

## Greater Vancouver Home Prices Resilient Despite Low Sales in Fourth Quarter

*Government regulation and changes in mortgage rules continue to constrain buyers*

**VANCOUVER, January 11, 2019** – According to the Royal LePage House Price Survey<sup>1</sup> released today, home price appreciation 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 increased 2.1 per cent in the fourth quarter to \$1,274,831, compared to the same period last year. When broken out by housing type, the median price of a condominium increased 4.6 per cent year-over-year to \$680,991. Meanwhile, the median price of a two-storey home grew at a moderate pace, rising 2.9 per cent year-over-year to \$1,599,785. However, the median price of a bungalow decreased 1.4 year-over-year to \$1,402,002.

The real estate market in Greater Vancouver witnessed higher inventory levels and less transactions, especially in the detached housing segment during the fourth quarter of 2018. Despite the decline in sales activity in the detached housing segment, condominiums are still performing well within the market.

“While we’ve seen a significant reduction in the number of sales across all housing types, Condominiums continue to outperform all other housing types in Greater Vancouver,” said Randy Ryalls, general manager, Royal LePage Sterling Realty. “While the condo market is showing balance, in contrast, sales activity within the detached housing market has slowed down considerably and is firmly in a buyer’s market. The mortgage qualifying regulations have severely attenuated the purchasing power of interested buyers including the all important “move up” buyer eager to purchase a townhome or detached home.”

Ryalls added that interprovincial migration from across Canada remains strong as British Columbia’s stable economy and low unemployment are attracting buyers to the region.

### 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 fourth quarter of 2018, the aggregate home price in the **City of Vancouver** decreased 0.6 per cent year-over-year to \$1,418,251. Condominiums in the region continued to see healthy appreciation, rising 1.4 per cent year-over-year to \$792,321. The two-storey home and bungalow market segments both depreciated slightly when compared to the same time last year, falling 0.3 per cent and 3.8 per cent to \$2,218,632 and \$1,466,006, respectively.

Meanwhile, the aggregate home price in **West Vancouver** rose 0.2 per cent to \$3,034,685. Within the region, the median price of a two-storey home increased 0.3 per cent to \$3,453,541, while the price of a condominium rose 3.7 per cent on an annual basis, to \$1,240,252.

**North Vancouver** experienced a slight price depreciation in the fourth quarter. The aggregate home price decreased by 0.7 per cent year-over-year to \$1,435,007, while condominium values increased by 3.4 per cent year-over-year to \$679,526. Buyers remain drawn to the region's relative affordability and close proximity to the downtown core.

**Richmond** also witnessed healthy growth in the fourth quarter of 2018, rising 2.8 per cent to \$1,165,134 when compared to the same three-month period last year. Condominium values rose 8.1 per cent year-over-year to \$595,070, as purchasers remain attracted to the regions lower price point in comparison to metropolitan Vancouver.

**Burnaby and Coquitlam** remained attractive locations for buyers looking for relative affordability in the Lower Mainland. In the fourth quarter, aggregate home prices within Burnaby decreased by 1.1 per cent year-over-year to \$1,093,001. Meanwhile in Coquitlam, aggregate home prices rose 0.4 per cent year-over-year to \$1,138,387.

**Surrey** home values grew in the fourth quarter of 2018, with the region's aggregate home price rising 2.3 per cent year-over-year to \$936,357.

**Langley's** aggregate home price witnessed one of the highest increases of any region within Greater Vancouver, rising 2.4 per cent year-over-year to \$1,015,021.

Nationally, year-over-year home prices made healthy gains in many regions across Canada in the fourth quarter of 2018. 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 increased 4.0 per cent year-over-year to \$631,223 in the fourth quarter of 2018. When broken out by housing type, the median price of a two-storey home rose 3.9 per cent year-over-year to \$745,007, while the median price of a bungalow climbed 1.5 per cent to \$516,950. Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 7.2 per cent year-over-year to \$447,915.



“The invisible hand that guides our complex economy hit the real estate reset button in 2018 and that is a good thing,” said Phil Soper, president and CEO, Royal LePage. “Major market home price inflation through much of the decade had led to dangerous overheating in our most populous regions. Government regulatory intervention and rising interest rates, when combined with property price overshooting, triggered the correctional cycle we find ourselves working through today.”

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