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VIREB President Subhadra Ghose



BCREA Chief Economist Cameron Muir

VIREB REALTORS® release annual Buyer Profile

NANAIMO, BC - The Vancouver Island Real Estate Board (VIREB) has released its annual 2007 Buyer Profile, tracking where people are coming from, what they're buying and why.

Statistics provided are for the overall Board area and for each Zone (Duncan/Cowichan Valley, Nanaimo, Port Alberni/West Coast, Parksville/Qualicum, Comox Valley, and Campbell River, as well as the North Island and Islands areas).

9,168 surveys were sent to residential buyers obtained from the MLS® database for 2007. There were 2,083 completed responses from Buyers. The report also contains a 3-year comparative section as a snap-shot of current trends.

“When added together, approximately 54 percent of buyers originate on Vancouver Island and 44 percent originate from the rest of BC and outside of the province,” VIREB President Subhadra Ghose says.

“Vancouver Island continues to be the preferred destination for retirees. Fully 35 per cent of home buyers in 2007 were retirees and that number is likely to increase in the coming years.”

Cameron Muir, Chief Economist with the British Columbia Real Estate Association, says the VIREB Buyer Profile reveals very interesting demographic trends.

“The VIREB area attracts more buyers from other provinces (22%) than from the BC Mainland (19%). More homes were sold to Albertans (14%) than to Lower Mainland buyers (11%). International buyers remain a relatively small contingent at 3 per cent of home sales,” he says.

“While amenity markets such as the Okanagan and the Kootenays attract a sizable number of recreation and investment buyers, Vancouver Island is overwhelmingly an owner-occupier market, meaning the region is less vulnerable to wide swings in demand that is characteristic of recreation and investor markets.”

Broken down, the Vancouver Island numbers show 32 percent of buyers from within the same area, 16 percent from elsewhere on Vancouver Island, 6.1 percent from Victoria and 1.3 percent from the Gulf Islands.

From the rest of BC and outside of the province: 14 percent of Buyers originated from Alberta, 7.7 percent from Vancouver, 8.4 percent from elsewhere in BC, 4.4 percent from Ontario, 2.6 percent from the rest of the world, 3.5 percent from the Fraser Valley, 1.6 percent from the rest of Canada, 2.1 percent from Saskatchewan and Manitoba.

Ghose says the 3-year comparison (beginning on page 110 of the Buyer Profile) is useful for all types of infrastructure planning. For the entire VIREB region from 2006 to 2007, it shows a decline in buyers from “Within the same area” (35% in 2006 to 32% in 2007), a steady percentage from “Elsewhere on Vancouver Island”, while the number of “Alberta buyers” grew (10% in 2006, up to 14% in 2007).

Other Buyer Profile statistics: 95 percent of Buyers were acquiring a principal residence and 55 percent had been in the community less than one year. First time homebuyers accounted for 16 percent of purchases made in the Board Area and 12 percent of first-time homebuyers used RRSPs.

The Buyer Profile also showed the home characteristics from the MLS® database with the highest frequency. The most popular was a single-family 3 bedroom home, 2 bathroom, double garage home with vinyl exterior with an ocean or mountain view.

The most popular price range across VIREB was in the \$250,000 to \$300,000 range, and then a very close 2nd in the range of \$200,000 to \$250,000.

Buyer use of the Internet is steadily increasing, Muir says.

“In 1999, only 6 per cent of home buyers become aware of their home through the internet. Now, more than a quarter of all homebuyers first became aware of their home through the internet, second only to being introduced by a REALTOR®. Recent upgrades to the MLS.ca (REALTOR.ca) website will likely increase its usage.”

Regional differences are also highlighted in the Buyer Profile.

In Campbell River, VIREB Director **Erika-Leigh Haley** says the majority of buyers in that zone come from within BC.

“We’re also seeing 13% of our buyers relocating from Alberta, and with the increased access to the island we are expecting it to grow,” she says. “We have a fairly well balanced diversification of first time buyers, retirement homes and recreational homes within our area.”

Marty Douglas, VIREB Director in the Comox Valley, says the strong growth of that airport continues to deliver Alberta buyers onto Vancouver Island.

“The Comox Valley Airport reported 30% passenger growth in 2007, and 12% already in 2008. After only 4 years of operation the airport surpassed 1 million passengers earlier this year, the vast majority of which utilize direct WestJet flights to Calgary and Edmonton,” Douglas says, noting the Air Canada connection discontinued earlier this year.

“In the previous Buyer Profile, for every two local buyers there would be one buyer from Alberta. Our current sales indicate that ratio is now four locals for every buyer from Alberta. Despite shrinkage, Alberta buyers are still far more important to the Comox Valley market than those from the Lower Mainland or the rest of BC.”

Lyle Price, VIREB Director in the Alberni Valley, says the report is a good tool.

“For planning purposes, it’s good to know that 28% of our zone buyers are retirees and half are from out of town. That percentage may well increase, as markets in 2008 are correcting with lowered sales volumes but retirees are coming anyway,” he says, noting affordability and access to amenities also attracts young families.

Ron Limer, VIREB Director in Parksville-Qualicum, says the Alberta buyer trend continues.

“Half of the clients I’m currently working with are from Alberta.”

Adds **Jim Hoffman**, also a VIREB Director in Parksville-Qualicum: "Retirees are the majority of our buyers in this zone. As the retirees are younger they want to keep busy and we offer a great playground."

Closer towards Victoria, transportation routes are an important trend.

“In our zone in the Cowichan Valley, we’re continuing to see people who work in Victoria and choose to live in the Cowichan Valley because of affordability," says VIREB Director **Cliff Moberg**. "As a result there is an increasing call for safer commuting routes into Victoria."

VIREB represents approximately 1,210 licensed REALTOR® members in more than 80 member offices on Vancouver Island (north of Victoria). The Buyer Profile is available to all members, and it is provided to relevant organizations such as fellow Boards, economic development groups, chambers of commerce, and municipal, provincial, and federal government representatives.

VIREB REALTORS®, in line with the REALTOR® Code of Ethics of the Canadian Real Estate Association (CREA), are committed to keeping informed of local trends in their industry, and the Buyer Profile is one of many resources provided by the Board that enables them to do so.

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