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VIREB Housing Market Continues to Sizzle

NANAIMO, BC – The Vancouver Island Real Estate Board (VIREB) reports that single-family home sales dipped in August, down to 540 from last year's 622, a decrease of 13 per cent. Sales declined by three per cent from July, which saw 557 sales. However, although fewer units are moving, the board attributes it to lack of inventory, not a cooling market. There were only 1,349 single-family homes for sale in August compared to 1,395 last year, a decrease of three per cent. Not enough supply is coming onto the market to keep up with demand, which results in homes selling faster and for more money.

In its *2017 Third-Quarter Housing Forecast*, the British Columbia Real Estate Association (BCREA) reports that the B.C. economy has expanded at above-trend growth for over three years, with 2017 expected to be the fourth consecutive year of three per cent or higher economic growth. B.C. employment was up 3.9 per cent year to date in July compared to the same period last year, an increase of over 88,000 jobs. Consumer confidence is also high, with retail sales in the province expected to climb close to eight per cent this year. Add a high level of interprovincial migration to the mix, combined with the supply of homes for sale dropping to its lowest level in over a decade, and it is easy to see why home prices are rising and sellers' markets thriving.

Janice Stomar, 2017 VIREB President, confirms that the VIREB area has been a sellers' market for several months now.

"Our housing market shows no signs of slowing down, and there is little evidence of buyer fatigue," says Stomar. "Multiple offers continue to be the norm, and we're now receiving them on condominiums and townhouses, which is virtually unprecedented for the VIREB area."

Stomar adds that many properties are selling above list price, but sellers still need to price their homes correctly because consumers are savvy and will not purchase an overpriced home. She offers the following advice for buyers.

"When you find a property you like, you need to act quickly, so make sure your financing is pre-approved," says Stomar. "You should also decide beforehand on the price you're willing to pay if you find yourself in a multiple-offer situation."

Connecting with a local REALTOR® is especially crucial in a competitive housing market, adds Stomar.

"Our current market conditions can be confusing and chaotic for buyers and sellers, but REALTORS® have specialized knowledge of their communities that can help streamline the process to ensure the best possible outcome while mitigating associated risks," says Stomar.

In August 2017, the benchmark price of a single-family home in the VIREB area rose to \$457,500, up 18 per cent from one year ago. (Benchmark pricing tracks the value of a typical home in the reported area.) The benchmark price of an apartment in August rose 28 per cent board-wide from the previous year, while the townhouse market also strengthened, up 27 per cent overall and hitting 51 per cent in Duncan.

The August 2017 benchmark price of a single-family home in the Campbell River area was \$367,000, an increase of 21 per cent over August 2016. In the Comox Valley, the benchmark price hit \$454,900, up 21 per cent from last year. Duncan reported a benchmark price of \$408,300, an increase of 15 per cent compared to August 2016. Nanaimo's benchmark price rose 18 per cent to \$492,900 while the Parksville-Qualicum area saw its benchmark price increase by 15 per cent to \$508,200. The price of a benchmark home in Port Alberni was \$248,300, up 19 per cent from one year ago.

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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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