

## Greater Vancouver Home Prices Continue Decline in First Quarter

*Sales activity slows as government policies weigh on first-time buyers*

*New federal budget housing measures expected to have minimal effect in region*

**VANCOUVER, April 4, 2019** – According to the Royal LePage House Price Survey<sup>1</sup> released today, home prices declined across Greater Vancouver as a result of federal and provincial government intervention that continues to weaken prospective homeowner’s purchasing power, especially among first time buyers.

The aggregate home price in Greater Vancouver decreased 1.5 per cent in the first quarter to \$1,239,306, compared to the same period last year. When broken out by housing type, the median price of two-storey homes and bungalows declined by 1.6 per cent and 3.3 per cent respectively, to \$1,538,523 and \$1,378,988. The median price of a condominium increased 1.4 per cent year-over-year to \$679,393 – a significant contrast to the double-digit price increases seen in the condominium segment in the first half of 2018.

The real estate market in Greater Vancouver witnessed higher inventory levels and significantly less transactions during the first quarter of 2019, with 42 per cent fewer sales in February than the ten-year average. Stricter mortgage stress tests implemented by the Federal government and the speculation tax introduced by the province are removing potential buyers from the market and reducing overall demand.

“With weaker sales activity and rising inventory, it is a buyer’s market in Greater Vancouver,” said Randy Ryalls, general manager, Royal LePage Sterling Realty. “The stress test rules have really hurt affordability for first time buyers, pushing a lot of activity from the detached segment and into condominiums. Many prospective buyers are sitting on the sidelines waiting to see if the market will correct further, but we’re seeing well-priced properties receiving multiple offers regardless of housing type.”

Ryalls added that the Federal government’s First Time Home Buyers Incentive, introduced in the 2019 Federal budget, isn’t expected to have a significant effect on the Greater Vancouver housing market as most buyers will not qualify for the program.

Looking ahead, Royal LePage is forecasting further declines in the second quarter, with aggregate prices expected to decrease 1.4 per cent to \$1,222,351.

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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.

## Greater Vancouver Market Summaries

In the first quarter of 2019, the aggregate home price in the **City of Vancouver** decreased 2.4 per cent year-over-year to \$1,390,231. Condominiums in the region continued to see modest appreciation, rising 0.6 per cent year-over-year to \$803,501. The two-storey home and bungalow segments both depreciated when compared to the same time last year, decreasing 4.1 per cent and 1.5 per cent to \$2,117,845 and \$1,474,571, respectively.

Meanwhile, the aggregate home price in **West Vancouver** decreased 4.6 per cent to \$2,904,163. Within the region, the median price of a two-storey home decreased 3.8 per cent to \$3,305,607, while the price of a bungalow decreased 7.1 per cent on an annual basis, to \$2,656,340. The median condominium price decreased 2.9 per cent to \$1,098,696.

**North Vancouver** experienced moderate price depreciation in the first quarter. The aggregate home price decreased by 3.5 per cent year-over-year to \$1,393,733. The median price of two-storey homes and bungalows decreased 3.4 per cent and 3.6 per cent respectively, to \$1,638,637 and \$1,569,980. Meanwhile, the median price of a condominium decreased 3.3 per cent year-over-year to \$659,448.

**Richmond** witnessed modest declines in the first quarter of 2019, with the aggregate price of a home decreasing 0.4 per cent to \$1,131,725 when compared to the same three-month period last year. On a quarter-over-quarter basis, all three housing types saw price declines from the final three months of 2018.

**Burnaby** home values declined in the first quarter of 2019, with the region's aggregate home price decreased 0.8 per cent year-over-year to \$1,098,926, led by an 8.4 per cent decrease in the median price of a bungalow. However, the median price of two-storey homes and condominiums continued to see steady year-over-year gains of 2.3 per cent and 4.1 per cent respectively, to \$1,543,212 and \$631,809.

**Coquitlam** remained an attractive location for buyers looking for relative affordability in the Lower Mainland. In the first quarter, the aggregate price of a home in the region rose 0.4 per cent year-over-year to \$1,096,715, led by a 1.1 per cent increase in the median price of a two-storey home. However, on a quarter-over-quarter basis, all three housing types saw modest price declines from the final three months of 2018.

**Surrey** home values grew in the first quarter of 2019, with the region's aggregate home price rising 0.8 per cent year-over-year to \$893,803, led by a 8.7 per cent increase in the median price

of a condominium from the same period last year. The market is seen as relatively balanced but leaning towards a buyer's market.

**Langley's** aggregate home price witnessed one of the highest increases of any region within Greater Vancouver, rising 1.9 per cent year-over-year to \$968,985. However, the region could not escape the broader trend of quarter-over-quarter weakness, with the aggregate home price decreasing 2.5 per cent on a quarter-over-quarter basis from the final three months of 2018.

Nationally, year-over-year home prices showed moderate gains in many regions across Canada in the first quarter of 2019. 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 just 2.7 per cent year-over-year to \$621,575 in the first quarter of 2019, well below the long-term norm of approximately 5 per cent. When broken out by housing type, the median price of a two-storey home rose 2.6 per cent year-over-year to \$729,553, while the median price of a bungalow rose 1.1 per cent year-over-year to \$513,497. Condominiums remained the fastest growing housing type on a national basis, rising 5.4 per cent year-over-year to \$447,260.

"We are expecting this to be a sluggish year overall in Canada's residential real estate market, with the hangover from the 2018 market correction and weaker economic growth acting as a drag on home price appreciation, balanced by lower for longer interest rates," said Phil Soper, president and CEO, Royal LePage. "There is a silver lining here. This slowdown gives buyers, and first-time buyers in particular, an opportunity to buy real estate in our country's largest cities."

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