

FOR IMMEDIATE RELEASE

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Sluggish Spring Housing Market Continues

NANAIMO, BC – Sales of single-family homes in May board-wide dipped by 12 per cent year over year but rose by 11 per cent from April.

Last month, 459 single-family homes sold on the Multiple Listing Service® (MLS®) System compared to 412 the previous month and 519 in May 2018. Sales of apartments dipped by seven per cent year over year while townhouse sales increased by 19 per cent. The British Columbia Real Estate Association reports that on a seasonally adjusted basis, sales in the VIREB area are close to 2014 levels, and current market conditions are expected to continue into the fall.

The mortgage stress test (Guideline B-20) continues to hurt housing sales throughout British Columbia, including Vancouver Island. Although the B.C. economy continues to be highly supportive of housing demand, the negative shock to affordability and purchasing power created by the stress test is making it extremely difficult for some buyers, particularly millennials, to enter the housing market. Prospective buyers who can afford monthly mortgage payments are unable to qualify because Guideline B-20 has eroded their purchasing power by as much as 20 per cent.

Weak housing demand has also contributed to an increase in total active residential listings across the province. In the VIREB area, inventory of single-family homes in May rose by 22 per cent from one year ago (1,217 to 1,482). Active listings of apartments climbed by 18 per cent (287 to 339) year over year while townhouse inventory decreased by five per cent (197 to 187).

Despite decreased demand, prices in the VIREB area are still rising, although those increases are softening. The benchmark price of a single-family home board-wide was \$512,500 in May, a four per cent increase from one year ago. (Benchmark pricing tracks the value of a typical home in the reported area.) In the apartment category, the benchmark price climbed to \$300,700 from one year ago, a six per cent increase. The benchmark price of a townhouse hit \$445,500 last month, up seven per cent over May 2018.

Regionally, the benchmark price of a single-family home in the Campbell River area hit \$428,900, an increase of four per cent over May 2018. In the Comox Valley, the benchmark price reached \$518,400, up by five per cent from one year ago. Duncan reported a benchmark price of \$469,400, an increase of two per cent from May 2018. Nanaimo's benchmark price rose by two per cent to \$557,500 while the Parksville-Qualicum area saw its benchmark price increase by three per cent to \$587,100. The cost of a benchmark single-family home in Port Alberni reached \$314,100 in May, a seven per cent increase from one year ago.

Trend-wise, VIREB's housing market has transitioned from one favouring sellers to one that is balanced. REALTORS® are reporting some multiple offers on lower-priced properties, but homes are moving more slowly than they did in the sellers' markets of 2016 and 2017. Regardless of market conditions, however, well-priced properties sell more quickly.

"When fewer buyers are competing for a property, sellers need to be far more strategic, which is why the advice of a local REALTOR® is so crucial," says Kaye Broens, 2019 VIREB President. "We'll conduct a comparative marketing analysis using recent sales data to determine an optimal selling price for your home."

Broens adds that buyers also benefit from the expertise of a REALTOR®. "We can help you find a home that fits your needs at the right price," says Broens.

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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