

## **FOR IMMEDIATE RELEASE**

**November 1, 2016**

### **Home Sales Cool in October and Inventory Dips Again**

NANAIMO, BC – In October 2016, 399 single-family homes sold on the MLS® System compared to 368 last October, an increase of eight per cent. Month over month, sales decreased by 24 per cent from September, which saw 528 unit sales. Reduced sales activity in October was likely caused by typical late-summer cooling and continuing inventory challenges. Active listings of single-family homes dropped once again in October, dipping to 1,158, the lowest VIREB has seen since the board began tracking inventory levels in 1999.

Robust sales in the VIREB area and throughout much of B.C. continue to be driven by a combination of economic factors that are creating a sound foundation for housing sales.

“British Columbia’s GDP and employment growth have been above three per cent for three years now, and GDP is currently tracking at 3.5 per cent,” says Cameron Muir, BCREA Chief Economist. “Population growth is also a significant factor, with over 8,000 people migrating to B.C. from other parts of Canada in the second quarter of 2016.”

There has been a moderating trend in activity and prices occurring in Vancouver and on the Lower Mainland, with Vancouver experiencing three consecutive months of flat sales in August, September, and October. Yet Vancouver’s housing prices are still high, so many of B.C.’s new residents are settling down in the Fraser Valley or on Vancouver Island.

BCREA cannot yet determine whether the Foreign Buyer Tax imposed at the beginning of August has adversely affected the Vancouver market, nor whether the new housing rules introduced by the Government of Canada in October will have an impact. Thus far, however, there appears to be no negative fallout from any of these factors in the VIREB market. Foreign buyers are not turning to Vancouver Island instead of the Lower Mainland and are not the impetus behind VIREB’s robust housing market. As well, the federal government’s new rules that standardize eligibility criteria for high-ratio and low-ratio insured mortgages will have a greater impact on buyers purchasing homes in the \$500,000-plus range. VIREB’s benchmark prices on all property types are below that mark.

Rather, the biggest challenge for the VIREB area continues to be a lack of inventory. Sales would be higher if there were more homes available, and buyer frustration is growing. Jason Finlayson, 2016 VIREB Past President, is encouraging potential home sellers to take advantage of these market conditions.

“Sellers are in the driver’s seat right now, but consumers need to realize that sellers’ markets don’t last forever,” says Finlayson. “If you’re thinking of putting your home on the market, now is the time.”

Finlayson adds that in a competitive housing market, connecting with a local REALTOR® is crucial. They have specialized knowledge of their communities and are equipped with sales tools, such as custom analytics, to help you develop a winning strategy for buying or selling a home.

In October 2016, the benchmark price of a single-family home in the VIREB area was \$393,700, up 16 per cent from one year ago. Prices increased in every zone, ranging from around 13 per cent in Campbell River and Port Alberni to 19 per cent in Nanaimo and the Parksville-Qualicum area. The benchmark price of an apartment rose approximately 18 per cent board-wide, with Parksville-Qualicum reporting an increase of 33 per cent. The townhouse market also strengthened, posting a 12 per cent increase board-wide.

The October 2016 benchmark price of a single-family home in the Campbell River area was \$308,900, an increase of 13 per cent over October 2015. In the Comox Valley, the benchmark price was \$398,500, up 17 per cent from 2015. Duncan reported a benchmark price of \$342,100, an increase of 13 per cent compared to October 2015. Nanaimo's benchmark price rose 19 per cent to \$428,500 while the Parksville-Qualicum area saw its benchmark price rise by 19 per cent as well to \$449,400. The price of a benchmark home in Port Alberni hit \$215,700, up 13 per cent from one year ago.

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## **ABOUT VIREB**

VIREB represents around 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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