

FOR IMMEDIATE RELEASE

February 1, 2017

Inventory Challenges Continue to Moderate Sales Activity

NANAIMO, BC – In January 2017, 245 single-family homes sold on the Multiple Listing Service® (MLS®) System compared to 258 last January, a decrease of five per cent. Sales were virtually unchanged from December, which saw 243 sales. VIREB attributes this static sales activity to inventory challenges rather than insufficient demand. Active listings of single-family homes did increase by four per cent in January to 893 from December's 852, which typically happens at the beginning of the year, with 389 properties coming onto the market last month. However, inventory is still down by 38 per cent from one year ago, a significant reduction from the 1,431 available properties in January 2016.

The British Columbia Real Estate Association (BCREA) reports that housing demand in the VIREB area and throughout British Columbia is being driven by a provincial economy that continues to outperform the rest of Canada. Although BCREA does expect B.C.'s economy to weaken somewhat this year, strong job and population growth will continue to have a net positive effect on the housing market.

"Although BCREA anticipates that less robust economic conditions combined with government policy constraints will slow housing demand by more than 15 per cent in 2017, unit sales should remain well above the 10-year average of 85,000," says Cameron Muir, BCREA Chief Economist. "Sales in the VIREB area this year will likely trend lower than in 2016, but this is merely the market returning to more normal levels from last year's unprecedented sales activity."

Janice Stromar, 2017 VIREB President, reaffirms that housing sales in the VIREB area would be much higher if there were more homes available.

"We've been in a sellers' market for several months now, with buyers snapping up available properties and multiple offers a common occurrence," says Stromar. "But real estate is cyclical, and these conditions won't last forever. If you've been thinking of selling, I strongly encourage you to take advantage of our current market situation."

Stromar adds that connecting with a local REALTOR® is especially crucial in a competitive housing market. REALTORS® have specialized knowledge of their communities and are equipped with sales tools, such as custom analytics, to help you develop a winning strategy for buying or selling a home.

In January 2017, the benchmark price of a single-family home in the VIREB area was \$400,000, up 18 per cent from one year ago. Prices increased in every zone, ranging from 14 per cent in Duncan to 21 per cent in the Comox Valley and Nanaimo. The benchmark price of an apartment rose 21 per cent board-wide from the previous year, but the highest increases were posted in Parksville-Qualicum (25 per cent), the Comox Valley (27 per cent), and Campbell River (28 per cent). The townhouse market also strengthened in January, posting an 18 per cent increase board-wide and high double-digit increases in every zone, from 16 per cent in Nanaimo to 26 per cent in Parksville-Qualicum.

The January 2017 benchmark price of a single-family home in the Campbell River area was \$311,900, an increase of 16 per cent over January 2016. In the Comox Valley, the benchmark price was \$400,400, up 21 per cent from 2016. Duncan reported a benchmark price of \$348,000, an increase of 14 per cent compared to January 2016. Nanaimo's benchmark price rose 21 per cent to \$434,100 while the Parksville-Qualicum area saw its benchmark price rise by 18 per cent to \$457,800. The price of a benchmark home in Port Alberni hit \$216,100, up 16 per cent from one year ago.

ABOUT VIREB

VIREB represents approximately 1,000 REALTOR® members in nearly 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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