



## **Sidelined buyers in Greater Vancouver look to beat anticipated interest rate reduction rush**

*Aggregate home price increased 3.0% year over year in Q1 of 2024*

**VANCOUVER, April 12, 2024** – According to the Royal LePage House Price Survey released today, the aggregate<sup>1</sup> price of a home in Greater Vancouver increased 3.4 per cent to \$1,238,200 year over year in the first quarter of 2024. On a quarterly basis, the aggregate price of a home in the region increased 1.5 per cent.

Broken out by housing type, the median price of a single-family detached home increased 5.3 per cent year over year to \$1,750,000 in the first quarter of 2024, while the median price of a condominium increased 4.3 per cent to \$778,600 during the same period.

“Heading into spring, the Vancouver market has been steadily gaining momentum, though not at the feverish pace that other markets across Canada have seen as of late. Desperately needed housing inventory has been building, pushing the reserve of homes up from 8,000 listings at the beginning of the year to closer to 10,000,” said Randy Ryalls, general manager, Royal LePage Sterling Realty. “We are not in a full on sellers’ market yet, but most housing segments are moving toward a sellers’ market and desirable, well-priced properties are being quickly snapped up, often in multiple-offer scenarios, a sign of pent up demand and that home prices will continue to increase as we head further into the second quarter. Buyers are coming off of the sidelines and are ready to compete.”

Ryalls added that the sentiment among developers remains lukewarm, as builders wait for more certainty on consumer appetite and the state of the Canadian economy before launching additional pre-construction projects. With interest rates anticipated to drop later in the year, development activity is expected to pick up as market conditions improve.

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<sup>1</sup> 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.

In the city of Vancouver, the aggregate price of a home increased 2.8 per cent year over year to \$1,402,400 in the first quarter of 2024. During the same period, the median price of a single-family detached home increased 6.4 per cent to \$2,253,300, while the median price of a condominium increased 6.3 per cent to \$844,500.

“The gentle upswing in activity we’ve experienced in the first few months of the year is expected to continue throughout the months ahead, likely resulting in a moderate increase to home prices,” said Ryalls. “We predict that many buyers will attempt to enter the market in the near future in anticipation of a surge in demand when interest rates eventually drop.”

Royal LePage is forecasting that the aggregate price of a home in Greater Vancouver will increase 5.5 per cent in the fourth quarter of 2024, compared to the same quarter last year. The previous forecast has been revised upward to reflect a stronger-than-expected first quarter.

Nationally, the aggregate price of a home in Canada increased 4.3 per cent year over year to \$812,100 in the first quarter of 2024. On a quarter-over-quarter basis, the national aggregate home price increased 2.9 per cent, an indication that sidelined buyers are rebooting their real estate purchase plans ahead of expected interest rate cuts, as predicted in January.

“Consistent with our previous forecast, the market did reach a critical tipping point in the first quarter of 2024, when home prices bottomed out and began to appreciate again. Clearly, more and more buyers are motivated by the need to get ahead of rising home prices, rather than adopting the strategy of waiting for mortgage rates to fall,” said Phil Soper, president and CEO, Royal LePage.

Within the first months of the new year, the Canadian housing market has already recorded solid price appreciation and higher sales activity. Starting in July of 2023, the Bank of Canada has held rates steady through six review periods. This has prompted many homebuyers to come off of the sidelines in advance of what they expect will be a more competitive spring market that will drive home prices higher.

“Many consumers – particularly first-time buyers – who have the capacity to transact have accepted and adapted to the higher borrowing cost environment. Thus, the modestly-rising home prices we are experiencing today,” continued Soper. “Once the central bank does make a move, and that first highly-anticipated cut to rates is made, even if it is only by 25 basis points, I expect we will see the price appreciation curve steepen upwards when the highly rate-focused crowd jumps into the market.”

The Royal LePage National House Price Composite is compiled from proprietary property data nationally and regionally in 63 of the nation’s largest real estate markets. When broken out by

housing type, the national median price of a single-family detached home increased 4.5 per cent year over year to \$845,300, while the median price of a condominium increased 3.5 per cent year over year to \$591,900. On a quarter-over-quarter basis, the median price of a single-family detached home increased 3.6 per cent, while the median price of a condominium increased 1.4 per cent. 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.

“While real estate boards across the country are reporting a boost in listings, which is typical as we head into the spring market rush, just about every region from coast to coast remains chronically short of housing supply,” added Soper. “While we expect that interest rate decreases will draw more buyers back into the ring, this will not be the primary driver of rising home prices – it is the severe shortage of housing in markets small and large in virtually every part of the country that remains the main culprit.”

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 9.0 per cent in the fourth quarter of 2024, compared to the same quarter last year. The previous forecast has been revised upward to reflect a stronger-than-expected first quarter. Nationally, home prices are forecast to see strong price appreciation through the second and third quarters, and taper off in the final months of the year, as is the seasonal norm.

**Royal LePage House Price Survey Chart: [rlp.ca/house-prices-Q1-2024](https://rlp.ca/house-prices-Q1-2024)**

**Royal LePage Forecast Chart: [rlp.ca/market-forecast-Q1-2024](https://rlp.ca/market-forecast-Q1-2024)**

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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 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. Additionally, commentary on housing market trends and data on price 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 20,000 real estate professionals in over 670 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage® Shelter Foundation™, which has been dedicated to supporting women's shelters and domestic violence prevention programs for 25 years. 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.royalpage.ca](http://www.royalpage.ca).

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