

FOR IMMEDIATE RELEASE

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Home Sales a Bit Cooler in July But Significantly Higher Than Last Year

NANAIMO, BC – Home sales in the VIREB area cooled somewhat last month but posted a 19 per cent increase over July 2015.

In July 2016, 608 single-family homes sold on the MLS® System compared to 512 last July. Month over month, sales decreased by 15 per cent from the 712 sales processed in June 2016. Last month's active listings for single-family homes totalled 1,577, down 34 per cent from the 2,391 reported in July 2015 and beating June's figure of 1,621. This is a historic low for VIREB, which began tracking inventory levels in 1999. The last time inventory was this low occurred in 2005 when the number of single-family homes for sale dropped to 1,629.

Economic factors fuelling the provincial housing market are strong consumer confidence, robust retail sales, and high employment growth. With GDP sitting at 3.5 per cent, British Columbia's economy continues to lead the country. Concerning the new Foreign Buyer Tax that takes effect today, Muir says it is too early to know whether it will affect home prices on the Lower Mainland or spill over into other parts of the province.

"The housing market is usually slower in the summer months, but we believe that sales might be beginning to normalize," says Cameron Muir, BCREA Chief Economist. "If so, that would allow inventory to build up and ease pricing pressure a bit."

Margo Hoffman, 2016 VIREB President, agrees that the housing market typically cools during the summer, and this trend likely accounts for July's lower sales figures. However, limited inventory continues to be a challenge for buyers and REALTORS®.

"Although we're in a seller's market, homeowners are holding back because they're worried they won't find another home to purchase," says Hoffman. "We're beginning to see more inventory, but buyers snap up available properties quickly."

Low inventory is also contributing to rising benchmark prices for single-family homes, townhouses, and apartments. Despite those increases, however, the Vancouver Island housing market continues to be affordable compared to the Lower Mainland and Victoria.

"Home buyers in the VIREB area have a variety of price points as options," adds Hoffman. "The benchmark price of a single-family home ranges from a low of \$209,600 in Port Alberni to a high of \$443,800 in the Parksville-Qualicum area, so there is a price to suit almost everyone."

Hoffman agrees that at the moment, there is no way to say whether the Foreign Buyer Tax will affect home prices in the VIREB area. For now, the housing market remains competitive, so connecting with a local REALTOR® is crucial to ensure you develop a winning strategy for buying or selling your home.

In July 2016, the benchmark price of a single-family home in the VIREB area was \$379,900, up just under 12 per cent from one year ago. The benchmark price of an apartment rose by 9.77 per cent to hit \$207,900 while the benchmark price of a townhouse increased to \$277,900, up just over 10 per cent from one year ago. Benchmark pricing tracks the value of a typical home in the reported area. The average price of a single-family home last month was \$409,816, an increase of 12 per cent over July 2015.

The July 2016 benchmark price of a single-family home in the Campbell River area was \$301,400, an increase of 5.57 per cent over July 2015. In the Comox Valley, the benchmark price was \$371,000, up 10.68 per cent from 2015. Duncan reported a benchmark price of \$326,700, an increase of just over nine per cent compared to July 2015. Nanaimo's benchmark price rose 15.46 per cent to \$409,700 while the Parksville-Qualicum area saw its benchmark price rise by 17 per cent to \$443,800. The price of a benchmark home in Port Alberni was \$209,600, up 7.86 per cent from one year ago.

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ABOUT VIREB

VIREB represents approximately 995 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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