

For Immediate Release

Residential Market Delivers Solid Start for 2018

KELOWNA, B.C. – February 5, 2018. Residential sales across the region of Revelstoke to Peachland totaled 449 in January, consistent with sales in December and a 27% increase over this time last year reports the Okanagan Mainline Real Estate Board (OMREB).

“January showed a substantial jump in both sales volume and new listings over this time last year, with increases of 27% and 45% respectively,” says OMREB President Tanis Read. Read notes that, despite the increase in new listings, average price, at \$523,402, rose 19% over January of last year while staying consistent with December at a less than 1% uptick.

“It’s not really surprising that the volume of new listings hasn’t had an effect on pricing. We still need more inventory to match current demand and there would be a lag between an increase in inventory and potential price moderations,” Read comments. Read adds that it will bear watching over the next couple of months as to whether the spike in new listings continues and any resulting impacts a possible increase in supply has on price.

Another market indicator, days on market, showed an average of 99 in January, consistent with this time last year, but up from December’s 79. “December’s average days on market was a bit of an anomaly, as averages have tended to be in the 90 plus days for the winter months over the past several years,” notes Read.

Alongside product supply versus demand, other factors affecting the local real estate market include interest rate hikes and the new mortgage stress test which came into effect January 2018.

“The Bank of Canada interest rate hike on January 17, the forecast of more increases to come this year and the new stress test are all expected to have an impact,” says Read, although these factors will likely be offset by continued strong economic performance predicted for BC, albeit somewhat moderated from the last several years.

“It’s anyone’s guess at this point as to how much of an impact interest rates and the stress test will have as compared to other factors that can buoy the market, like a robust economy,” comments Read.

Local market characteristics continually shift with the factors that impact, so it pays to engage a real estate professional whose job it is to stay abreast of conditions and who has the knowledge to analyze and accurately interpret the implications.

Taking a look at buyers of homes in the region, the results of which lag the market statistics by one month, we find a strong showing from first time buyers at 21% of the buyer population, followed by move-up buyers at 18% and a spike in those buying for revenue/investment purposes at 18%, up from 13% the previous month.

In terms of family make-up, couples without children led the way at 25%, followed by two-parent families with children at 24% and empty nesters/retired at 18%.

As has been the case since OMREB started tracking this data back in 2010, the significant majority of buyers are from within the region OMREB serves at 64%. The next largest buyer group hails from the lower Mainland/Vancouver Island area at 19%, followed by buyers from other BC regions at 8% and just 4% from Alberta.

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