

Kelowna Home Prices Continue to Post Increases in the Third Quarter 2017

Low inventory and continued demand from Vancouver fuel home prices

KELOWNA, October 12, 2017 – The Royal LePage House Price Survey¹ released today revealed significant increases in Kelowna home prices during the third quarter of 2017. The aggregate price of a home in the region increased 11.0 per cent year-over-year to \$615,122.

When broken out by housing type, the median price of a standard two-storey home rose 6.3 per cent year-over-year to \$694,820. During the same period, the median prices of bungalows and condominiums saw double-digit gains, rising 16.5 per cent and 20.2 per cent year-over-year, to \$607,838 and \$399,783, respectively.

“Around 60 per cent of our sales are from the Okanagan, but we are still seeing continued migration from Vancouver,” said Francis Braam, broker and owner, Royal LePage Kelowna. “While we expect current prices to hold throughout the rest of the year, any new increases will likely be modest as we are seeing buyers starting to resist higher prices.”

Braam commented that millennial buyers seem very open to considering a variety of housing types as long as they are affordable.

“We are seeing millennials choose Kelowna over committing to carrying large mortgages in Vancouver,” continued Braam. “Younger buyers value lifestyle and financial flexibility. We are working with them every day to find their dream homes in Kelowna.”

Nationally, the Royal LePage National House Price Composite, compiled from proprietary property data in 53 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 13.3 per cent year-over-year to \$628,411 in the third quarter. When broken out by housing type, the median price of a standard two-storey home rose 13.9 per cent year-over-year to \$748,049, and the median price of a bungalow grew 9.5 per cent to \$525,781. During the same period, the median price of a condominium rose 15.2 per cent to \$413,670.

Meanwhile, on a quarter-over-quarter basis, home prices in Canada’s five most populated housing markets are rising at a similar, healthy pace – the first time this has occurred in six years.

“For now, the Toronto and Vancouver housing markets have returned to earth,” said Phil Soper, President and CEO, Royal LePage. “After a period of unsustainable price inflation and sharp market corrections, we are seeing low single digit appreciation in each. Calgary has shaken off the oil-bust blues and Montreal appears to be at the beginning of a new era of economic prosperity. Rounding out the ‘big five,’ the Ottawa market is behaving like it usually does - a picture of healthy market growth.”

¹ Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

“Uneven regional economic growth has plagued Canada for much of the past decade, a challenge most evident in the nation’s housing markets,” continued Soper. “For the first time since 2011, we are seeing real estate in all five of our largest cities appreciate at a manageable, healthy clip. Canadian housing is enjoying a Goldilocks moment – not too hot, and not too cold.”

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, RPS Real Property Solutions, 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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