

For Immediate Release

Indicators Mixed as Residential Real Estate Market Heads into Spring

KELOWNA, B.C. – April 2th, 2019. Residential sales across the Revelstoke to Peachland region rose to 545 in March, up from February's 407 yet 13% fewer than March of last year reports the Okanagan Mainline Real Estate Board (OMREB).

While Mother Nature is taking her time with the outward signs of spring, the market is rising to the occasion with more activity. In line with a typical spring busier market was an average price of \$510,435, just 4% above February and 2% lower than last March.

“Interestingly, average days on market, a gauge of how long it takes for homes to sell, rose to 92 days from February's 88 days and last March's 79 days, comments OMREB President Marv Beer. “Usually, when activity increases we see the average days indicator shorten, yet here we're seeing the opposite.”

Also of note and despite a 44% increase in new listings over the previous month, the supply of homes for sale decreased 12% over February's inventory.

“Despite steady increases in new listings over the past several months, housing supply is light as we head into the spring market, which is concerning and points to a problem we've been stressing for a while: a generalized lack of housing supply,” says Beer.

With government solely focused on dampening housing demand through measures such as stricter mortgage rules, higher interest rates and even the speculation tax, there's been little to no attention paid to helping assure a sustainable supply of affordable housing. “There are troubling trickle-down effects with these one-sided government policies, especially for young families trying to put a roof over their heads,” contends Beer.

If millennials, currently the largest first-time home buying group, can't buy, they will likely stay renting longer, spelling bad news for rental markets already facing plenty of competition for few vacancies. If housing supply stays low, those who still qualify under the new stricter mortgage rules may find increased competition for scarce housing, often a catalyst that drives up pricing.

Those hoping to upgrade, which could free up an affordable home for sale, may find their own difficulties. Prospective purchasers may be chased away by stricter mortgage rules under which they no longer qualify. Even if buyers can be found, starter home owners may be challenged to find an upgrade they can now afford, as they face the same challenges (harder mortgage qualifying rules; higher interest rates; competition for scarce suitable homes) as their prospective buyers. The seller of the affordable home may opt to stay put and no starter home opens up to a first time buyer.

“At the end of the day, the answer likely lies in governments doing things differently and its likely a basket of actions to fuel creation of a spectrum of affordable housing to accommodate a range of population requirements,” 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, by zone, visit www.omreb.com.

-30-

For more information, please contact:

Board-wide statistical information: Email media@omreb.com

Province-wide statistical information:

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

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.

For comprehensive Board-wide statistical information, please visit our local public site: www.omreb.com