

FOR IMMEDIATE RELEASE

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Buyer Demand Continues to Exceed Supply

NANAIMO, BC – The Vancouver Island Real Estate Board (VIREB) reports that in May 2017, 632 single-family properties sold on the Multiple Listing Service® (MLS®) System compared to 765 last May, a decrease of 17 per cent. VIREB attributes the year-over-year decrease to continuing inventory challenges, not a weakening market. Month over month, sales increased by 32 per cent from April, which saw 477 sales. This increase likely reflects seasonal selling conditions since the housing market is typically busier in the spring.

Inventory of single-family homes declined by 28 per cent from May 2016, with 1,210 active listings available last month compared to 1,681 one year ago. Listings of single-family homes have steadily increased each month since VIREB hit its historic inventory low of 859 in December 2016. However, demand continues to exceed supply, and well-priced properties are snapped up almost as soon as they hit the market.

“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 Janice Stromar, 2017 VIREB President. “That said, even though we’re in a sellers’ market, homeowners still need to price their home correctly. Houses can sit unsold for months if they’re 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.”

Stromar also has advice for buyers, stating that patience and preparation are a must in a sellers’ market.

“When you find a property you like, you need to act quickly, so make sure your financing is pre-approved. Since many homes are selling above list price, you should also decide on a comfortable price point you’re willing to pay.”

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 May 2017, the benchmark price of a single-family home in the VIREB area rose to \$431,200, up 18 per cent from one year ago. Prices increased in every zone, ranging from 15 per cent in Duncan to 21 per cent in Nanaimo. The benchmark price of an apartment in May rose 26 per cent board-wide from the previous year, with Campbell River and Comox Valley posting increases of 37 per cent. The townhouse market also strengthened in May, registering a price increase of 21 per cent board-wide.

The May 2017 benchmark price of a single-family home in the Campbell River area was \$346,600, an increase of 21 per cent over May 2016. In the Comox Valley, the benchmark price hit \$426,600, up 18 per cent from last year. Duncan reported a benchmark price of \$366,200, an increase of 15 per cent compared to May 2016. Nanaimo's benchmark price rose 21 per cent to \$473,200 while the Parksville-Qualicum area saw its benchmark price increase by 18 per cent to \$491,500. The price of a benchmark home in Port Alberni hit \$232,300, up 18 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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