

For Immediate Release

Government Intervention and Time of Year Slow Local Residential Market

KELOWNA, B.C. – December 4th, 2018. November saw residential sales posted to the Multiple Listing Service (MLS®) drop to 459 for the Peachland to Revelstoke region, a 28% decline from the previous month and 24% fewer sales than this time last year reports the Okanagan Mainline Real Estate Board (OMREB).

“Last month, we waited to see how the market would react to the Bank of Canada’s latest interest rate hike and the BC government’s tabling of their speculation tax and while the market traditionally slows this time of year, we are also likely seeing the effects of these actions,” comments OMREB President Marv Beer.

Influencing market demand can be tricky and with two levels of government continuing to tinker independent of each other. Outcomes could quickly shift from balanced conditions that favour both buyers and sellers to a situation that could precipitate a market slide, which would benefit no one.

“While one might anticipate that a sharp shift towards a strong buyers’ market might be positive, the reality is that the BC economy is so tied to real estate values that these conditions could result in job losses, mortgage foreclosures, and the like,” contends Beer, asserting “It’s never ideal when markets take steep shifts in either direction and government can do a lot to lessen the peaks and valleys, including a focus on not just dampening demand, but also fostering development of housing that reflects the needs and wants of those wishing to buy.”

A much-needed supply of homes for sale was bolstered by a 20% increase in new listings, boosting inventory to 34% over November last year. Average price stayed consistent with the previous month and this time last year, at just 2% and 3% respectively. Average days on market, another key market indicator, rose to 91 in November as compared to 81 in October and 87 this time last year. The Shuswap/Revelstoke area bucked the trend towards more days on market recorded for the region as a whole with a 13% drop from 187 days this time last year to 163 in November.

“Even within a local real estate market, conditions can differ by region or by housing type, which is why the public is advised to consult a Realtor familiar with the area or product of interest for more in-depth market data and professional analysis and interpretation of that information,” says Beer.

Contrary to public perception, foreign and out-of-province individuals continue to be a small percentage of those purchasing homes in the region at 1-3% of the buying population. Buyers from Alberta continue to hold at about 11-12% and those from elsewhere in Canada at less than 1%. The largest buying group by far continues to be those who already live in the area at around 55-60% any given month.

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.

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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