

Who is buying homes in the Okanagan-Shuswap?

Kelowna, BC – Ever wonder where home buyers come from? Since September 2010, the Okanagan Mainline Real Estate Board (OMREB) has been collecting information from our members with regards to where our buyers are coming from – both geographically and demographically. The purpose of collecting this data is to add another element to our market knowledge and a better understanding of current trends. The longer record, the more insight the Board will have.

Results of OMREB's new Board-wide monthly Buyers Survey indicate that serious buyers are taking advantage of the current market and leveraging their positive purchasing power while it lasts. Buyer profiles gathered through each monthly survey include property type, family dynamic, financing, and areas moving from and to.

On average during the past 13 months (September 2010 through October 2011), home buyers have been coming from: within the OMREB Board area (56.29%); Alberta (14.44%); Lower Mainland/Vancouver Island (12.73%); other areas of BC (8.19%); Saskatchewan/Manitoba (3.33%); Eastern Canada/Maritimes (3.03%); Northwest Territories/Yukon* (0%); and outside Canada (2.13%). During this period, move-up buyers accounted for 22.83% of the purchasers while first-time buyers comprised 23.53%.

Real estate markets can be driven by local demand, demand stemming from outside the region or province, by international sources, or by a combination of all three. Knowing how many homes are sold and at what price is an important part of the picture. However, understanding who your buyers are and where they come from can reveal not only market dynamics but also identify which factors actually drive local demand. For example, a change in entry level buyer activity can have a ripple effect throughout the entire market as many move-up buyers rely on first-time buyers to purchase their existing homes. First-time buyers are a driving factor and they stimulate the chain of ownership.

Low interest rates and attractive pricing alone don't necessarily mean increased sales activity. Many additional factors affect consumer confidence, including local employment opportunities and the overall economic environment. Real estate markets can also react differently depending on the influence of various buyer segments.

Housing markets in Vancouver, for example, are being bolstered by off-shore buyers while the Alberta market is closely linked to natural resource prices and their job market. Since a sizable proportion of local sales come from buyers that originate outside our region, 40% being non-local, we need to keep an eye on Alberta and the Lower Mainland. Our monthly Buyers Survey helps to do just that.

So if you were curious as to what is moving our local real estate market, this is a bit of insight.

OMREB is comprised of 1,111 member REALTORS® and 91 real estate offices in the Southern Interior of BC, and the Board area covers the Central Okanagan, North Okanagan and Shuswap – from Peachland to Revelstoke.



** NWT/Yukon first reported – Sept 2011 (0.5%)*