

For Immediate Release

Cooling Sales, Tight Supply Temper Okanagan Residential Sales Price

KELOWNA, B.C. – December 8, 2017. Residential sales posted to the Multiple Listing Service (MLS®) for the Okanagan region of Peachland to Revelstoke totaled 605 in November, falling 18% from last month's 736 and up 6% from this time last year reports the Okanagan Mainline Real Estate Board (OMREB).

“Despite a strengthening economy, lower unemployment and near record immigration, both buyers and sellers seem to be laying low as we approach the end of 2017,” comments OMREB President Tanis Read, adding, “Significant decreases in both sales and new listings in November combined with a significant uptick in average number of days on market may indicate that factors like tightening government regulation around mortgages, tenancy and representation are taking their toll.”

The month of November saw 769 new properties listed, down 14% from October's 898 new listings, and approximately on par with the 705 new listings that came to market in November 2016. Typical for the fall months, average number of days to sell has increased to 132 from October's 83 and but is significantly higher than the 97 days on average for the same period last year.

Read notes that average price – \$501,335 for November – has moderated slightly with tightening supply and less-buoyant sales. Average price in November was down 5% from October, but up 7% over this time last year.

“Although availability and affordability is beginning to be addressed through new, multi-family residences coming to market in some regions of our area, we may also be seeing a lag of resale product coming to market during the period of transition, which is product primarily represented on the MLS System,” comments Read.

More housing supply (which we are seeing in new construction) offers benefits not only for prospective buyers but those looking to rent and even those considering selling. However, we are not yet seeing the overflow impacts to the resale market. In the meantime, while we are still in a seller's market, where there are fewer homes for sale to a larger pool of buyers, this can be attractive for those considering listing, but can also pose challenges for those same sellers when they look to find a new home at a price they can afford.

“Even within a local real estate market, conditions can differ within particular sub-regions or the various types of housing product,” says Read, encouraging buyers and sellers to consult a local real estate professional to ensure they have comprehensive data to inform their decision-making.

OMREB's monthly survey of homebuyers in the region seem to support the impacts of tightening regulation and supply, as fewer first time home buyers – which comprised 15% of the market in November – has decreased significantly compared to the 84-month historical average of 20% of purchasers. The number of move-up buyers has been impacted similarly, which made up 22% of purchases on average in the past seven years, but now only comprises 14% of the purchasing market.



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“While market dynamics have definitely changed, it’s encouraging that first time buyers continue to be a strong force within the region as they stimulate the chain of housing ownership”, says Read. “It is also not surprising to see that the number of move-up buyers correlate strongly with first-time buyers, as they tend to rely on first time buyers to purchase their existing homes.”

OMREB serves three diverse markets within the region: the Central Okanagan Zone (Peachland to Lake Country), the North Zone (Predator Ridge to Enderby) and the Shuswap- Revelstoke Zone (Salmon Arm to Revelstoke).

For detailed statistics specific to each of the three regions served by OMREB, visit www.omreb.com.

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OMREB is a member-governed not-for-profit association representing more than 1200 REALTORS® and 92 real estate offices within the southern interior region of British Columbia (Peachland to Revelstoke). The Board is dedicated to providing leadership and support to its members in their pursuit of professional excellence.

DISCLAIMER: Monthly Sales statistics are based on the sales reported by real estate offices on or before the last day of the month. Sales not reported by month end and collapsed sales are reflected in the subsequent month’s statistics.

All OMREB listings are published in the MLS® Real Estate Review and MLS® Commercial Review magazines available at all real estate offices and various locations in the Central Okanagan, North Okanagan, the Shuswap and Revelstoke areas. For comprehensive Board-wide statistical information, please visit our local public site: www.omreb.com