

KELOWNA

BRITISH COLUMBIA

↑ 14%

2016 AVERAGE RESIDENTIAL SALE PRICE \$493,887

KELOWNA'S HOUSING MARKET WAS ACTIVE THROUGH THE FIRST 10 MONTHS OF THE YEAR DUE TO LOW INTEREST RATES AND A STRONG LOCAL ECONOMY.

The average residential sale price rose 14 per cent year-over-year, to approximately \$493,887, up from \$435,074 in 2015. The number of sales in the region increased as well, rising from 3,869 between January and October 2015 to 4,360 during the same period in 2016.

Heading into 2017, sale numbers are expected to remain strong; however, the federal government's changes to mortgage rules in October combined with the provincial government's recently introduced 15 per cent foreign-buyer tax in Metro Vancouver, will likely lead to a slight slowing of overall activity in the market.

Single-family homes continue to drive demand in Kelowna, representing two-thirds of activity in the market. With 2.5 months of inventory on the market for single-family homes and two months of inventory for condos, Kelowna continues to favour sellers. The pace of listings did start to rise in 2016 compared to 2015, and the market is expected to become slightly more balanced in 2017.

FIRST-TIME BUYERS

First-time buyers represent approximately 20 per cent of Kelowna's market and are typically looking to purchase condos. Due to the overall rise in the average price of single-family detached homes in the Okanagan Valley, first-time home buyers are expected to increasingly look for more affordable options in the condo and townhouse markets.

CONDO MARKET

Condo sales rose 23 per cent, from 1,174 to 1,442, between January and October in 2016 compared to the same period in 2015. Luxury condo sales increased approximately 100 per cent year-over-year in 2016, as greater numbers of buyers migrated from the Lower Mainland.

LUXURY HOMES

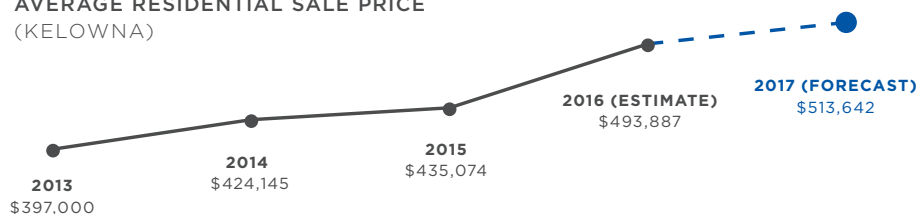
There was a significant increase in demand for upper-end properties in Kelowna during the first-half of 2016 as sales rose from 116 to 277. Demand was largely driven by local buyers migrating from the Lower Mainland looking for more affordable housing options. This trend is expected to slow in 2017 as the 15 per cent foreign-buyer tax implemented in Vancouver deters potential sellers in the Lower Mainland from listing their properties due to declining sales prices.



FUTURE TRENDS

- The foreign-buyer tax in Vancouver is expected to slow down sales activity in Kelowna as sellers from the Lower Mainland choose not to list their properties and move to the region
- A rebound in Alberta's oil sector may result in increased demand in Kelowna's recreational real estate market
- The RE/MAX 2017 average residential sale price expectation for Kelowna is an increase of four per cent

AVERAGE RESIDENTIAL SALE PRICE
(KELOWNA)



Source: Historical values are sourced from CREA or local board statistics. Estimates and forecasts are based on the opinion of independent RE/MAX broker/owners and affiliates.