

FOR IMMEDIATE RELEASE

October 2, 2017

Housing Market Shows No Signs of Cooling

NANAIMO, BC – The Vancouver Island Real Estate Board (VIREB) reports that single-family home sales dipped in September, down to 511 from last year’s 527, a decrease of three per cent. Sales declined by five per cent from August, which saw 540 sales. However, VIREB attributes the slight decline in sales numbers to seasonal market conditions and inventory challenges. There were only 1,233 single-family homes for sale in September, a decrease of three per cent from 2016.

Strong economic fundamentals are underpinning housing activity in British Columbia, particularly in the southern half of the province. The B.C. economy has expanded at above-trend growth for over three years, with 2017 expected to be the fourth consecutive year of economic growth hitting three per cent or higher. Employment growth is around seven per cent, and consumer confidence is 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. These economic trends are expected to continue for the remainder of the year at least.

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

“With a sales-to-active-listings ratio of around 32 per cent, the VIREB market is firmly in sellers’ territory,” says Stromar. “A housing market is characterized as favouring sellers when the ratio of home sales to active listings is above 20 per cent, while a balanced market is between 14 and 20 per cent.”

Stromar adds that multiple offers are still occurring regularly, even on condominiums, townhouses, and mobile homes, which is unusual for the VIREB area. However, although many properties are selling above list price, 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 Stromar. “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 Stromar.

“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 Stromar.

In September 2017, the benchmark price of a single-family home in the VIREB area rose to \$462,500, 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 last month rose to \$270,600, up 30 per cent board-wide from the previous year, while the benchmark price of a townhouse hit \$357,200, a 23 per cent increase from 2016.

The September 2017 benchmark price of a single-family home in the Campbell River area was \$370,700, an increase of 22 per cent over September 2016. In the Comox Valley, the benchmark price hit \$461,700, up 22 per cent from last year. Duncan reported a benchmark price of \$410,500, an increase of 16 per cent compared to September 2016. Nanaimo's benchmark price rose 18 per cent to \$498,300 while the Parksville-Qualicum area saw its benchmark price increase by 16 per cent to \$518,000. The price of a benchmark home in Port Alberni was \$254,700, up 18 per cent from one year ago.

– 30 –

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.

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

Visit our website for updated information at www.vireb.com.

Contact:

Janice Stromar, President: 250.758.7653

Don McClintock, President-Elect: 250.748.7200

Margo Hoffman, Past President: 250.248.8371

Darrell Paysen, Manager, Member Services: 250.390.4212

Or, for further localized comments, please contact:

Campbell River:

Erika Haley 250.286.1187

Comox Valley:

Kevin Reid 250.334.3124

Cowichan Valley:

Lovina Miller 250.748.0320

Nanaimo:

Janice Stromar 250.758.7653

Kaye Broens 250.751.1223

Parksville-Qualicum:

Margo Hoffman 250.248.8371

Port Alberni-West Coast:

Sandy Rantz 250.726.2228

MLS® HPI Media Contact

Communications Department

Vancouver Island Real Estate Board

communications@vireb.com

250.390.4212