



## Persistent Cooling Trend For Okanagan Housing Market

**KELOWNA, B.C. – September 5, 2018.** A cooling trend in home sales continues across the region of Revelstoke to Peachland, with 709 sales posted to the Multiple Listing Service (MLS®) in August, a 5% drop from the previous month, yet 20% fewer sales than this time last year reports the Okanagan Mainline Real Estate Board (OMREB).

“We are now six months into a cooling trend, with a curb in demand arising from natural market shifts, but intensified by government intervention in the form of tougher mortgage rules, higher interest rates and the threat of a possible speculation tax,” says OMREB President Marv Beer.

Of note is an increase in average days on market, now at 78, up from 65 days the previous month and 69 last August. “While we are not seeing it as yet, downward pressure on price typically tends to occur when days on market lengthen,” says Beer, noting that average price in August was \$511,916, an 8% drop from the previous month, but 5% higher than this time last year.

Moderating demand is helping ease a chronic shortage of housing supply, with active listings contributing to an inventory of available homes that is now 27% over this time last year. A pullback in demand coupled with an increase in the number of homes for sale is moving the region’s housing market towards balanced conditions, which typically means more selection for those in the market to buy, less likelihood of competing offers and, if it continues, downward pricing adjustments.

“Unfortunately, government intervention has also had the effect of making homes less affordable, as the new mortgage rules and higher interest rates mean that the buyer’s dollar doesn’t go as far as it used to,” comments Beer, noting that the effect is heightened in certain parts of the region where housing affordability was already challenged.

Keeping in mind the millennial generation, a group that comprises many of today’s first-home buyers, Beer suggests that housing affordability could be better resolved through measures that help deliver the type of housing that buy

Have questions about the market and all the recent changes? I would love to meet with you and discuss them.

Sincerely,

Amy

*“Looking after the details from A to Z”*

### Important Stats for Kelowna, West Kelowna and Lake Country

	Residential	Condo
Total active listings	1265	554
Compared to same time last year	958	387
Average List Price YTD	\$736,648	\$358,104
Average Days on Market YTD	60	60
Compared to same time last year	46	40
List vs. Sale Ratio YTD	43.54%	57.69%
List Price vs. Sale Price Ratio YTD	97.92%	97.88%
Compared to same time last year	98.41%	98.19%
Number of sales YTD	1548	994
Average Sale Price YTD	\$721,326	\$350,512
Compared to same time last year	\$675,879	\$334,763
Overall Depreciation - Appreciation	6.57%	4.70%

## Bank of Canada Rate Announcement

Making no changes, the Bank of Canada has decided to hold its benchmark rate still at 1.5%. According to the Bank, the economy is performing as expected despite uncertainty with NAFTA. There is however, speculation that the Bank will likely be increasing its benchmark rate come next rate announcement, some say as much as an 85% certainty.

The next Bank of Canada rate announcement is set to take place October 24th 2018. Below is a look at interest rates dating from 2007 - present.

