

FOR IMMEDIATE RELEASE

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Home Sellers Still in the Driver's Seat

NANAIMO, BC – Sales of single-family homes in September were lower than in August but rose significantly over September 2015.

In September 2016, 531 single-family homes sold on the MLS® System compared to 431 last September, an increase of 23 per cent. Month over month, sales decreased by 14 per cent from August, which saw 623 unit sales. Inventory also dropped to a new historic low, dipping to 1,265, a nine per cent decrease from the previous month and down 40 per cent from one year ago. The last time inventory was this low occurred in 2005 when the supply of single-family homes for sale dropped to 1,629 units. VIREB began tracking inventory levels in 1999.

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

“This is the third year that British Columbia’s GDP and employment growth have been above three per cent, and GDP is currently tracking at 3.5 per cent,” says Cameron Muir, BCREA Chief Economist. “Year-over-year retail sales are at six per cent, so consumer confidence is obviously high.”

Although a moderating trend in activity and prices is occurring in the Vancouver market, that slowdown is not affecting the VIREB area thus far. Prices in Vancouver and on the Lower Mainland have not dropped by much, but sales have taken a hit. This moderation might have been accelerated slightly by the Foreign Buyer Tax introduced at the beginning of August, but it is still too early to say whether this is a temporary cooling in sales activity or indicative of a larger trend.

However, foreign buyers are not turning to Vancouver Island in lieu of the Lower Mainland and are not the impetus behind VIREB’s robust housing market. As shown in our 2015 Buyer Profile, 54 per cent of purchasers were from Vancouver Island, 22 per cent from elsewhere in B.C., 22 per cent from elsewhere in Canada, and only two per cent were international buyers. Those demographics have likely not changed in 2016.

Limited inventory continues to be the major challenge for buyers and REALTORS® in the VIREB area, with agents fielding multiple offers on a regular basis. Margo Hoffman, 2016 VIREB President, is encouraging potential home sellers to take advantage of these market conditions.

“Sellers are in the driver’s seat right now, and sales would be higher if there were more homes available,” says Hoffman. “But consumers need to realize that sellers’ markets don’t last forever, so if you’re thinking of putting your home on the market, now is the time.”

Hoffman 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 September 2016, the benchmark price of a single-family home in the VIREB area was \$389,200, up 14 per cent from one year ago. Prices increased in every zone, ranging from 11 per cent in Campbell River to 17 per cent in Nanaimo and the Parksville-Qualicum area. As in August, the benchmark price of an apartment rose approximately 15 per cent board-wide, with Duncan and Parksville-Qualicum reporting 21 and 29 per cent increases, respectively. The townhouse market also strengthened, posting an 11 per cent increase board-wide.

The September 2016 benchmark price of a single-family home in the Campbell River area was \$305,200, an increase of 10.51 per cent over September 2015. In the Comox Valley, the benchmark price was \$385,200, up 13 per cent from 2015. Duncan reported a benchmark price of \$340,500, an increase of 12.25 per cent compared to September 2015. Nanaimo's benchmark price rose 17.38 per cent to \$420,500 while the Parksville-Qualicum area saw its benchmark price rise by 17.48 per cent to \$447,400. The price of a benchmark home in Port Alberni hit \$215,500, 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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