, there are more buyers than sellers," says Hoffman. "If you've been waiting for an opportune time to put your home on the market, now would be an excellent time to sell."

Despite current market conditions, however, pricing your home appropriately for your neighbourhood is still a vital aspect of the sales process.

"The fact is that overpriced homes take longer to sell no matter how busy the market is," says Hoffman. "A REALTOR® can help you set a fair price to ensure the best chance of a sale."

In January 2016, the benchmark price of a single-family home in the VIREB area was \$340,200, up 5.94 per cent from one year ago. Benchmark pricing tracks the value of a typical home in the reported area. The average MLS® price of a single-family home in January was \$365,850, a seven per cent increase from January 2015 and up slightly over last month.

The January 2016 benchmark price of a single-family home in the Campbell River area was \$268,300, down 1.22 per cent from last year. In the Comox Valley, the benchmark price was \$332,100, up 3.77 per cent from 2015. Duncan reported a benchmark price of \$304,700, an increase of 7.22 per cent over the same month in 2015. Nanaimo's benchmark price rose 6.17 per cent to \$358,200 while the Parksville-Qualicum area saw its benchmark price rise by 10.03 per cent to \$388,000. The price for a benchmark home in Port Alberni was \$186,800, an increase of 10.64 per cent since January 2015.

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ABOUT VIREB

VIREB represents nearly 950 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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