

FOR IMMEDIATE RELEASE

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Inventory Dips Yet Again to Reach New Historic Low in November

NANAIMO, BC – Inventory of single-family homes in the VIREB area dropped yet again in November 2016 to reach a new historic low of 1,034, a 37 per cent decrease from one year ago and dipping below October's 1,158 available listings.

Sales of single-family homes in November decreased by 13 per cent from October 2016, but remained flat year over year, with 347 homes selling last month compared to 349 in November 2015. The lack of sales movement can be attributed to low inventory and seasonal market conditions, not reduced buyer demand. Active listings of apartments and townhouses also dipped in November, down 45 per cent and 47 per cent respectively, an indication that consumers may be turning to alternative property types due to the lack of single-family inventory.

The British Columbia Real Estate Association (BCREA) notes that robust housing demand continues to be driven by a provincial economy underpinned by consumer confidence, surging retail sales, population growth, and a strong GDP. In its *2016 Fourth-Quarter Housing Forecast*, BCREA reports that MLS® residential sales in the province are forecast to climb 11 per cent to a record 113,800 units this year, eclipsing the previous record of 106,310 units in 2005. Although BCREA anticipates that less robust economic conditions combined with government policy constraints will slow housing demand by more than 15 per cent in 2017, unit sales should remain well above the 10-year average of 85,000.

While the Foreign Buyer Tax imposed at the beginning of August has adversely affected the Vancouver market, there appears to be no negative fallout thus far in the VIREB area. Foreign buyers are not turning to Vancouver Island instead of the Lower Mainland and are not the impetus driving buyer demand in the VIREB housing market, nor are the new housing rules introduced by the Government of Canada in October. The latter restrictions, intended to standardize eligibility criteria for high-ratio and low-ratio insured mortgages, will have a greater impact on buyers purchasing homes in the \$500,000-plus range. VIREB's benchmark prices on all property types are below that mark.

Housing sales in the VIREB area would likely be considerably higher if there were more homes available, and buyers are frustrated by the lack of inventory. 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, but consumers need to realize that sellers' markets don't last forever," says Hoffman. "The real estate market always experiences ebbs and flows, so if you're thinking of putting your home on the market, now is the time."

Hoffman notes that connecting with a local REALTOR® is especially crucial in a competitive market, particularly when multiple offers are the norm. REALTORS® 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 November 2016, the benchmark price of a single-family home in the VIREB area was \$395,300, up 17 per cent from one year ago. Prices increased in every zone, ranging from 13 per cent in Port Alberni to 22 per cent in Nanaimo. The benchmark price of an apartment rose approximately 21 per cent board-wide from the previous year, but the highest increases were posted in the Comox Valley (23 per cent), Campbell River (28 per cent), and Parksville-Qualicum (31 per cent). The townhouse market also strengthened in November, posting a 15 per cent increase board-wide and ranging from 11 per cent in Port Alberni to nearly 20 per cent in Campbell River.

The November 2016 benchmark price of a single-family home in the Campbell River area was \$310,600, an increase of 15 per cent over November 2015. In the Comox Valley, the benchmark price was \$393,500, up 16 per cent from 2015. Duncan reported a benchmark price of \$346,500, an increase of 14 per cent compared to November 2015. Nanaimo's benchmark price rose 22 per cent to \$433,700 while the Parksville-Qualicum area saw its benchmark price rise by 19 per cent to \$452,600. The price of a benchmark home in Port Alberni hit \$213,600, up 13 per cent from one year ago.

– 30 –

ABOUT VIREB

VIREB represents approximately 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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