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Sales Holding Steady Amid Rising House Prices

NANAIMO, BC – Sales of single-family homes in the VIREB area rose by 20 per cent month over month in April but remained static from one year ago.

Last month, 476 single-family homes sold on the Multiple Listing Service® (MLS®) System compared to 398 in March and 476 one year ago. The number of apartments changing hands in April decreased by six per cent year over year while townhouse sales rose by 26 per cent.

VIREB's inventory of single-family homes climbed by eight per cent from March 2018 but decreased by six per cent from one year ago. The supply of apartments dropped in April, down 12 per cent from one year ago, but townhouse inventory rose by 30 per cent.

The British Columbia Real Estate Association (BCREA) reports that housing sales in many B.C. jurisdictions are down compared to last year. Guideline B-20 and uncertainty surrounding new provincial taxes appear to be taking their toll on sales in some markets.

Broadening the scope of the Foreign Buyer Tax to include the Regional District of Nanaimo (RDN) should not have a significant impact on the VIREB housing market. Only 4.4 per cent of RDN residential real estate transactions in 2017 involved foreign buyers. More troubling is the new speculation tax, which is supposed to be implemented later this year. The tax will apply to Nanaimo and Lantzville, but it will take a few months to see whether it has a detrimental impact on sales.

BCREA also expects the Bank of Canada to increase interest rates in the next couple of months, which introduces another risk factor into the housing market.

For now, however, demand is still outpacing supply in the VIREB area, particularly in some price ranges. Properties in the \$300,000 to \$500,000 range generate multiple offers and sell quickly. However, higher-priced homes are taking longer to sell.

Janice Stromar, 2018 Past President, encourages sellers to take advantage of our current market conditions before any economic headwinds weaken demand.

"Our market has favoured sellers for a long time now, but it won't last forever," says Stromar. "However, even in a sellers' market, you need to price your home correctly because overpriced homes take longer to sell."

In a competitive housing market, using a REALTOR® can help streamline the buying and selling process to ensure the best possible outcome while mitigating associated risks, adds Stromar.

"REALTORS® are equipped with sales tools, such as custom analytics, to help buyers prepare winning offers and ensure sellers receive the best price for their home," says Stromar.

In April 2018, the benchmark price of a single-family home in the VIREB area reached \$499,600, up 18 per cent from one year ago. (Benchmark pricing tracks the value of a typical home in the reported area.) The benchmark price of an apartment last month rose to \$305,300, up 25 per cent board-wide from the previous year, while the benchmark price of a townhouse hit \$393,200, a 22 per cent increase from April 2017.

Last month, the benchmark price of a single-family home in the Campbell River area climbed to \$410,000, an increase of 22 per cent over April 2017. In the Comox Valley, the benchmark price reached \$487,100, up 17 per cent from last year. Duncan reported a benchmark price of \$444,700, an increase of 17 per cent compared to April 2017. Nanaimo's benchmark price rose 16 per cent to \$537,800 while the Parksville-Qualicum area saw its benchmark price increase by 18 per cent to \$562,800. The cost of a benchmark home in Port Alberni reached \$282,000, up 24 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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