

Kelowna Home Prices See Double-Digit Growth in First Quarter of 2017

Affordability and steady employment continue to attract homebuyers from the Lower Mainland

KELOWNA, April 18, 2017 – The Royal LePage House Price Survey¹ released today revealed significant increases in Kelowna home prices during the first quarter of 2017. The aggregate² price of a home in the region surged 14.4 per cent year-over-year to \$581,770.

When broken out by housing type, the region saw double-digit gains across all housing categories surveyed. In the first quarter of 2017, the median price of a two-storey home, bungalow and condominium rose 11.4 per cent, 14.6 per cent and 29.1 per cent year-over-year, to \$662,317, \$548,279 and \$417,960, respectively.

“Kelowna’s market is incredibly strong right now,” said Francis Braam, owner and broker, Royal LePage Kelowna. “The region’s steadily growing population, coupled with an extreme lack of inventory across all housing types, has resulted in a very distinct seller’s market.”

“Recently, the region has witnessed a significant increase in the number of homebuyers coming into the area from across the Lower Mainland, which has placed strain on the city’s already low housing supply and caused prices to climb,” continued Braam. “Whether it be retirees looking to take advantage of the region’s affordability or younger homebuyers in search of steady employment, people across all demographics are moving to Kelowna.”

Nationally, Canada’s residential real estate market saw substantial price growth in the first quarter of 2017, increasing 12.6 per cent year-over-year to \$574,103. The price of a two-storey home rose 13.9 per cent year-over-year to \$681,728, and the price of a bungalow increased 11.0 per cent to \$490,018. During the same period, the price of a condominium increased 8.9 per cent to \$372,638.

While the majority of housing markets in Canada posted modest gains, price appreciation across much of Ontario significantly outpaced the rest of the country. Meanwhile, the pace of year-over-year home price appreciation in Greater Vancouver was noticeably lower than the historic highs witnessed in 2016.

“For the first time in several years, real estate markets in Vancouver and Toronto are headed in opposite directions,” said Phil Soper, President and CEO, Royal LePage. “The Vancouver market stalled, as confused consumers took to the sidelines after a series of uncoordinated moves by all three levels of government. With its housing shortage becoming more acute, Toronto easily stepped forward to assume the title of Canada’s most overheated real estate market.”

Significant home price appreciation, caused by market dynamics similar to those that have driven housing activity in the Greater Toronto Area, is being seen across the entire “Golden Horseshoe” region of south-central Ontario, and as far away as Windsor and London in southwestern

¹ Powered by Brookfield RPS

² Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed

Ontario. In fact, the torrid pace of home price appreciation in much of Ontario contributed almost half of the national aggregate home price increase in the first quarter, with the rest of Canada appreciating by a healthy, but much lower, 6.4 per cent year-over-year when excluding all Ontario-based regions.

“The overall Canadian market is healthier in 2017 than it has been in years, yet the downside risks are greater too,” concluded Soper. “Our economy, which has recovered nicely from the 2014 oil crisis, is sadly dependent on moves by an unpredictable U.S. federal government and can be swayed by unforeseen global events, such as fallout from Europe’s restructuring. Still, housing activity is strong and prices are rising at a healthy mid-single-digit rate across the land. The trend in Alberta, Quebec and Atlantic Canada is particularly encouraging. Our concerns with the state of Canadian real estate begin and end in Toronto and Vancouver.”

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 17,000 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.

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