

For Immediate Release

**Okanagan Residential Market Continues Move Towards Balanced Conditions**

**KELOWNA, B.C. – August 2<sup>nd</sup>, 2018.** Residential sales across the region of Revelstoke to Peachland moderated slightly in July, with 742 sales posted to the Multiple Listing Service (MSL<sup>®</sup>), down 7% from June, yet 23% lower than this time last year reports the Okanagan Mainline Real Estate Board (OMREB).

“I think we can officially say that we are moving towards balanced market territory, although we are still at a point where the market tends to favor sellers more than buyers, yet not as much as in previous years,” comments OMREB President Marv Beer, noting five months of consistently lower sales volumes than last year, coupled with more new listings contributing to a growing inventory of available homes that is 26% higher than this time last year.

Despite indicators suggesting the region’s market is transitioning, July’s average price held at \$559,235, 2% higher than June and 11% over this time last year. Days on market, an indicator of how long it takes to sell a home, was consistent with this time last year, at 65 days versus 63.

“It takes time for those active in the market to respond to changing market conditions, so sales activity tends to fall before prices adjust. Likewise, days on market is also a factor to watch, with longer days on market associated with downward pressure on pricing,” says Beer.

While a pull back from the highs of the last few years is expected, current home buyer activity is also being dampened by government intervention. The Bank of Canada raised its interest rate July 11<sup>th</sup> for the second time this year and is expected to cautiously hike interest rates over time. More restrictive mortgage requirements are also having an impact, as is the specter of a provincial so-called speculation tax.

Turning to buyers of homes in the region, it’s worthwhile noting some commonly-held beliefs about who is actually driving buyer activity. The assumption is that foreign buyers and those from other provinces are significant, a misconception somewhat fostered by the provincial government’s ads about the speculation tax. The reality is that for eight years running (the timeframe OMREB has been collecting buyer data) foreign buyers comprise less than 3% of the buying group at any given time and those from other provinces are less than 15%, of which Albertans are around 10%, depending on the year.

The largest buyer group, at consistently 50 – 60%, comprises folks who already live here, with those from the lower Mainland/Vancouver Island comprising the second largest buyer group at about 20%.

“The make-up of buyers of homes in this region, softening market conditions and continued federal government intervention all would suggest that further interference in the market via a speculation tax that would impact long-term BC homeowners far more than speculators, out of province, or foreign buyers is not needed and makes no sense whatsoever,” contends Beer, noting that two-thirds of the homes targeted by the tax are, in fact, owned by BC residents.

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, by zone, visit [www.omreb.com](http://www.omreb.com).

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OMREB is a member-governed not-for-profit association representing more than 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](http://www.omreb.com)