

FOR IMMEDIATE RELEASE

December 1, 2017

Lack of Inventory Continues to Drive Housing Market

NANAIMO, BC – The Vancouver Island Real Estate Board (VIREB) reports that single-family home sales last month dipped by seven per cent from October but rose 23 per cent from November 2016.

Last month, 426 properties sold on the Multiple Listing Service® (MLS®) System compared to 346 one year ago and 458 in October. Inventory of single-family homes decreased by 13 per cent month over month and four per cent from one year ago. Although the supply of single-family homes for sale has been steadily rising each month since VIREB hit a historic low of 859 in December 2016, inventory dipped in October and once again in November.

The British Columbia Real Estate Association (BCREA) notes that the housing market in B.C. is thriving due to strong economic fundamentals, such as robust retail sales, job growth, and population growth. British Columbia's economy continues to lead the country, with GDP in 2018 expected to hit 3.8 per cent. Government policy decisions, including slightly higher interest rates and the new mortgage stress test (Guideline B-20), could affect the housing market in 2018, but it is too early to say in what way.

Introduced by the Office of the Superintendent of Financial Institutions (OSFI), Guideline B-20 – which takes effect on January 1, 2018 – extends the requirement for a mortgage stress test to all home buyers, even those who have more than 20 per cent as a down payment. However, some mortgage lenders – including credit unions such as Vancity, Coast Capital, and Prospera – do not come under OSFI's jurisdiction, as they are provincially regulated by the Financial Institutions Commission. Unlike banks, which are federally regulated, credit unions in B.C. are not required to “stress test” their mortgage applicants. Therefore, buyers can get a mortgage with a credit union and income-qualify at the rate they will be paying, which may give them more purchasing power. But they would still have to pass the usual debt-service tests.

Don McClintock, VIREB President-Elect, reports that sales are still brisk throughout the VIREB area. Lack of inventory continues to drive home sales, and there are no apparent signs of buyer fatigue. However, multiple offers have decreased slightly in some markets, which could be good news for buyers.

“It's emotionally draining when you continue to find, and then lose, the perfect home in a multiple-offer situation,” says McClintock. “Buyers will certainly welcome any relief on that front.”

However, the VIREB area is still a sellers' market, notes McClintock, which makes this an optimum time to sell. He adds that connecting with a local REALTOR® is especially crucial in a competitive housing market.

“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,” says McClintock.

In November 2017, the benchmark price of a single-family home in the VIREB area was \$463,200, up 17 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 \$274,100, up 26 per cent board-wide from the previous year, while the benchmark price of a townhouse was \$359,200, a 21 per cent increase from November 2016.

The November 2017 benchmark price of a single-family home in the Campbell River area was \$366,300, an increase of 18 per cent over November 2016. In the Comox Valley, the benchmark price hit \$467,200, up 21 per cent from last year. Duncan reported a benchmark price of \$410,700, an increase of 15 per cent compared to November 2016. Nanaimo's benchmark price rose 14 per cent to \$497,200 while the Parksville-Qualicum area saw its benchmark price increase by 16 per cent to \$525,600. The price of a benchmark home in Port Alberni was \$252,700, 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