



Sales activity moderates in Kelowna as some buyers are priced out of the market

Aggregate home price increased 24.2% in the second quarter of 2021

KELOWNA, July 14, 2021 – According to the Royal LePage House Price Survey released today, the aggregate¹ price of a home in Kelowna increased 24.2 per cent year-over-year to \$820,000 in the second quarter of 2021. During that same period, the median price of a single-family detached home increased 40.1 per cent to \$1,010,000, while the median price of a condominium increased 33.2 per cent to \$445,000.

“With a modest lift in inventory and a slight decline in demand over the last two months, the pace of activity is beginning to feel normal,” said Francis Braam, broker and owner, Royal LePage Kelowna. “Prices, however, continue to rise modestly and that will not change while supply remains this tight.”

Braam noted that the slowing demand is due in part to the fact that some potential buyers, mainly those looking for their first home, have been priced out of the market for the time being.

“For the last year, competition has been extremely high and as a result, prices have accelerated at historic rates, making it challenging for first-time buyers to break into the real estate market. Some have been priced out entirely, and will likely not be able to afford to try again for some time,” said Braam.

Braam expects sales will continue to moderate throughout the second half of the year, as a healthy level of activity in the Kelowna market persists.

Nationally, the aggregate price of a home in Canada increased 25.3 per cent year-over-year to \$727,000 in the second quarter of 2021, as inventory shortages continue across the country. Eighty-nine per cent of the regions surveyed saw year-over-year double-digit aggregate price gains, driven largely by increases in the single-family detached property segment. However, the level of competition seen in recent months is beginning to slow.

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 and includes both resale and new build.

“After a year of record growth in the Canadian housing market, we appear to have passed the peak of price appreciation,” said Phil Soper, president and CEO of Royal LePage. “While current home price gains are expected to be sustained due to chronically low inventory and new demand from growing household formation, investors and newcomers, the torrid pace of home price appreciation has begun to moderate.”

The Royal LePage National House Price Composite is compiled from proprietary property data, nationally and in 62 of the nation’s largest real estate markets. When broken out by housing type, the median price of a single-family detached home rose 27.1 per cent year-over-year to \$765,000, while the median price of a condominium increased 11.7 per cent year-over-year to \$525,000. Price data, which includes both resale and new build, is provided by Royal LePage’s sister company RPS Real Property Solutions, a leading Canadian real estate valuation company.

During the second quarter, the company revised its House Price Survey methodology, including geographical boundaries and housing types. Royal LePage’s aggregate prices are calculated using a weighted average of the median values of all housing types collected. This improves accuracy as surges of transactions in the upper end or lower end of the real estate market are less likely to skew results.

Royal LePage Home Price Data:

Royal LePage House Price Survey Chart: rlp.ca/house-prices-Q2-2021

Royal LePage Forecast Chart: rlp.ca/market-forecast-Q2-2021

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About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the most common types of housing, nationally and in 62 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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About Royal LePage

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 18,000 real estate professionals in over 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Bridgemarq Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit www.royallepage.ca.

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