

MEDIA RELEASE

For Immediate Release:

February 5, 2013



Okanagan-Shuswap Housing Market Cautious Going into 2013

Kelowna, BC – The Okanagan Mainline Real Estate Board (OMREB) reported January 2013 sales activity of all MLS® property types is down over the same month last year but showed an improvement over December.

“Last year, the housing market remained fairly stable for the Okanagan-Shuswap with a good build-up in sales in many segments for most of the year and only losing strength during the closing two months,” says Rob Shaw, an active REALTOR® in the North Zone and OMREB President. “This slowdown carried over into January which is typically not a strong month, and can be partially attributed to the dreary winter weather that keeps people indoors.”

Most B.C. markets saw a low level of activity or a decline in sales for the month, replicating the last quarter of 2012 when markets were impacted by the tightening of credit and wavering consumer confidence.

“Board-wide, overall sales for the month were down 5% compared to last year at this time. Sales of all property types dropped by 32% in the North Okanagan and 3% in the Shuswap, but the Central Okanagan showed a 4% improvement over January 2012,” Shaw reports.

“Due to the divergence in our market areas, sales tend to vary among single family, townhouse and apartment properties month by month and zone by zone. During January, the Central Okanagan showed the greatest strength with a 16% bump in townhouse sales and 5% rise in the sale of single family residential homes. While the Shuswap saw a 5% dip in single family sales, the North Okanagan took a hit this month with a 40% decline in this segment.”

Board-wide (*Peachland to Revelstoke*): Overall sales in OMREB’s Board area dipped 4.9% during the month of January to 306 units compared to 322 in 2012. However, there was a 9.7% improvement over the 279 units sold in December 2012.

While the number of sales of all property types declined compared to 2012, January’s sales volumes at \$112.29 million paralleled last year’s level (\$112.27 million), showing a slight improvement (0.02%).

Total residential sales for the month slipped 4.5% over January 2012 (to 273 units from 286). The sale of single family residential homes was down 6.8% compared to last year at this time (to 150 from 161).

While the 1,137 new listings taken Board-wide for the month dropped 16.8% from 1,367 last year, inventory in January was down 2.8% to 7,181 from 7,387 in 2012.

Central Zone (*Peachland to Lake Country*): During January, overall sales in the Central Zone were up 3.8% over the same month last year and sales volumes improved 17.2% with 219 units valued at \$87.7 million compared to 211 at \$74.8 million in 2012.

Total residential sales for the month rose 4.2% and sales volumes were up 13.5% compared to 2012 -- to 197 units at \$77.8 million from 189 at \$68.5 million last January. Single family home sales in January were up 4.9% from 2012 (to 107 units from 102), while townhouse sales improved 16.0% over last year (to 29 from 25).

The 770 new listings taken during January showed a 14.4% decline compared to 900 in 2012, with inventory for the month dropping 8.6% to 3,866 units from 4,231 last year.

North Zone (*Predator Ridge to Enderby*): Overall sales for January in the North Zone dropped 31.5% to 50 units valued at \$13.4 million from 73 at \$24.6 million in 2012.

Total residential sales for the month were down 29.7% over last year – to 45 units valued at \$12.1 million versus 64 at \$21.7 million. Single family home sales declined 40.5% to 22 units compared to 37 in January 2012.

While inventory for January rose slightly (0.9%) to 1,963 from 1,946 in 2012, the 213 new listings taken for the month showed a 27.8% decline compared to 295 during the first month of 2012.

Shuswap Zone (*Salmon Arm to Revelstoke*): During January, overall unit sales in the Shuswap-Revelstoke Zone remained similar to last year but sales volumes were down 12.8% – with 36 units valued at \$10.9 million compared to 37 at \$12.6 million in 2012.

Total residential sales were down 6.1% to 31 units valued at \$10.7 million from 33 at \$11.1 million in 2012. While single family unit sales for the month were in line with last year at this time, sales volumes of \$6.7 million (for 21 units) were down 9.1% compared to \$7.4 million (22 units) in January 2012.

New listings taken in the Zone during the month dropped 11.6% over last January (to 152 from 172), while inventory rose 11.6% to 1,346 from 1,206 in 2012.

“We hope that the slowdown in sales activity in our Board area will be short-term. While we expect sluggish sales will likely continue in February, we are cautiously optimistic that the second quarter of 2013 will see an improvement in our housing market. Signs of renewed buyer interest are already evident as open house traffic and calls for showings are on the rise,” says Shaw.

“People who need to make a move to satisfy lifestyle changes can’t afford to continue with a wait-and-see approach indefinitely and will finally get off the fence. Serious buyers could be waiting for the much anticipated transition from HST to PST/GST on April 1st, and will proceed with purchases this Spring while there is still an attractive selection of properties to choose from and low interest rates are ongoing.”

...3

While affordability for first-time buyers has been eroded with tougher mortgage rules, they are reminded that the B.C. government's bonus of up to \$10,000 for first-time buyers of new homes continues for two more months. Interested purchasers of new construction are encouraged to see if they qualify to take advantage of the one-time incentive before it expires on April 1st along with the HST:

<http://www2.gov.bc.ca> > B.C. Home > Families & Residents > Taxes & Rebates > B.C. First-Time New Home Buyers' Bonus.

"Active listings are trending downward as fewer new listings are being taken, and sales are picking up with the level of demand," Shaw notes. "While there is no longer an oversupply of inventory, days on the market are up with listings taking 150 days on average Board-wide to sell, so it is important for sellers to be patient and note that they may need to list their properties for six months rather than three."

Pricing remains as important as ever for buyers and sellers. Home values vary based on location, so it is essential to work with a real estate professional to understand current local conditions and to provide comparisons specific to your area.

"To ensure your pricing is strategic, and has room for buyers to negotiate, it is important to ask a REALTOR® how your property type is currently faring in the local market and, more significantly, in your particular neighbourhood," says Shaw.

The Okanagan Mainline Real Estate Board is comprised of 1,005 member REALTORS® and 93 real estate offices in the Southern Interior of BC. The Board area covers the Central Okanagan, North Okanagan and Shuswap – from Peachland to Revelstoke.

For the most comprehensive source of all real estate listings, home buying and selling information, visit our national websites at: www.realtor.ca and www.icx.ca. To find out about the advantages of using a REALTOR®, check out www.howrealtorshelp.ca.

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

-30-

For more information:

Rob Shaw, OMREB President (*Board-wide statistical information*)
shawrealty@shaw.ca (250) 545-5371

Cameron Muir, BCREA Chief Economist, or Brendon Ogmundson, Economist
(*Province-wide stats information*)
cmuir@bcrea.bc.ca (604) 742-2780 / bogmundson@bcrea.ca (604) 742-2796

Jan Bauman, OMREB Communications
jbauman@omreb.com (250) 491-4560, Ext 224

