

## Homes Continue to Appreciate in Kelowna During the Second Quarter of 2018

*Demand remains strong despite a drop in sales activity brought on by new regulations*

**Kelowna, July 10, 2018** – According to the Royal LePage House Price Survey<sup>1</sup> and Market Survey Forecast released today, the aggregate home price in Kelowna grew by 5.4 per cent year-over-year to \$ \$623,706 in the second quarter of 2018.

When broken out by housing type, the aggregate price of a two-storey home and condominium rose 3.9 and 3.7 per cent year-over-year to \$701,576 and \$386 927, respectively. Meanwhile, the aggregate price of a bungalow leapt 8.3 per cent year-over-year to \$641,886.

During the quarter, sales activity fell as prospective purchasers came to grips with new regulations aimed at cooling the market. Yet, this did not deter many millennials and Vancouver residents, who continue to venture into the region to take advantage of the city’s strong economy and affordable home prices.

“While the speculation tax and new OSFI stress test have hurt many consumers’ purchasing power, fundamentals remain strong in Kelowna’s real estate market,” said Francis Braam, managing broker and owner, Royal LePage Kelowna. “Though it is true that sales in the region are down by almost 20 per cent on an annual basis, they are based off of record years. The market continues to thrive, attracting many prospective homeowners into the region with the promise of significant value.”

Over the next three months, sales activity and home values in Kelowna will remain relatively unchanged.

Nationally, price appreciation slowed across Canada in the second quarter of 2018, marked primarily by softness in the Greater Toronto Area (GTA), where many regions have witnessed year-over-year price declines.

“It was a spring market that never blossomed,” said Phil Soper, president and CEO, Royal LePage. “As anticipated in our original 2018 forecast, the new federal mortgage stress-test measures slowed the market to a standstill in much of the country, as some families adjusted their expectations in a world with lower borrowing capacity, and others not impacted by the OSFI regulations moved to the sidelines, adopting a ‘wait and see what happens to home prices’ approach.”

The Royal LePage National House Price Composite, compiled from proprietary property data in 63 of the nation’s largest real estate markets, showed that the price of a home in Canada

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<sup>1</sup> 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.

increased 2.0 per cent year-over-year to \$613,968 in the second quarter of 2018. When broken out by housing type, the median price of a two-storey home rose 0.8 per cent year-over-year to \$720,504, while the median price of a bungalow climbed 1.8 per cent to \$512,979. At a national level, condominiums posted a significantly higher rate of appreciation when compared to the detached segment, rising 8.1 per cent year-over-year to \$435,421. Looking ahead, Royal LePage is projecting an uptick in home price appreciation in the third quarter and forecasts that the aggregate price of a home in Canada will increase 1.9 per cent over the next three months.

“The market has begun to absorb and adjust to the new realities; we expect an uptick in sales volumes and prices during the second half of 2018,” Soper continued. “The fundamentals have not changed. The economy is strong and unemployment is very low. We face shortages in our major cities, with many more people looking for homes than the market has available for purchase or rent. Upward pressure on prices will likely return to most markets this quarter.”

### **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 63 of the nation’s largest real estate markets. Housing values in the House Price Survey are based onz 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 almost 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.

### **For further information, please contact:**

Michael Jesus  
Kaiser Lachance Communications  
647-725-2520 ext. 234  
[Michael.jesus@kaiserlachance.com](mailto:Michael.jesus@kaiserlachance.com)