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Housing Market Ends 2015 on a High Note

NANAIMO, BC – Housing sales in the VIREB area decreased in December, reflecting seasonal market conditions, but annual sales volume rose 13 per cent over 2014.

A total of 4,886 single-family homes sold on the Multiple Listing Service® (MLS®) in 2015, an increase of 13 per cent over the 4,335 sales recorded the previous year. Both the benchmark and average prices increased last year, up 6.91 per cent and four per cent respectively. Inventory levels were at their lowest since 2005, down 17 per cent from the previous December. Limited inventory continues to place upward pressure on prices, which has created market conditions that favour sellers.

BCREA Chief Economist Cameron Muir predicts that housing sales in 2016 will remain robust throughout most of the province although we may not see the same level of acceleration that presented in 2015.

“The housing market is in a very healthy position heading into 2016, fueled by consumer demand and low interest rates,” said Muir. “Lack of inventory throughout much of the province will see home buyers competing for properties, particularly in the single-family-detached market.”

Although the Canadian economy improved in 2015, uncertain economic conditions will likely keep interest rates low, with any increase coming late in the year, if at all, said Muir.

VIREB President Margo Hoffman confirms that the VIREB housing market is now in seller’s territory, primarily caused by inventory levels that steadily declined month over month in 2015.

“We’ve been expecting house prices to rise because there are now more buyers than sellers in most of our zones,” said Hoffman. “However, the VIREB market is still very price-sensitive, with overpriced homes taking much longer to sell. Pricing your home properly for your neighbourhood is key, which is where the services of a REALTOR® come in.”

In December 2015, 277 single-family homes sold in the VIREB coverage area, up eight per cent from the 257 sales recorded the previous December and a 21 per cent drop from November 2015. The benchmark price for a single-family home was \$338,500, up 6.91 per cent from one year ago. Benchmark pricing tracks the value of a typical home in the reported area. The average MLS® price of a single-family home in December was \$362,128, up two per cent from December 2014.

The December 2015 benchmark price of a single-family home in the Campbell River area was \$265,200, down slightly from last year. In the Comox Valley, the benchmark price was \$332,900, up 4.24 per cent from 2014. Duncan reported a benchmark price of \$302,300, an increase of 7.87 per cent over the same month in 2014. Nanaimo’s benchmark price rose 5.36 per cent to \$356,300 while the Parksville-Qualicum area saw its benchmark price rise by 6.53 per cent to \$380,900. The price for a benchmark home in Port Alberni was \$197,700, an increase of 12.47 per cent since December 2014.

ABOUT VIREB

VIREB represents nearly 950 REALTOR® members in approximately 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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