

Buyer's market persists in Greater Vancouver as home prices continue decline in Q3

Sellers adapting to current market reality to keep listings attractive amid rising inventory

VANCOUVER, October 10, 2019 – According to the Royal LePage House Price Survey¹ released today, the aggregate price of a home in the Greater Vancouver decreased 5.2 per cent year-over-year to \$1,194,900 in the third quarter of 2019.

When broken down by housing type, the median price of a two-storey home and bungalow in Greater Vancouver decreased 4.2 per cent and 7.6 per cent to \$1,503,017 and \$1,296,447 respectively in the third quarter compared to the same period in 2018. Meanwhile, the median price of a condominium within the region decreased 5.9 per cent year-over-year to \$646,902.

Across Greater Vancouver, bungalows experienced the largest year-over-year price declines during the third quarter. Langley, West Vancouver, Burnaby, Coquitlam and North Vancouver bungalows saw sizable decreases, with median prices down 13.5 per cent, 12.1 per cent, 10.0 per cent, 9.6 per cent and 8.4 per cent respectively.

Standard two-storey homes in North Vancouver and condominiums in Langley were the only segments to appreciate year-over-year, with an increase in median prices of 0.4 per cent and 2.2 per cent respectively.

“Buyers are in control in the detached market. Sellers have had to embrace the new market reality to get deals done,” said Randy Ryalls, general manager, Royal LePage Sterling Realty. “As the housing market stabilizes, we’ve seen an increasing number of homebuyers become willing to enter the market. We expect activity to continue to pick up as we head into the end of 2019.

“Higher inventory levels in some areas are offering buyers multiple options to choose from. They are not in a rush,” continued Ryalls. “These days may be coming to an end.”

Looking to the fourth quarter of 2019, Royal LePage forecasts that the aggregate price of a home in Greater Vancouver will begin to stabilize decreasing a modest 0.4 per cent compared to the third quarter of 2019, which is a 5.5 per cent decrease year-over-year.

“Greater numbers of buyers are taking advantage of favourable market conditions and excellent mortgage rates, leading to what appears to be a solid footing in our price correction. Low unemployment, wage growth and pent-up demand are contributing to a change in market conditions that we should see emerge in the coming months,” said Ryalls.

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

Greater Vancouver Market Summaries

The aggregate price of a home in the **City of Vancouver** decreased 3.6 per cent year-over-year to \$1,345,808. The price of a standard two-storey home decreased 1.1 per cent to \$2,128,690. Bungalows and condominiums decreased 4.9 per cent and 7.7 per cent to \$1,383,805 and \$739,057 respectively.

In **West Vancouver**, bungalow and condominium prices fell by double-digits, with median prices down 12.1 per cent and 16.8 per cent year-over-year to \$2,412,664 and \$1,060,543 respectively. Standard two-storey homes declined at a slower pace, with the median price down 2.7 per cent to \$3,309,132.

Across the Greater Vancouver, the only market to see appreciation in the standard two-storey segment was **North Vancouver**, where the median price showed a relatively flat increase of 0.4 per cent year-over-year to \$1,662,624. The median prices of bungalows and condominiums decreased 8.4 per cent and 5.4 per cent respectively, to \$1,493,513 and \$644,707.

In **Richmond**, the median price of a two storey-home decreased 10.0 per cent year-over-year to \$1,327,929. Meanwhile, bungalow and condominium prices saw single-digit decreases, down 5.4 per cent and 6.9 per cent to \$1,369,846 and \$555,060 respectively.

The **Burnaby** and **Coquitlam** detached segments experienced similar price depreciation during the third quarter. The median price of a standard two-storey home decreased 6.5 per cent and 5.0 per cent year-over-year respectively. Meanwhile, the median price of a bungalow decreased 10.0 per cent and 9.6 per cent respectively. The condominium segment in both regions experienced lower depreciation, with median prices decreasing 4.4 per cent and 7.0 per cent.

In **Surrey**, the median price of a standard two-storey home decreased 6.2 per cent to \$970,103 in the third quarter compared to the same period in 2018. Bungalow and condominium prices showed similar depreciation, with the median price decreasing 4.1 per cent and 4.6 per cent year-over-year respectively.

Across Greater Vancouver, the only market to see appreciation in the condominium segment was **Langley**, where the median price showed a moderate increase of 2.2 per cent year-over-year to \$407,238. Median prices in the detached segment showed depreciation, with standard two-storey homes decreasing 7.4 per cent and bungalows decreasing 13.5 per cent.

Nationally, the aggregate price of a home in Canada has continued to post steady year-over-year gains during the third quarter of 2019 as the real estate market sustained its recovery from the significant downturn of 2018 and early 2019, following the introduction of the federal mortgage stress test.

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 median price of a home in Canada increased 1.4 per cent year-over-year to \$630,335 in the third quarter of 2019. Looking to the fourth quarter of 2019, Royal LePage forecasts that the aggregate price of a home in Canada will

rise 1.5 per cent year-over-year to \$632,226, which is a 0.3 per cent increase compared to the third quarter of 2019. The 2019 fourth quarter forecast is dependent on consistent economic conditions and no new housing policy changes.

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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.

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