

Greater Vancouver Home Prices Rise Significantly in Fourth Quarter

Prices for detached homes in almost all parts of the region jump by double digits

VANCOUVER, January 13, 2016 – The Royal LePage House Survey¹ and Market Survey Forecast² released today showed double-digit house price growth across housing types surveyed in Greater Vancouver. In the fourth quarter of 2015, the aggregate³ price of a home in the region rose 12.4 per cent year-over-year to \$949,468.

The median price for bungalows in Greater Vancouver surged 16.8 per cent year-over-year to \$1,025,604, while two-storey homes climbed 12.2 per cent to \$1,259,289. Condominiums also saw strong price growth during the quarter, increasing 7.2 per cent to \$476,213.

Aggregate home prices in the Greater Vancouver real estate market saw significant growth in the final quarter of the year. Prices appreciated at a rate of 8.0 per cent or greater in six of the eight Greater Vancouver regions surveyed. Burnaby, Richmond, Surrey and Vancouver all saw aggregate prices jump between 11.9 and 14.9 per cent over the same period last year.

“At the close of a record year for real estate in Greater Vancouver it was a seller’s market across the board,” said Alan Stewart, regional manager, Royal LePage Sussex. “Inventory remains constrained in many areas of the city, pushing prices even higher. The supply shortage is particularly critical for detached homes, which explains the double-digit price appreciation for this housing type in almost all neighbourhoods.”

Squeezed out of the freehold market by high prices, younger homebuyers are looking at condominiums or options further from downtown. In many instances the markets for these alternatives are becoming as hot as the ones for detached homes in more established neighbourhoods and central Vancouver.”

Looking ahead to 2016, Royal LePage forecasts that the aggregate price in Vancouver will rise by 9 per cent year-over-year, with detached homes expected to continue outpacing condominiums.

“The year ahead is going to be an interesting one in the region,” added Stewart. “Home prices are undoubtedly going to continue upward, although likely at a less frantic pace. While the supply and demand dynamics that have guided the market in recent periods will continue, we expect the rate of house price appreciation in the region to settle at a more sustainable single-digit price increase trend.”

¹ Powered by Brookfield RPS

² The Royal LePage Market Survey Forecast provides projections for aggregate national and regional house prices at 2016 year-end close (fourth quarter 2016 close)

³ Aggregate prices are calculated via a weighted average of the median values of homes in the region surveyed

Greater Vancouver Market Summaries

The aggregate home price in central **Vancouver** increased at the highest rate of any area in the region, rising steeply by 14.9 per cent year-over-year to \$1,126,714. All housing types saw significant price appreciation during the period, but the bungalow category saw the median price increase by 22.2 per cent over the same period in 2014. According to local Royal LePage real estate experts, inventory was down across the board having a dramatic effect on pricing.

North Vancouver saw moderate price appreciation for the fourth quarter, with the aggregate price rising 7.6 per cent year-over-year to \$1,059,557. Of the three major housing categories, bungalows saw the highest jump in median price, increasing 11.3 per cent to \$1,201,544. Royal LePage experts in the area indicated that sales volumes were down on the north shore this quarter after a very busy year.

In **West Vancouver**, the aggregate price increased 7.0 per cent to \$2,505,833. While the median price for bungalows spiked 23.4 per cent, median prices for two-storeys rose a modest 3.0 per cent. Meanwhile condominiums saw price declines of 6.1 per cent. Fourth quarter trends aside, West Vancouver remains Greater Vancouver's priciest region by a sizeable margin.

The aggregate price for homes in **Richmond** leaped 13.4 per cent year-over-year to \$839,249. During the quarter all three major housing types surveyed saw double-digit price growth. Royal LePage experts pointed out that inventory in Richmond was down significantly in the fourth quarter, putting even more upward pressure on home prices.

In **Burnaby**, the aggregate price rose 11.9 per cent year-over-year to \$814,974, thanks in large part to an acute shortage of homes for sale. The lack of land available for new builds means that condominiums, where it is possible to build upward, are largely the only construction option. This factor explains why median prices for two-storeys and bungalows saw double-digit increases while those for condominiums were down slightly.

The market in **Coquitlam** saw notable growth over the same period last year, shooting up 9.0 per cent to an aggregate price of \$781,711. The same supply and demand dynamics seen across Greater Vancouver are apparent in Coquitlam, with a high number of buyers bidding for the modest number of listings available. According to Royal LePage experts, the condominium market in the area has also picked up as a result of the intense competition for detached homes.

Similarly, strong demand relative to inventory available in **Surrey** has led to a seller's market. The discord between the number of buyers and sellers in the area has led to a year-over-year rise in aggregate price of 13.6 per cent to \$662,543. According to Royal LePage, the influence of off-shore money can be felt in Surrey. Overseas buyers look at real estate in the area as a safe, stable investment.

