

**FOR IMMEDIATE RELEASE**

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**Prices Continue Rising Despite Moderating Sales**

NANAIMO, BC – Sales of single-family homes in October were 11 per cent higher than in September but dipped by 16 per cent from October 2017.

Last month, 385 single-family homes sold on the Multiple Listing Service® (MLS®) System compared to 347 in September and 458 one year ago. The number of apartments and townhouses changing hands last month dropped by eight and 21 per cent, respectively.

This year's housing market is behaving as expected, moderating after the record-setting pace set in 2016 and 2017. Government policy-side measures introduced to cool the market, such as the mortgage stress test (Guideline B-20) and higher interest rates, are taking their toll on housing sales throughout the country.

On the positive side, the provincial economy is still doing well, and the British Columbia Real Estate Association expects housing sales to make a modest recovery during the next couple of quarters. Further, Vancouver Island has so far been somewhat immune to the effects of Guideline B-20 because the broad demographic trend in our area includes baby boomers and retirees who do not typically need mortgages.

However, an additional government policy that could reduce that insulating effect is the future speculation tax. Although it currently applies only to Nanaimo and Lantzville, the tax could discourage some potential buyers from relocating to Vancouver Island, particularly those who purchase a home well ahead of retirement.

Despite lower demand, prices in the VIREB area are still rising year over year. However, the board-wide benchmark price of a single-family home did drop slightly from September, and modest month-over-month price reductions on single-family homes, apartments, and townhouses did occur in several zones.

Decreased demand and stabilizing inventory are helping VIREB's long-term sellers' market evolve into one that is more balanced. Inventory of single-family homes in October was up slightly from one year ago (1,175 compared to 1,138) but down eight per cent from September. There were 322 active listings of apartments in October, up seven per cent from 2017 while the supply of townhouses rose by 28 per cent year over year. Multiple offers have slowed, and buyers are taking more of a wait-and-see approach, which means some sellers will have to curb their expectations.

"Realistically pricing your home is important in any market, but when fewer buyers are competing for a property, sellers need to be prudent when determining a sale price," says Don McClintock, 2018 VIREB President. "Overpriced homes take longer to sell, so it's a good idea to consult a local REALTOR® who can help determine the optimal price for your property."

The benchmark price of a single-family home board-wide was \$508,200 in October, an 11 per cent increase from one year ago. (Benchmark pricing tracks the value of a typical home in the reported area.) In the apartment category, the benchmark price climbed to \$313,500, up 16 per cent from last year. The benchmark price of a townhouse hit \$411,800 last month, up 13 per cent over October 2017.

Last month, the benchmark price of a single-family home in the Campbell River area hit \$408,100, an increase of 14 per cent over October 2017. In the Comox Valley, the benchmark price reached \$501,400, up nine per cent from last year. Duncan reported a benchmark price of \$475,700, up 12 per cent from October 2017. Nanaimo's benchmark price rose nine per cent to \$548,000 while the Parksville-Qualicum area saw its benchmark price increase by nine per cent to \$570,200. The cost of a benchmark single-family home in Port Alberni reached \$300,300, up 18 per cent from one year ago.

## **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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