

## **Greater Vancouver Condominiums See Significant Price Appreciation in Third Quarter**

*Government regulation and changes in mortgage lending practices are constraining many buyers*

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

**VANCOUVER, October 16, 2018** – According to the Royal LePage House Price Survey<sup>1</sup> and Market Survey Forecast released today, home price appreciation and market activity slowed across Greater Vancouver as a result of diminishing affordability and government intervention that continues to weaken prospective homeowner’s purchasing power.

The aggregate home price in Greater Vancouver rose 3.9 per cent in the third quarter to \$1,270,675, compared to the same period last year. When broken out by housing type, the median price of a condominium increased 9.5 per cent year-over-year to \$683,000. Meanwhile, the median price of a two-storey home and bungalow both grew at a more moderate annual pace, rising 3.5 per cent and 0.9 year-over-year to \$1,579,141 and \$1,431,172, respectively.

The real estate market in British Columbia has continued to shift in the third quarter of 2018, with fewer transactions occurring and higher inventory levels, especially in the detached category. Many sellers are yet to adjust to the change in market conditions resulting in many homes remaining on the market for longer periods of time. Currently, buyers have more choice and less time pressure when it comes to purchasing a home. Despite these shifts, the condominium housing segment is still performing well within the market.

“Condominium prices continue to appreciate but at a reduced rate across Greater Vancouver,” said Randy Ryalls, general manager, Royal LePage Sterling Realty. “Condominiums remain a relatively affordable option compared with other housing categories. The new mortgage qualifying regulations have continued to reduce purchasing power that is eliminating many would-be buyers from the market. The result is a concentration of buyer activity in the lower-priced homes in Greater Vancouver.”

Ryalls added that well-priced homes that accurately reflect the value of the current market continue to sell.

By the end of the fourth quarter, Royal LePage expects the aggregate price of a home in the GVA will rise 1.5 per cent to \$1,289,938.

### **Greater Vancouver Market Summaries**

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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.

In the third quarter of 2018, the aggregate home price in the **City of Vancouver** grew 0.2 per cent year-over-year to \$1,417,476. Condominiums in the region continued to see healthy appreciation, rising 5.8 per cent year-over-year to \$797,861. The two-storey home and bungalow market segments both depreciated slightly when compared to the same time last year, falling 1.0 per cent and 3.4 per cent to \$2,195,881 and \$1,489,046, respectively.

Meanwhile, the aggregate home price in **West Vancouver** rose 1.8 per cent to \$3,072,255. Within the region, the median price of a two-storey home rose 1.8 per cent to \$3,480,034, while the price of a condominium saw the largest increase, soaring 17.2 per cent on an annual basis, to \$1,229,256.

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 1.7 per cent year-over-year to \$1,443,534, condominium values increased by 11.4 per cent year-over-year to \$686,332.

Home prices in **Richmond** witnessed healthy growth in the third quarter of 2018, rising 3.4 per cent to \$1,162,430 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 surge 14.9 per cent year-over-year to \$599,133.

Homebuyers continued to head east to **Burnaby** and **Coquitlam** in search of better value in the third quarter. Aggregate home prices within the regions rose by 3.6 per cent and 10.4 per cent year-over-year to \$1,120,925 and \$1,148,149, respectively, with many buyers looking to take advantage of the regions' relatively affordable prices.

**Surrey** home values continued to draw prospective purchasers to look towards the region in the third quarter of 2018, with the region's aggregate home price rising 10.4 per cent year-over-year to \$899,865. The region's condominium segment saw one of largest year-of-year increases of any region studied in the nation, surging 25.7 per cent to \$398,559.

Finally, **Langley** witnessed the largest annual aggregate home price increase of any region studied across Canada, soaring 16.1 per cent year-over-year to \$989,092. Unlike the rest of the metropolitan region, two-storey home values surged within the city, rising 16.2 per cent to \$1,090,080.

Nationally, year-over-year home prices made modest gains in many regions across Canada in the third quarter of 2018. The Royal LePage National House Price Composite<sup>2</sup>, compiled from proprietary property data in 63 of the nation's largest real estate markets, showed that the price of a home in Canada increased 2.2 per cent year-over-year to \$625,499 in the third quarter. When broken out by housing type, the median price of a two-storey home rose 1.4 per cent year-over-year to \$736,337, while the median price of a bungalow climbed 1.5 per cent to \$519,886.

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<sup>2</sup> Beginning in the first quarter of 2018, seven real estate markets were added to the Royal LePage National House Price Composite. The new regions are smaller markets in Ontario, Alberta, Quebec and British Columbia. Due to the relative size of the markets, any change to the Royal LePage National House Price Composite is expected to be within 0.15 per cent.

Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 6.7 per cent year-over-year to \$441,240.

Looking ahead, Royal LePage is projecting a further uptick in home price appreciation in the fourth quarter, forecasting a 1.5 per cent increase in the aggregate price of a home in Canada over the next three months.

“Positive economic fundamentals, supported by a new agreement on trade, should bolster consumer confidence across Canada and stoke demand in the nation’s real estate market,” said Phil Soper, president and CEO, Royal LePage. “Dangerously overheated regions have cooled considerably this year, while home prices have remained remarkably resilient. This is the soft landing that policy makers were hoping for.”

### **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 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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