

For Immediate Release

## **Downward Trend on Okanagan Residential Sales Continues**

**KELOWNA, B.C. – July 4, 2018.** June residential sales across the region of Revelstoke to Peachland continued a downward trend with 799 sales, a slight drop from May but 22% lower than this time last year, reports the Okanagan Mainline Real Estate Board (OMREB).

“This is the fourth consecutive month where sales volumes are substantially down from the same period last year,” comments OMREB President Marv Beer.

After the highs of the last few years, a shift towards a more balanced market is a natural and welcome progression, although the current trend may be somewhat amplified by government intervention in the form of new mortgage rules, interest rate hikes and the specter of a speculation tax that could impact Kelowna and West Kelowna.

“In a weird kind of irony, government measures to increase housing affordability are actually having the opposite effect, not just curbing housing demand, but affecting household purchasing power as well,” says Beer. “People aren’t able to qualify for the same amount of mortgage as before, and this, coupled with higher interest rates, means they can afford less, which is likely to be particularly impactful on first-time buyers and those at the lower end of the price-range.”

Federal government intervention layered onto a softening market is already having the effect of dampening demand, so there doesn’t appear to be a need for a further check on demand via the provincial government’s proposed speculation tax.

Beer contends that there are other ways government can enhance housing affordability instead of the misnamed and ill-conceived speculation tax, which wouldn’t actually address speculation and would carry the risk of many unforeseen consequences. For example, focusing on improving housing supply would aid in addressing a chronic housing shortage plaguing not just the Okanagan but most of BC. Members of the public wishing to express concerns about the proposed speculation tax to the BC government can do so via the [scrapthespeculationtax.ca](http://scrapthespeculationtax.ca) website.

Supply has struggled to keep up with the Okanagan’s rising population over the past several years, contributing to housing shortages, higher prices and reduced affordability. While June saw a 22% increase in the inventory of homes for sale over this time last year, inventory continues to be relatively low by historical comparison, with new listings down 5% from May and just 4% over this time last year. However, new housing units continue to come on stream, with 33 new home developments slated for the Kelowna region alone, including 18 condo, 8 townhouse and 7 single family developments.

“New housing construction should ease some of the pressure on both prospective buyers and renters in the next couple of years, offering much needed supply which, in turn, is likely to contribute to a flattening of price growth. Some developments, aided by local government incentives and zoning changes, are specifically intended for rental, which should improve current vacancy rates,” says Beer.

Average prices have yet to shift, with June's average at \$547,485, up slightly over May and 7% over this time last year.

"Price is typically one of the last indicators to shift, as sellers adjust to changing conditions associated with a normalizing market," says Beer.

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](http://www.omreb.com).

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*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)