

Seller's market boosts Metro Vancouver house prices 6 per cent in a year: report

BY BRUCE CONSTANTINEAU, VANCOUVER SUN APRIL 16, 2015



The Re/Max 2015 Spring Market Trends Report predicts Vancouver area residential prices will gain another six per cent over the next 12 months.

Photograph by: Arlen Redekop, Vancouver Sun

Seller's market conditions and offshore buying interest caused Metro Vancouver house prices to rise more than six per cent in the past year, according to a Re/Max report.

The realty firm's 2015 Spring Market Trends Report predicts Vancouver area residential prices will gain another six per cent over the next 12 months.

"Vancouver remains firmly in a seller's market as strong demand coupled with low interest rates continue to fuel price gains and sales activity," the report said, noting the average selling price for a Metro Vancouver residential property rose by 6.6 per cent in the past year to \$874,869.

"Offshore Asian buyers continue to drive demand and the incentive to buy in the region has been enhanced by the low Canadian dollar."

Cory Raven, manager of Re/Max Select Realty in Vancouver, feels foreign buyers have had a significant — but not dominant — impact on the Metro Vancouver real estate market.

"We looked at sales through our (Main Street) office in the past six months and found that 18 per cent of the deals involved buyers who were not permanent residents of Canada," he said.

Raven said single-family homes for sale in the City of Vancouver often attract multiple offers, especially those located on quiet streets.

"There used to be cool pockets in the city, like certain parts of Main Street, but now that type of frenetic

activity is happening almost everywhere in Vancouver," he said.

The Metro Vancouver condominium market hasn't shown the same strength as the single-family home market but Raven said it's still a "fairly good brisk market," with townhomes being a popular product for many potential buyers.

"But with condos, prospective buyers take the attitude that if they don't get this one, another one will become available," he said.

The report said some buyers who have been priced out of the Vancouver market are investing in Victoria, where the average house price rose by 1.5 per cent in the past year to \$569,070 and is forecast to increase by another four per cent in the next year.

The average selling price for Kelowna properties fell by 1.3 per cent in the past year to \$413,369, which the report attributed to a surge in the number of condos being sold to first-time buyers. Kelowna condo sales have increased by 42 per cent in the past year.

The report said Toronto-area house prices rose by more than eight per cent in the past 12 months to \$594,827 as conditions there are similar to Vancouver, with a relatively low supply of single-family homes for sale causing multiple offers on some properties. Toronto prices are expected to increase by a further seven per cent over the next year.

The report expects Metro Vancouver prices will be higher a year from now but Raven said activity could "level off" into a more normal seller's market later this year.

"So when a house comes up for sale, you might see just one buyer who shows up two weeks after it's listed as opposed to 15 buyers coming on the very night that it's listed," he said.

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AVERAGE CANADIAN HOUSE PRICES

(all property types, 1st quarter 2015)

Metro Vancouver: \$874,869, up 6.6 per cent in the past year

Victoria: \$569,070, up 1.5 per cent

Kelowna: \$413,369, down 1.3 per cent

Calgary: \$474,251, down 2.2 per cent

Regina: \$308,355, down 5.5 per cent

Winnipeg, \$284,000, up 0.7 per cent

Toronto: \$594,827, up 8.3 per cent

Source: RE/MAX 2015 Spring Market Trends Report

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