

Softening home prices spark increased demand in Kelowna during the third quarter

Lower mainland migration continues offsetting decreased demand from foreign nationals

KELOWNA, October 10, 2019 – According to the Royal LePage House Price Survey¹ released today, the aggregate home price in Kelowna decreased 3.9 per cent year-over-year to \$617,899 in the third quarter of 2019.

When broken out by housing type, the median price of a standard two-storey home decreased 6.0 per cent year-over-year to \$676,843 in the third quarter of this year. The median price of a bungalow decreased 1.8 per cent year-over-year to \$635,863. Meanwhile, the median price of a condominium remained relatively flat, decreasing 0.4 per cent year-over-year to \$432,927.

“We are experiencing increased levels of activity in both sales and construction, especially in the condominium market. There is a huge demand for condos and homes with suites,” said Francis Braam, managing broker and owner, Royal LePage Kelowna. “To address the strong demand for condos and high land costs in the region, the city has rezoned parts of the core to allow for higher density levels.

“Buyers from Vancouver, especially from the lower mainland, are migrating inland to regions like Kelowna in search of more affordable living but with a similar quality of life and employment opportunities as are available in larger cities,” continued Braam. “The steady demand from within B.C. is being offset by a decrease in purchase activity by foreign nationals, due to the various tax measures that have recently come into place. As a result, home price increases have moderated in the region.”

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.

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.

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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.

About Royal LePage

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