

For Immediate Release

New Regulatory and Tax Implications Yet to Be Felt in a Seemingly Typical February Residential Market

KELOWNA, B.C. – March 6, 2018. Across the region of Revelstoke to Peachland, residential sales tallied 503 in February, up 12% over January, yet consistent with this time last year, reports the Okanagan Mainline Real Estate Board (OMREB).

“The market typically picks up this time of year and this year is no exception despite recent new federal mortgage tightening rules and an interest rate increase,” comments OMREB President Tanis Read.

Read notes February’s key indicators are largely consistent with last year. “Average price, at \$509,545 is just 6% over this time last year and within 3% of January’s pricing. Days on market (how long it takes to sell a home) averaged 89 - fewer than January’s 99, but consistent with last year’s 86 days. New listings, at 912, were up 16% over January, but comparable to last year’s 904 as was available inventory at 2333 active listings.

“While indicators suggest we are in a typical point in the market cycle, we have yet to see impacts arising from the BC Government’s recent announcement of an impending array of residential property-related taxes,” says Read, adding “While we appreciate that the intent of these new taxes is to cool the BC housing market and curb perceived speculation, we are concerned about the unintended consequences that are likely to arise.”

Read points to the legions of non BC residents, primarily Albertans, who own properties in Kelowna and West Kelowna who are now going to be potentially subject to a new speculation tax. “This would force out-of-province owners to either contribute dramatically more to BC government coffers or rent out their homes to avoid the levy - effectively taking away the owner’s ability to use their own home.”

“This is also liable to have a detrimental effect on the Okanagan economy, not because of the intended changes to real estate prices, but due to the unintended loss of revenues generated by those homeowners who take advantage of local services such as car dealers, wineries, restaurants, gas stations, etc. and the resulting potential job losses,” says Read.

“In the long run, I can’t see how curbing sales of recreational, student or non-primary housing options to people from provinces next door and beyond will address the Lower Mainland’s issues with housing affordability,” says Read, noting that, at this point, the speculation tax only affects properties in Kelowna and West Kelowna, and not elsewhere in the region served by OMREB.

Read suggests that, more to the point, is the need to address a generalized lack of supply of available housing. “We have been lagging in housing supply for months and, when supply is limited, prices rise, housing becomes less affordable and fewer people have the opportunity to own their own home.”

Read contends that the solution lies less in curbing demand through taxation and other measures and more in working with local governments to address factors that prevent the housing supply from

keeping up with demand and affordability such as lengthy and uncertain approval timelines for building permits.

Particularly in light of the volume of recent regulatory change affecting the housing market, both buyers and sellers are advised to engage a local real estate professional whose job it is to stay abreast of conditions and who has the knowledge to analyze and accurately interpret the market implications.

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.

-30-

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OMREB is a member-governed not-for-profit association representing almost 1300 REALTORS® and 89 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