

**FOR IMMEDIATE RELEASE**

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**Prices Continue to Sizzle in Summer Housing Market**

NANAIMO, BC – Prices of single-family homes, apartments, and townhouses continue to rise in the VIREB area despite cooling sales in some markets.

Last month, 437 single-family homes sold on the Multiple Listing Service® (MLS®) System compared to 438 in June and 556 one year ago, a decrease of 21 per cent. The number of apartments changing hands last month was virtually the same as July 2017 (100 compared to 101), but in the townhouse category, sales dropped by nine per cent.

Housing demand in the VIREB area has shifted lower so far in 2018, likely due to stricter mortgage qualification rules (Guideline B-20) for conventional borrowers and rising interest rates that are taking their toll on household purchasing power and affordability. However, because many of our buyers are retirees, who do not typically need mortgages, the VIREB market has been somewhat sheltered from the effects of Guideline B-20.

In its *2018 Second-Quarter Housing Forecast*, the British Columbia Real Estate Association (BCREA) anticipates that MLS® residential sales in the province will decline by nine per cent to 94,200 units this year from 103,700 in 2017.

“B.C. housing markets have benefited from the provincial economy expanding well above trend growth over the past four years,” says BCREA chief economist Cameron Muir. “But economic growth is expected to slow and reflect the long-term average this year.”

On a local level, BCREA predicts that over the next several months, VIREB’s long-term sellers’ market will begin shifting towards a more balanced one. In fact, an interesting development in the VIREB area is that the market seems to be splitting into two in some communities: one that favours sellers for homes \$600,000 and under, and a buyers’ market for more expensive properties.

However, even with the high demand for lower-priced properties, sellers still need to price their homes accordingly.

“Sellers need to be realistic when it comes to price,” says Kaye Broens, 2018 President-Elect. “Overpriced homes simply take longer to move.”

Connecting with a local REALTOR is beneficial in both buyers’ and sellers’ markets, adds Broens.

“REALTORS® have specialized knowledge of their communities and can help streamline the buying and selling process to ensure the best possible outcome for our clients,” says Broens.

The benchmark price of a single-family home in the VIREB area reached \$510,700 in July, a 12 per cent increase 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 was \$315,900, a 22 per cent increase over last July. In the townhouse category, the benchmark price hit \$413,100, up 17 per cent over July 2017.

Last month, the benchmark price of a single-family home in the Campbell River area climbed to \$426,300, an increase of 18 per cent over July 2017. In the Comox Valley, the benchmark price reached \$513,400, up 13 per cent from last year. Duncan reported a benchmark price of \$446,700, down slightly from June but up 10 per cent from July 2017. Nanaimo’s benchmark price was \$534,300, the same as June but a nine per cent increase from one year ago. The Parksville-Qualicum area saw its benchmark price increase by 14 per cent to \$579,500. The cost of a benchmark home in Port Alberni was \$289,200, a slight decrease from June but up 16 per cent from one year ago.

## **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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