

# How high can it go?

## DATA A DOSE OF REALITY FOR REAL ESTATE

Home sales in the Vancouver region appear to have “topped off” in April, despite a record-breaking month in real estate nationwide, according to the Canadian Real Estate Association.

Sales activity fell by 7.6 per cent last month compared to March in the cities covered by the Real Estate Board of Greater Vancouver, with 4,781 residential properties changing hands. That still makes April 2016 the highest-selling April on record, but the Canadian Real Estate Association’s chief economist Gregory Klump believes the region’s tight housing supply and competitive atmosphere are starting to self-perpetuate.

“While significant home price gains may entice some homeowners in these markets to list their home for sale, the issue for many is that the decision to move means they would also be looking to buy while competition for scarce listings is fierce,” Klump said in a news release.

“As a result, many homeowners are deciding to stay put and continue accumulating capital gains. That’s keeping listings off the markets at a time when they are already in short supply.”

A similar pattern was on display in April in Toronto, leading association president Cliff Iverson to suggest that Canada’s two hottest markets may have “topped off.”

As homeowners grow wary of selling, prices in Vancouver continue to skyrocket. The association’s benchmark price for all types of real estate across the region rose by 25.34 per cent over the last year to hit \$844,800. The benchmark price for a detached home was \$1.4 million last month.

The ratio of sales to active listings in April was 63.3 per cent in April in greater Vancouver, which indicates a market strongly in favour of the seller. According to the local real estate board, prices are generally only pushed down if that ratio falls below 12 per cent.

The areas covered by the Real Estate Board of Greater Vancouver include: Whistler, Sunshine Coast, Squamish, West Vancouver, North Vancouver, Vancouver, Burnaby, New Westminster, Richmond, Port Moody, Port Coquitlam, Coquitlam, Pitt Meadows, Maple Ridge, and South Delta.

Across the country, home sales set a new record for April as they gained 10.3 per cent compared with a year ago. The national association says sales were up in about 70 per cent of all local markets compared with a year ago, boosted by markets in other parts of B.C., as well as southern Ontario. There were 57,669 homes sold nationwide over the Multiple Listing Service in April.

Compared with March, sales were up 3.1 per cent in April. The national average price for homes sold in April was \$508,097, up 13.1 per cent compared with a year ago.