

FOR IMMEDIATE RELEASE

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Long-Running Sellers' Market Transitioning to Balanced One

NANAIMO, BC – Sales of single-family homes in November dropped by 28 per cent from one year ago and were 21 per cent lower than in October.

Last month, 305 single-family homes sold on the Multiple Listing Service® (MLS®) System compared to 384 in October and 426 one year ago. Apartment and townhouse sales dipped by 14 per cent and 28 per cent, respectively.

Decreased demand and modest inventory increases are helping VIREB's housing market transition from one favouring sellers to a balanced or near-balanced market. Inventory of single-family homes last month rose by seven per cent from one year ago but dipped by nine per cent from October 2018. Active listings of single-family properties have dropped each month since hitting this year's high of 1,418, which occurred in July. However, active listings of apartments rose by 11 per cent (287 to 319) and townhouses by 74 per cent (102 to 177).

This year's housing market has behaved as expected, moderating after the record-setting pace set in 2016 and 2017. Government policy-side measures introduced to cool the market, such as the mortgage stress test (Guideline B-20) and higher interest rates, are taking their toll on housing sales throughout the country.

Despite lower demand, however, year-over-year benchmark prices of single-family homes continue to rise board-wide, up 12 per cent from November 2017. Price increases in individual markets ranged from nine per cent in the Comox Valley to 23 per cent in Port Alberni. Slight price reductions from October to November were posted in the Comox Valley and Duncan while modest increases were seen in Campbell River, Nanaimo, and Parksville-Qualicum. Port Alberni posted the highest month-over-month increase, up 3.69 per cent from October. The benchmark price of an apartment rose by 15 per cent year over year as did the cost of a townhouse.

An interesting observation, one made earlier this year, is that VIREB's market has split into two in some communities: one that favours sellers for properties around \$425,000 and under and one favouring buyers for higher-end homes. Overall, however, REALTORS® are reporting that multiple offers have slowed, and buyers are taking more of a wait-and-see approach, which means sellers need to curb their expectations.

"Realistically pricing your home is important in any market, but when fewer buyers are competing for a property, sellers need to be far more strategic," says Don McClintock, 2018 VIREB President. "Overpriced homes take longer to sell, so it's a good idea to consult a local REALTOR® who can help determine the optimal price for your property."

The benchmark price of a single-family home board-wide was \$509,500 in November, 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 \$314,800, up 15 per cent from last year. The benchmark price of a townhouse hit \$415,900 last month, up 15 per cent over November 2017. Board-wide benchmark prices of single-family homes, apartments, and townhouses also rose slightly from October.

Last month, the benchmark price of a single-family home in the Campbell River area hit \$409,000, an increase of 15 per cent over November 2017. In the Comox Valley, the benchmark price reached \$500,000, up nine per cent from last year but down slightly from October. Duncan reported a benchmark price of \$473,600, up 12 per cent from November 2017 and a bit lower than in October. Nanaimo's benchmark price rose 10 per cent to \$550,200 while the Parksville-Qualicum area saw its benchmark price increase by nine per cent to \$571,500. The cost of a benchmark single-family home in Port Alberni reached \$311,300 in November, up 23 per cent from one year ago and four per cent from October.

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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Contact:

Don McClintock, President: 250.748.7200

Kaye Broens, President-Elect: 250.751.1223

Janice Stromar, Past President: 250.758.7653

Darrell Paysen, Manager, Member Services: 250.390.4212

Or, for further localized comments, please contact:

Campbell River:

Chris Quinn 250.286.1187

Comox Valley:

Kevin Reid 250.334.3124

Cowichan Valley:

Blair Herbert 250.746.6621

Nanaimo:

Janice Stromar 250.758.7653

Kaye Broens 250.751.1223

Parksville-Qualicum:

Erica Kavanaugh 250.248.8371

Port Alberni-West Coast:

Sandy Rantz 250.591.4601

MLS® HPI Media Contact

Communications Department

Vancouver Island Real Estate Board

communications@vireb.com

250.390.4212