

Condominiums Price Continue to Soar in Greater Vancouver

OSFI regulations and affordability constraints limit sales and cause purchasers to look eastward or beyond the metropolitan area for a home

Greater Vancouver home values forecast to increase 1.5 per cent over the next three months

VANCOUVER, July 10, 2018 – According to the Royal LePage House Price Survey¹ and Market Survey Forecast released today, market activity and pricing slowed across Greater Vancouver as a result of eroding affordability and new governmental policies weakening prospective homeowner’s purchasing power. Despite large year-over-year advances, appreciation within the region remained subdued within the quarter, rising 0.5 per cent when compared to the previous three-month period.

Compared to the same time last year, the aggregate home price in Greater Vancouver rose 7.2 per cent to \$1,269,816. When broken out by housing type, the median price of a condominium surged by 18.4 per cent year-over-year to \$692,452. Meanwhile, the median price of a two-storey home and bungalow both grew at a more moderate annual pace, rising 5.6 per cent and 4.1 year-over-year to \$1,564,303 and \$1,443,105, respectively.

During the quarter inventory began to rise in the region’s detached segment as sales activity slowed and affordability constraints continued to price many purchasers out of the market. As a result, large swaths of prospective homeowners continued to look to condominiums in the metropolitan area in search of value, pushing prices higher and intensifying competition within the segment.

“Condominium prices continue to grow at unprecedented levels across Greater Vancouver,” said Adil Dinani, real estate advisor, Royal LePage West Real Estate Services. “Purchasers look to condominiums for relative affordability, yet with competition continuing to intensify, property values within the segment now outstrip most detached markets across the country. To put it into perspective, the budget now needed to purchase a condo could have netted someone a two-storey home here in Greater Vancouver four years ago.”

When coupled with the new OSFI stress test, which weakened purchasing power, large levels of demand found within the entry-level market have made it tougher for many looking to purchase a home in Greater Vancouver. As a result, sales activity across the region has declined, and purchasers that could not break into the market looked for property eastwards in cities like Abbotsford, Langley and Mission, or cities much further out, like Kelowna.

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.

“As prices continue to climb across Greater Vancouver, many purchasers are considering their options and choosing to move to areas across the Lower Mainland where property is more affordable,” concluded Dinani. “Lending practices have tightened even further, and it is now harder to secure an equity loan. The bank of mom and dad continues to influence first-time buyer and millennial purchasing activity, however, buyers in this segment are having to take a very pragmatic approach to their home search.”

Over the next three months, Royal LePage forecasts that Greater Vancouver’s aggregate home price will remain relatively flat, rising 1.5 per cent quarter-over-quarter to \$1,289,120, as the region’s condominium segment continues to put upward pressure on the overall aggregate price.

Greater Vancouver Market Summaries

In the second quarter of 2018, the aggregate home price in the **City of Vancouver** grew 2.4 per cent year-over-year to \$1,416,729. Condominiums in the region continued to appreciate, rising 17.9 per cent year-over-year to \$828,891, significantly higher than the two-storey home and bungalow market segments, which both depreciated when compared to the same time last year.

Meanwhile, the aggregate home price in **West Vancouver** posted its first positive quarter in over a year, rising 3.8 per cent to \$3,114,388. Within the region, the median price of a two-storey home rose 3.9 per cent to \$3,498,976, while the price of a condominium jumped 5.1 per cent quarter-over-quarter, and 10.9 per cent on an annual basis, to \$1,186,888.

In **North Vancouver**, purchasers continued to flock to the region’s condominium market due to its relative affordability and close proximity to the downtown core. While the region’s aggregate home price rose by a healthy 5.9 per cent year-over-year to \$1,453,883, condominium values soared by more than 20 per cent, rising 21.7 per cent year-over-year to \$694,227.

Home prices in **Richmond** witnessed healthy, single-digit growth in the second quarter of 2018, rising 6.0 per cent to \$1,144,498 when compared to the same three-month period last year. During the quarter, purchasers continued to look for condominiums in the area due to their relative affordability, causing the segment’s median price to soar 20.3 per cent year-over-year to \$586,304.

Demand remained strong in **Burnaby** and **Coquitlam**, as purchasers headed east in search of value. Home prices within the regions rose by 8.5 per cent and 14.0 per cent year-over-year to \$1,137,924 and \$1,116,181, respectively, with many move up buyers taking advantage of the regions’ robust entry-level market and slower conditions at higher price points to trade up.

Greater Vancouver	\$1,481,755	\$1,564,303	-0.3%	5.6%	\$1,386,614	\$1,443,105	0.8%	4.1%	\$585,078	\$692,452	2.9%	18.4%	\$1,184,696	\$1,269,816	0.5%	7.2%
Burnaby	\$1,424,713	\$1,543,150	1.3%	8.3%	\$1,460,426	\$1,529,908	1.4%	4.8%	\$538,657	\$617,600	2.1%	14.7%	\$1,048,823	\$1,137,924	1.5%	8.5%
Coquitlam	\$1,167,315	\$1,328,902	1.7%	13.8%	\$1,119,933	\$1,235,803	0.4%	10.3%	\$448,558	\$547,276	4.9%	22.0%	\$979,344	\$1,116,181	1.8%	14.0%
Langley	\$879,451	\$1,083,302	2.7%	23.2%	\$821,187	\$959,229	2.5%	16.8%	\$315,629	\$371,864	4.8%	17.8%	\$804,526	\$975,360	2.8%	21.2%
North Vancouver	\$1,623,581	\$1,700,701	-0.5%	4.7%	\$1,578,429	\$1,637,171	0.5%	3.7%	\$570,467	\$694,227	1.3%	21.7%	\$1,372,250	\$1,453,883	0.1%	5.9%
Richmond	\$1,410,072	\$1,454,195	0.3%	3.1%	\$1,416,678	\$1,469,803	2.0%	3.7%	\$487,223	\$586,304	2.4%	20.3%	\$1,079,726	\$1,144,498	0.9%	6.0%
Surrey	\$868,235	\$1,009,801	1.6%	16.3%	\$793,432	\$895,692	0.3%	12.9%	\$303,733	\$381,626	4.0%	25.6%	\$773,804	\$900,433	1.6%	16.4%
Vancouver	\$2,202,835	\$2,137,971	-3.3%	-2.9%	\$1,505,898	\$1,498,375	-0.1%	-0.5%	\$702,933	\$828,891	3.0%	17.9%	\$1,383,518	\$1,416,729	-1.0%	2.4%
West Vancouver	\$3,366,199	\$3,498,976	1.0%	3.9%	\$2,886,404	\$2,959,300	2.1%	2.5%	\$1,069,941	\$1,186,888	5.1%	10.9%	\$2,998,999	\$3,114,388	1.4%	3.8%

Royal LePage Market Survey Forecast

Market	Q2 2018 Aggregate Home Price (Actual)	Q3 2018 Aggregate Home Price (Forecast)	Q3 2018/Q2 2018 Aggregate Home Price % (Forecast)	Q4 2018 Aggregate Home Price (Forecast)	Q4 2018/Q2 2018 Aggregate Home Price % (Forecast)
Greater Vancouver	\$1,269,816	\$1,289,120	1.5%	\$1,315,314	3.6%

**Data presented in the table above may not match same period data reported previously due to subsequent market updates. Aggregate prices are calculated using a weighted average of the median values of all housing type transactions collected in the region.*

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 close to 18,000 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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