

Fewer homes lead to even higher prices

January sales down, but so is inventory

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VANCOUVER SUN

Home sales in January eased off December's torrid pace around Metro Vancouver, but remain in high gear with buyers piling into markets marked by a shrinking inventory. That has kept upward pressure on prices, the latest report from the Real Estate Board of Greater Vancouver shows.

The average price for detached homes across the region hit a new record high of \$1.83 million in January, a full 40 per cent higher than January 2015.

The board recorded 2,519 sales through the multiple listing service in January, down 11 per cent from December's 2,827 sales, but still 32 per cent higher than the level of sales in January a year ago.

However, inventory also shrank, with new listings down 6.2 per cent at 4,442 in January compared with a year ago and a total inventory of 6,635 homes for sale, down 38 per cent, which really kept pressure on pricing.

"Homebuyer demand is at near record heights and home seller supply is as low as we've seen it in many years," said Darcy McLeod, president of the Real Estate Board of Vancouver in a news release.

The board's benchmark measures strip out luxury sales to track prices of homes more typically sold and in January, the benchmark for detached homes was up 28 per cent to \$1.29 million in January on sales of 1,047 homes.

Condo sales were slightly hotter at 1,096 units, an increase of 35 per cent from a year ago, with the benchmark price up 19 per cent at \$466,600.

Townhome sales were up 16 per cent in January compared with a year ago, but that only represented 376 units. The results did push the benchmark price on

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townhomes up by 16 per cent to \$563,700.

Fraser Valley markets were also hot with the region's real estate board, posting its strongest January on record, board president Jorda Maisey said.

"Typically, we see January numbers slow down post-holiday season, but so far demand for Fraser Valley homes hasn't let up," she said.

January sales, at 1,388, were down 13 per cent from December, but were 57 per cent higher than January 2015, and higher than the previous record of 1,270 sales set 24 years ago.

As in Metro Vancouver, tight inventories played a role in pushing prices higher. The January benchmark price for detached homes was up 21 per cent compared to last year at \$691,100.

"We're seeing that the demand for owning a home continues to rise and inventory is struggling to keep up," Maisey said.

The Fraser Valley board saw 2,510 new listings hit the market in January, which is down eight per cent from the same month a year ago. Its total inventory of 4,790 listings was also 34 per cent lower than January 2015.

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