



Home prices rise as demand continues to outpace supply in Kelowna

Aggregate home prices increased 22.3% in the third quarter of 2021

KELOWNA, October 15, 2021 – According to the Royal LePage House Price Survey released today, the aggregate¹ price of a home in Kelowna increased 22.3 per cent year-over-year to \$823,000 in the third quarter of 2021. During that same period, the median price of a single-family detached home increased 22.3 per cent to \$1,025,000, while the median price of a condominium increased 24.9 per cent to \$452,000.

“Although we’ve seen a slight uptick in inventory recently, supply remains very tight in the region, across all housing types,” said Francis Braam, broker and owner, Royal LePage Kelowna. “There are still far more buyers out there than properties for sale, often resulting in multiple-offers and homes selling over the asking price.”

Braam noted that despite high demand, sales have slightly slowed in the single-family detached segment, as rising house prices are becoming out of reach for some buyers.

“Many people are being priced out of the detached market and are opting instead for condos or townhomes. Condo prices are rising quickly for this reason, along with the fact that students have returned to in-person learning. This time last year, most universities were operating solely online, greatly reducing demand for student rental units.”

Braam expects to see a typical winter slowdown in November and December, when fewer people will put their homes on the market. Demand should wane as well, but not as much as supply, meaning there will be continued upward pressure on prices heading into the new year.

Nationally, the aggregate price of a home in Canada increased 21.4 per cent year-over-year to \$749,800 in the third quarter of 2021. Market activity slowed as a result of a chronic lack of inventory, a persisting challenge for housing markets from coast-to-coast, coupled with the seasonal summer slowdown.

“During the third quarter, the torrid pace of home price appreciation moderated as both demand and inventory waned, a typical summer market trend in a very atypical year. With easing

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.

pandemic restrictions, there was finally something to talk about other than real estate, and people began travelling and socializing again,” said Phil Soper, president and CEO of Royal LePage. “In addition, a year of relentless competition for too few properties drove some would-be purchasers to the sidelines as buyer fatigue set in. Yet their fundamental need or desire for a new home remains and we are seeing pent-up demand grow. We expect another unusually busy winter season building to a brisk 2022 spring market.”

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 national median price of a single-family detached home rose 25.2 per cent year-over-year to \$790,000, while the median price of a condominium increased 13.0 per cent year-over-year to \$533,600. 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.

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 16.0 per cent to \$771,500 in the fourth quarter of 2021, compared to the same quarter last year. This forecast is consistent with the company’s previous update in July, 2021.

“Looking back to the late spring of 2020, the Royal LePage benchmark value of a home was \$580,000. The subsequent ‘Covid-catalyst’ which drove legions of Canadians to upgrade their living situations, has created a period of exceptional home price growth with real estate values on track to grow 33 per cent by year end,” concluded Soper.

Royal LePage Home Price Data:

Royal LePage House Price Survey Chart: rlp.ca/house-prices-Q3-2021

Royal LePage Forecast Chart: rlp.ca/market-forecast-Q3-2021

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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.

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 approximately 19,000 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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