

Decline in Home Prices Spreads Across Greater Vancouver in Second Quarter

- *Condo prices declined for the first time since the third quarter of 2014*
- *High inventories across all housing types added downward price pressure*
- *Homebuyers and sellers adapting to the market's new price norms*

VANCOUVER, July 10, 2019– According to the Royal LePage House Price Survey¹ released today, home prices across Greater Vancouver continued to decline in the second quarter of 2019 as a result of high inventory levels across all housing types, putting additional downward pressure on the market.

The aggregate home price in Greater Vancouver decreased 4.1 per cent in the second quarter of 2019 to \$1,208,674, compared to the same period last year. When broken down by housing type, the median price of a two-storey home and bungalow declined by 3.3 per cent and 7.6 per cent respectively, to \$1,509,711 and \$1,315,612. The median price of a condominium decreased 2.8 per cent year-over-year to \$668,389.

Affordability in the British Columbia housing market remained on provincial and federal government agendas during the second quarter of the year. A combination of recent economic announcements including the foreign buyers tax, the speculation and vacancy tax, and the mortgage stress test contributed to elevated inventory levels and a wait-and-see approach from potential buyers.

As new building construction remained on hold during the second quarter of 2019, summer home buyers will have the opportunity to choose from affordable listings before the traditional fall price uptick.

“A wider variety of available homes to choose from is giving home buyers extra time to plan and make decisions,” said Randy Ryalls, general manager, Royal LePage Sterling Realty. “A better understanding of the reality of the real estate market in the region is helping both home buyers and sellers to manage expectations and make better-informed transactions.”

Ryalls added that attractive interest rates and the Greater Vancouver housing market's price depreciation, expected to continue throughout the summer, represent a great opportunity for home buyers to invest in their first home or upgrade to a new house.

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.

Looking ahead to the end of the year, Royal LePage is forecasting further declines across the board, with aggregate prices in Greater Vancouver expected to fall 5.5 per cent at year-end compared to the end of 2018.

Greater Vancouver Market Summaries

In the second quarter of 2019, the aggregate home price in the **City of Vancouver** decreased 4.7 per cent year-over-year to \$1,342,161. The median condominium price decreased 5.6 per cent to \$766,953, the first price decrease seen for this type of housing since the third quarter of 2014. Two-storey homes and bungalows both depreciated when compared to the same time last year, decreasing 3.9 per cent and 5.4 per cent to \$2,068,711 and \$1,405,526, respectively.

Meanwhile, the aggregate price of a home in **West Vancouver** continued to decline, falling 7.6 per cent to \$2,797,322. Within the region, the median price of a two-storey home decreased 0.7 per cent to \$3,381,708, while the price of a bungalow fell 10.8 per cent to \$2,526,028. Condominiums also saw a double-digit decline of 12.9 per cent to \$1,075,327.

North Vancouver witnessed price depreciation in the second quarter, as the aggregate price of a home decreased 4.2 per cent to \$1,378,491. The median price of a two-storey home remained relatively flat, dipping 0.9 per cent to \$1,663,769. Bungalow and condominium prices also saw depreciation, decreasing 7.8 per cent and 7.1 per cent to \$1,504,010 and \$640,148, respectively.

The aggregate price of a home in **Richmond** fell 4.1 per cent to \$1,103,452, while median prices of two-storey homes and bungalows declined 3.7 per cent and 9.3 per cent to \$1,410,897 and \$1,327,197, respectively. Condominium prices saw a modest decrease of 1.8 per cent to \$580,590.

The aggregate price of a home in **Burnaby** decreased 7.3 per cent to \$1,029,674. Bungalows saw the highest price depreciation in the region, as the median price decreased 13.0 per cent on year-over-year, to \$1,278,157. The median price of a two-storey home also decreased 6.1 per cent to \$1,417,174 while condominium prices decreased 2.0 per cent to \$610,829.

Coquitlam home values declined in the second quarter of 2019, with the region's aggregate home price decreasing 3.5 per cent to \$1,072,261. The median price of a two-storey home decreased 2.9 per cent to \$1,285,797. Both bungalows and condominiums saw similar price depreciation, decreasing 4.7 per cent and 4.3 per cent to \$1,170,471 and \$527,774 respectively.

Surrey home prices remained competitive within the region. The aggregate price of a home in the area decreased 3.2 per cent year-over-year to \$876,505. The median price of a two-storey home and bungalow decreased of 3.5 per cent and 4.0 per cent to \$979,779 and \$862,592

respectively. Condominiums saw a moderate increase of 2.7 per cent to \$401,693, making Surrey the only market in Greater Vancouver to see an increase in condominium prices.

The aggregate price of a home in **Langley** decreased 4.4 per cent to \$936,715. Condominium prices drove the market in the second quarter, increasing 4.9 per cent to \$402,019, while bungalows and two-storey homes decreased 8.5 per cent and 3.4 per cent to \$887,145 and \$1,047,842 respectively.

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 1.1 per cent year-over-year to \$621,696 in the second quarter of 2019. When broken out by housing type, the median price of a two-storey home rose 1.0 per cent year-over-year to \$727,165, while the median price of a bungalow dipped 0.4 per cent year-over-year to \$516,048. Condominiums remained the fastest growing housing type on a national basis, with its median price rising 3.8 per cent year-over-year to \$452,451.

“We now have evidence of a sustained market recovery in the nation's largest market, and signs of a price floor in other regions hit hard by the eighteen month-old housing correction,” said Phil Soper, president and CEO, Royal LePage. “Only in the West do we see a significant number of home buyers remaining on the sidelines, depressing sales volumes and causing prices to sag. Buoyed by supportive economic conditions, many stubborn homeowners in B.C. and Alberta remain unwilling to let their precious real estate go for less than what they perceive as fair value, which has gone a long way to protecting existing home values.”

Royal LePage expects national home prices to see a modest uptick by the end of the year, rising 0.4 per cent compared to the end of 2018.

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 Royal LePage House Price Survey are based on the Royal LePage Canadian Real Estate Market 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

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