

FOR IMMEDIATE RELEASE

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Low Inventory and High Demand Creating Brisk Sellers' Market

NANAIMO, BC – The Vancouver Island Real Estate Board (VIREB) reports that single-family home sales dipped slightly in July, down to 558 from last year's 605, a decrease of eight per cent. Sales were also down by approximately 10 per cent from June, which saw 618 sales. Despite fewer units moving, however, lack of inventory means homes are selling faster and for more money.

Inventory of single-family homes declined by 13 per cent from July 2016, with 1,367 active listings available last month compared to 1,575 one year ago. The number of single-family homes for sale has steadily increased each month since VIREB hit a historic low of 859 in December 2016, but demand continues to exceed supply.

The British Columbia Real Estate Association (BCREA) reports that the supply of homes for sale in the province has dropped to its lowest level in over a decade. This dynamic has created significant upward pressure on home prices and created sellers' markets in many areas, including Vancouver Island.

"Total active listings on the market this spring were down 21 per cent in Victoria and 30 per cent across the rest of Vancouver Island," says BCREA economist Brendon Ogmundson. "This imbalance will result in rising home prices until the supply of homes for sale increases, consumer demand declines, or a combination of both factors occurs."

Don McClintock, 2017 VIREB President-Elect, confirms that the VIREB area has been a sellers' market for several months now.

"Consumer demand is high, and buyers are snapping up well-priced properties quickly once they hit the market," says McClintock. "Multiple offers are commonplace, which is frustrating for buyers and their agents. In fact, we're now seeing multiple offers on condominiums and townhouses, which is virtually unprecedented for the VIREB area."

Still, McClintock notes that even in this market, sellers need to price their homes correctly because overpriced homes can sit unsold for months. He also has advice for buyers.

"When you find a property you like, you need to act quickly, so make sure your financing is pre-approved," says McClintock. "And, since many homes are selling above list price, you should decide beforehand on the price you're willing to pay."

Connecting with a local REALTOR® is especially crucial in a competitive housing market, adds McClintock.

"Our current market conditions can be confusing and chaotic for buyers and sellers, but REALTORS® have specialized knowledge of their communities that can help streamline the process to ensure the best possible outcome while mitigating associated risks," says McClintock.

In July 2017, the benchmark price of a single-family home in the VIREB area rose to \$457,100, up 20 per cent from one year ago. The benchmark price of an apartment in July rose 29 per cent board-wide from the previous year, while the townhouse market also strengthened, up 25 per cent overall and hitting 43 per cent in Duncan.

The July 2017 benchmark price of a single-family home in the Campbell River area was \$361,800, an increase of 20 per cent over July 2016. In the Comox Valley, the benchmark price hit \$453,300, up 23 per cent from last year. Duncan reported a benchmark price of \$407,700, an increase of 18 per cent compared to July 2016. Nanaimo's benchmark price rose 19 per cent to \$490,500 while the Parksville-Qualicum area saw its benchmark price break the \$500,000 mark, rising by 14 per cent to \$506,700. The price of a benchmark home in Port Alberni hit \$250,000, up 19 per cent from one year ago.

- 30 -

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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