



Home buyer demand continues to differ based on housing type

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Credit: Real Estate Board of Greater Vancouver

Apartment and townhome activity is outpacing the detached home market across Metro Vancouver*. This activity helped push total residential sales above the historical average in September.

The Real Estate Board of Greater Vancouver (REBGV) reports that residential property sales in the region totalled 2,821 in September 2017, a 25.2 per cent increase from the 2,253 sales recorded in September 2016, and a 7.3 per cent decrease compared to August 2017 when 3,043 homes sold.

Last month's sales were 13.1 per cent above the 10-year September sales average.

"Our detached homes market is balanced today, while apartment and townhome sales remain in sellers' market territory," Jill Oudil, REBGV president said. "If you're looking to enter the market, as either a buyer or seller, it's important to understand these trends and use this information to set realistic expectations."

There were 5,375 detached, attached and apartment properties newly listed for sale on the Multiple Listing Service® (MLS®) in Metro Vancouver in September 2017. This represents a 12 per cent increase compared to the 4,799 homes listed in September 2016 and a 26.6 per cent increase compared to August 2017 when 4,245 homes were listed.

The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 9,466, a 1.2 per cent increase compared to September 2016 (9,354) and a 7.5 per cent increase compared to August 2017 (8,807).

"Detached homes made up 30 per cent of all sales in September and represented 62 per cent of all the homes listed for sale on the MLS®," said Oudil. "This dynamic has slowed the pace of upward pressure that we've seen on detached home prices in our market over the last few years."

For all property types, the sales-to-active listings ratio for September 2017 is 29.8 per cent. By property type, the ratio is 14.6 per cent for detached homes, 42.3 per cent for townhomes, and 60.4 per cent for apartments.

Generally, analysts say that downward pressure on home prices occurs when the ratio dips below the 12 per cent mark for a sustained period, while home prices often experience upward pressure when it surpasses 20 per cent over several months.

The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently \$1,037,300. This represents a 10.9 per cent increase over September 2016 and a 0.7 per cent increase compared to August 2017.

Sales of apartment properties reached 1,451 in September 2017, a 19.1 per cent increase compared from the sales recorded in September 2016 (1,218), a 5.1 per cent decrease from September 2015 (1,529), and a 22.1 per cent increase from September 2014 (1,188). The benchmark price of an apartment property is \$635,800. This represents a 21.7 per cent increase from September 2016 and a 1.4 per cent increase compared to August 2017.

Attached property sales in September 2017 totalled 518, a 40.4 per cent increase compared to the sales recorded in September 2016 (369), a 4.8 per cent decrease from September 2015 (544), and an 11.6 per cent increase from September 2014 (464). The benchmark price of an attached home is \$786,600. This represents a 14.5 per cent increase from September 2016 and a 1.1 per cent increase compared to August 2017.