

For Immediate Release

May Home Sales Volumes in Sharp Contrast to Recent Years

KELOWNA, B.C. – June 5, 2018. The volume of May home sales across the region of Revelstoke to Peachland contrasted sharply with this time last year, with 817 homes sold, a slight uptick from April but down 28% over this time last year, reports the Okanagan Mainline Real Estate Board (OMREB).

“Not surprisingly, the residential home market continues to slow after a particularly heady market that peaked in 2016. Supply is starting to catch up with new units coming on stream, while demand is dampening as a result of government regulations,” said OMREB President Marv Beer noting that May is the third consecutive month where sales volumes were down from the same period last year.

New listings were 1764, up 16% over April and 7% over this time last year. Average price, typically the last indicator to normalize, was \$532,972, just 1% over April and 4% over this time last year.

“Market peaks and valleys could be significantly softened if government were to address the root cause of BC’s continued chronic shortage of affordable housing,” Beer contends.

“When demand for housing increases, home builders typically respond by building new homes,” Beer notes. “But, as we’ve seen here and across BC in general, prices increase when supply doesn’t ramp up fast enough, making homes less affordable in general.”

Adequate housing supply is critical for long-term generalized housing affordability. Rather than targeting specific groups, government could make a lasting, more significant impact on housing affordability by addressing the regulatory hurdles that constrain housing supply in general. This, in turn, would impact a much larger population of renters and buyers who would not qualify for social housing. In fact, a [new UBC study](#) concerning Metro Vancouver provides evidence that the focus governments have placed on demand-side policies are unlikely to lead to housing affordability. The concepts are applicable elsewhere.

Current regulatory barriers, or ‘red tape’ coupled with an uncertain regulatory environment, aggravates supply of housing now and likely critically affects overall affordability in future.

“The problem with trying to curb demand is that it is unlikely to free up the kind of housing people want and need, plus it’s risky, with the potential for broad-reaching economic and development implications,” says Beer. According to Beer, the situation is made even more worrisome when federal and provincial governments are both tinkering in the market independent of each other.

“As governments continue to tinker, rather than deal with the root cause of BC’s real estate market woes, they are very likely to harm the very people they aim to protect and support,” concludes 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.

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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