

For Immediate Release

Residential Sales Volume On-Trend for Time of Year

KELOWNA, B.C. – January 8th, 2017. Typical for December, volumes in residential sales declined this past month, with 459 sales posted to the MLS[®], a 24% decrease from November, but comparable to last year's sales of 453 units reports the Okanagan Mainline Real Estate Board (OMREB).

“Outside of a couple of variances, the market is doing what it generally does this time of year,” says OMREB President Tanis Read noting a general slowing of activity. “Sales and listing volumes were both on-trend for this time of year, but, interestingly, average price and days on market bounced back from November.”

New listings were 465, down 65% from November, but relatively consistent with this time last year, when new listings were 407. Average price, however, rose 3.5% over November and 12% over a year ago. Also of note was the days on market, which declined to 79 from last month's 132 and last year's 91.

“Higher average price can often reflect the composition of product sold over the course of the month,” says Read, adding “But coupled with the fewer days on market, it may also suggest a continued lag in resale product availability, potentially coupled with consumers possibly looking to lock in purchases before new mortgage rules take effect in January,” comments Read.

Read adds that, regardless of the current market characteristics, it pays to engage a real estate professional well-versed in the complexities of the real estate transaction and knowledgeable about the local market.

Effective January 1, new federal mortgage tightening rules require borrowers with a down payment of 20% or more to face a stress test when renewing or refinancing a mortgage to prove they can cope with the risk of higher interest rates.

“The seventh round of rule tightening by Canada's federal financial regulator since 2008, these new rules impact both those seeking a mortgage as well as those refinancing their mortgage,” notes Read, adding “the impact may be that those now in the market for a home may have to settle for a less expensive home or wait and save up for a larger down payment.” Read points out that lenders won't have to apply the stress test to clients who are renewing an existing mortgage.

Taking a look at buyers of homes in the region, the results of which lag the market stats by one month, we find the majority continue to be from within the board region at 54%, with Lower Mainland/Vancouver Island buyers well-represented at 21% up 17% from October. Buyers from Alberta were at 8.5% and those from outside Canada were a relatively small percentage at 3%.

Consistent with previous months, those relocating and moving to similar property types, first-time buyers and move-up buyers were all within points of each other at 21%, 19% and 19% respectively. Likewise, two-parent families with children and couples without children were close at 29% and 26%, with empty nesters/retired buyers the next largest group at 17% of the buyer population.

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