Finally, **Langley** saw strong growth in the aggregate home price in the fourth quarter, which increased 8.6 per cent year-over-year to \$603,997. According to Royal LePage, there is a

migration of residents from North and West Vancouver, Burnaby and Richmond, who are selling their family homes in those neighbourhoods and moving to Langley where prices are lower.

	Bungalows				Two-Storeys				Condominiums				Aggregate			
Market	Q4 2015	Q3 2015	Q4 2014	Year-Over-Year % Change	Q4 2015	Q3 2015	Q4 2014	Year-Over-Year % Change	Q4 2015	Q3 2015	Q4 2014	Year-Over-Year % Change	Q4 2015	Q3 2015	Q4 2014	Year-Over-Year % Change
Greater Vancouver Area	\$1,025,604	\$1,022,688	\$877,854	16.8%	\$1,259,289	\$1,224,805	\$1,122,295	12.2%	\$476,213	\$462,719	\$444,373	7.2%	\$949,468	\$928,532	\$844,739	12.4%
Vancouver	\$1,187,479	\$1,212,852	\$971,906	22.2%	\$1,989,304	\$1,925,491	\$1,732,268	14.8%	\$569,908	\$540,798	\$521,136	9.4%	\$1,126,714	\$1,097,726	\$980,237	14.9%
North Vancouver	\$1,201,544	\$1,181,819	\$1,079,451	11.3%	\$1,326,123	\$1,267,113	\$1,255,427	5.6%	\$427,470	\$412,870	\$407,376	4.9%	\$1,059,557	\$1,024,884	\$985,025	7.6%
West Vancouver	\$2,267,206	\$2,051,055	\$1,837,693	23.4%	\$2,864,903	\$2,775,782	\$2,781,300	3.0%	\$871,442	\$890,421	\$928,203	-6.1%	\$2,505,833	\$2,391,407	\$2,341,452	7.0%
Surrey	\$619,931	\$565,010	\$537,027	15.4%	\$758,414	\$714,578	\$667,553	13.6%	\$245,164	\$228,667	\$232,033	5.7%	\$662,543	\$619,554	\$582,992	13.6%
Richmond	\$1,053,157	\$1,046,182	\$894,765	17.7%	\$1,137,908	\$1,200,462	\$1,002,209	13.5%	\$410,021	\$400,959	\$368,345	11.3%	\$839,249	\$868,105	\$740,343	13.4%
Langley	\$531,383	\$538,170	\$526,226	1.0%	\$680,602	\$687,789	\$607,409	12.1%	\$220,355	\$213,622	\$211,322	4.3%	\$603,997	\$608,818	\$555,931	8.6%
Coquitlam	\$799,931	\$810,440	\$695,697	15.0%	\$932,211	\$874,649	\$866,474	7.6%	\$320,859	\$312,134	\$311,992	2.8%	\$781,711	\$750,319	\$717,448	9.0%
Burnaby	\$1,059,129	\$1,103,430	\$935,937	13.2%	\$1,219,675	\$1,184,385	\$1,021,582	19.4%	\$403,386	\$438,645	\$411,459	-2.0%	\$814,974	\$832,411	\$728,355	11.9%

Nationally, Canada's residential real estate market showed strong growth in the fourth quarter of 2015, led by hot Vancouver and Toronto markets. Looking forward to 2016, Royal LePage expects continued price increases in most markets, but not at the pace that has been the recent norm. Instead, the national real estate market is expected to slow later this year, principally due to the effects of a dampened economy in Western Canada and eroding affordability in Toronto and Vancouver.

The price of a home in Canada increased 6.5 per cent year-over-year to \$500,688 in the fourth quarter. The price of a two-storey home rose 7.7 per cent year-over-year to \$610,134, and the price of a bungalow increased 5.4 per cent to \$420,082. During the same period, the price of a condominium increased 3.1 per cent to \$341,448. Looking ahead to 2016, Royal LePage forecasts that the median price of a home in Canada will increase at 4.1 per cent for the full year when compared to 2015.

In 2016, Royal LePage expects the price of residential real estate in Canada to be more heavily influenced by macroeconomic factors than by housing-specific variables such as tighter regulation in the mortgage industry. The Bank of Canada is expected to keep its overnight rate steady through the all-important spring market, extending the prolonged period of exceptionally low borrowing rates. While the new Federal Minister of Finance kicked off his appointment with a hike to 10% in the minimum down payment required for the portion of mortgage insurance over \$500,000, Royal LePage expects this change to have a marginal effect on the overall market.

About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 53 of the nation's largest real estate markets. Housing values in the House

Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, Brookfield RPS, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

About Royal LePage

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 16,000 real estate professionals in more than 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

For more information visit: www.royallepage.ca.

For further information, please contact:

Eddie Tabakman
Kaiser Lachance Communications
647-680-8316
Eddie.Tabakman@kaiserlachance.com