

GREATER VANCOUVER

BRITISH COLUMBIA

13%

2016 AVERAGE RESIDENTIAL SALE PRICE
\$1,020,300

AVERAGE RESIDENTIAL SALE PRICES IN THE GREATER VANCOUVER AREA ROSE SLIGHTLY TO \$1,020,300, UP FROM \$902,801 IN 2015.

The housing market softened in 2016 due to the compounding effect of two factors: a stabilization of prices following a peak in April 2016 and the immediate impact of the 15 per cent foreign-buyer tax. Local buyers did remain active in the lower end of the market however, as the impact of these factors was felt more strongly in the upper end of the condo and detached markets.

Toward the end of 2016 and going in to first half of 2017, some buyers – typically those searching in the lower end of the market – are expected to feel the impact of the recent tightening of mortgage lending rules by the federal government. As buyers adjust to these rule changes, some sellers are expected to take their properties off the market toward the end of 2016 and relist them in the spring. In 2017, the average residential sale price is expected to increase modestly by approximately two per cent as buyers become accustomed to both the local and federal rule changes.

FIRST-TIME BUYERS

Typical first-time buyers in the Greater Vancouver area are local renters looking to realize home ownership and new Canadians who moved to the country approximately four to five years ago. The tightening of mortgage rules has affected these buyers in the short-term as it has reduced their buying power by almost 20 per cent. As a result, several of these buyers are reconsidering the type of home they are hoping to purchase and are seeking out condos and townhouses in the lower end of the market, starting at approximately \$350,000.

CONDO MARKET

In 2016, sales in the lower end of the market were driven primarily by first-time and move-up buyers. It was still common to see multiple offers on units. Total condominium sales increased slightly to 16,846 between January and October this year, up from 14,928 in the same period last year. There are a number of new builds expected to drive demand for condos in 2017, particularly in East Vancouver. The market is expected to remain stable, with prices increasing only slightly.

LUXURY HOMES

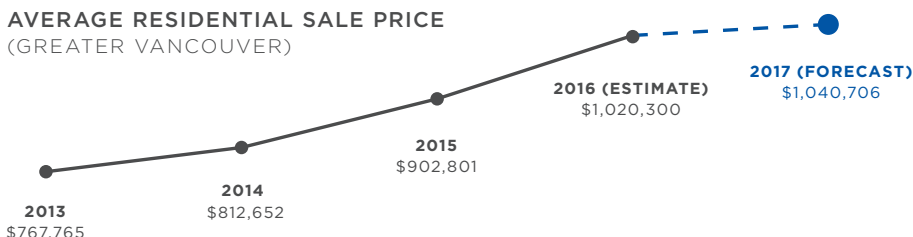
The upper-end market is expected to see the greatest impact from the foreign-buyer tax, with prices and sales decreasing slightly in reaction to softer demand. Overall, the market is expected to remain steady in the year ahead.



FUTURE TRENDS

- The uptick in mortgage rates are not expected to have a significant impact on the Greater Vancouver market
- The foreign-buyer tax is expected to have the greatest impact on the upper end of the market, with prices and sales decreasing slightly in reaction to softer demand
- The RE/MAX 2017 average residential sale price expectation for Greater Vancouver is an increase of two per cent

AVERAGE RESIDENTIAL SALE PRICE
(GREATER VANCOUVER)



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.