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Low Inventory Continues to Write its Own Sales Story

NANAIMO, BC – The Vancouver Island Real Estate Board (VIREB) reports that in April 2017, 478 single-family properties sold on the MLS® System compared to 659 last April, a decrease of 27 per cent. Month over month, sales edged slightly lower from March.

Inventory of single-family homes declined by 33 per cent from April 2016, with 1,122 active listings available last month compared to 1,694 one year ago. Additional listings have entered the market since VIREB hit its historic inventory low of 859 in December 2016. Active listings rose to 893 in January, 949 in February, and 1,023 in March. However, properties are being snapped up almost as soon as they hit the market.

“Properly priced single-family homes between \$400,000 and \$600,000 rarely last more than 48 hours and usually generate multiple offers, with many selling above list price,” says Janice Stromar, 2017 VIREB President.

The real estate market on Vancouver Island has been telling the same story for several months now, notes Stromar.

“Limited supply, combined with high demand, means it has been a sellers’ market for months. Sellers are in the drivers’ seat, and the lack of inventory is frustrating buyers and REALTORS® alike,” says Stromar. “That said, even though we are in a sellers’ market, homeowners still need to price their home correctly. Houses can sit unsold for months if they are priced higher than the market will bear.”

She adds that sellers are not immune to the frustration that buyers are experiencing because it is hard to sell your home if you cannot find another property to buy. Still, homeowners reluctant to sell due to concerns of housing availability should make the most of this hot market.

“Real estate is cyclical, and consumers need to take advantage of these market conditions because they won’t last forever,” says Stromar. “When the market does correct itself – and it always does – it usually happens without warning.”

She adds that connecting with a local REALTOR® is especially crucial in a competitive housing market.

“This kind of market can be confusing and chaotic for buyers and sellers, but REALTORS® have specialized knowledge of their communities that can help clarify the situation,” says Stromar. “We’re also equipped with sales tools, such as custom analytics, to help buyers formulate winning offers and ensure sellers receive maximum dollars for their home.”

In April 2017, the benchmark price of a single-family home in the VIREB area was \$419,100, up 17.5 per cent from one year ago. Prices increased in every zone, ranging from 13 per cent in Duncan to 22 per cent in Nanaimo. The benchmark price of an apartment in April rose 28 per cent board-wide from the previous year, but the highest increase was in Campbell River, at 39 per cent. The townhouse market also strengthened in April, posting a 21 per cent increase board-wide.

The April 2017 benchmark price of a single-family home in the Campbell River area was \$335,000, an increase of 18 per cent over April 2016. In the Comox Valley, the benchmark price hit \$415,800, up 16 per cent from 2016. Duncan reported a benchmark price of \$354,400, an increase of 13 per cent compared to April 2016. Nanaimo's benchmark price rose 22 per cent to \$461,600 while the Parksville-Qualicum area saw its benchmark price increase by 20 per cent to \$477,700. The price of a benchmark home in Port Alberni hit \$227,400, up 19 per cent from one year ago.

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ABOUT VIREB

VIREB represents over 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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