

FOR IMMEDIATE RELEASE
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Sales Bounce Back Slightly From July But Still Lower Than in 2017

NANAIMO, BC – Sales of single-family homes in August were seven per cent higher than in July but dipped by 14 per cent from August 2017.

Last month, 467 single-family homes sold on the Multiple Listing Service® (MLS®) System compared to 438 in July and 540 one year ago. The number of apartments changing hands last month dropped by 13 per cent while townhouse sales increased by 16 per cent.

Inventory of single-family homes in August was down slightly from one year ago (1,342 compared to 1,352), dropping five per cent from July but still significantly higher than the 749 properties available in January. The supply of apartments and townhouses dipped 14 per cent and 10 per cent from one year ago, respectively.

The weaker sales seen so far in 2018 were expected because 2016 and 2017 were exceptionally healthy years for real estate, setting record levels that could not be maintained indefinitely. However, VIREB's housing market is still strong compared to where it sat four years ago.

"The broad demographic trend for the VIREB area continues to include baby boomers and retirees, who are less affected by stricter mortgage qualification rules because they don't typically need mortgages," says Cameron Muir, chief economist for the British Columbia Real Estate Association (BCREA). "As a result, even when sales bottom out, they're doing so at lower levels on Vancouver Island."

In its *2018 Second-Quarter Housing Forecast*, 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. "However, economic growth is expected to slow and reflect the long-term average this year."

VIREB's long-term sellers' market does appear to be moving towards more balanced conditions, with modest price reductions on single-family homes occurring in Campbell River, Duncan, and Parksville-Qualicum Beach. Multiple offers are coming in less frequently, but for homes in the \$300,000 to \$500,000 range, they are still more common than not. That said, sellers still need to price their homes accordingly. Today's buyers are savvy and well-informed when they arrive at the negotiating table.

"Sellers need to be realistic when it comes to price," says Don McClintock, 2018 VIREB President. "Not every property is worth a million dollars, and overpriced homes just take longer to sell."

The benchmark price of a single-family home board-wide was \$505,800 in August, a 12 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 \$317,700, up 20 per cent from last year. The benchmark price of a townhouse hit \$413,600 last month, up 15 per cent over August 2017.

Last month, the benchmark price of a single-family home in the Campbell River area was \$404,300, an increase of 12 per cent over August 2017. In the Comox Valley, the benchmark price reached \$509,200, up 13 per cent from last year. Duncan reported a benchmark price of \$455,100, up eight per cent from August 2017. Nanaimo's benchmark price rose 10 per cent to \$546,200 while the Parksville-Qualicum area saw its benchmark price increase by 13 per cent to \$574,200. The cost of a benchmark home in Port Alberni reached \$303,600, up 22 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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