



Home seller supply grows as demand declines

July 10, 2018

Credit: Real Estate Board of Greater Vancouver

With home sale activity dipping below long-term historical averages, the supply of homes for sale in Metro Vancouver* reached a three-year high in June.

The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region totalled 2,425 in June 2018, a 37.7 per cent decline from the 3,893 sales recorded in June 2017, and a 14.4 per cent decrease compared to May 2018 when 2,833 homes sold.

Last month's sales were 28.7 per cent below the 10-year June sales average.

"Buyers are less active today. This is allowing the supply of homes for sale to accumulate to levels we haven't seen in the last few years," Phil Moore, REBGV president said. "Rising interest rates, high prices and more restrictive mortgage requirements are among the factors dampening home buyer activity today."

There were 5,279 detached, attached and apartment properties newly listed for sale on the Multiple Listing Service® (MLS®) in Metro Vancouver in June 2018. This represents a 7.7 per cent decrease compared to the 5,721 homes listed in June 2017 and a 17.2 per cent decrease compared to May 2018 when 6,375 homes were listed.

The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 11,947, a 40.3 per cent increase compared to June 2017 (8,515) and a 5.8 per cent increase compared to May 2018 (11,292). This is the highest this total has been since June 2015.

"With reduced demand, detached homes are entering a buyers' market and price growth in our townhome and apartment markets is showing signs of decelerating."

For all property types, the sales-to-active listings ratio for June 2018 is 20.3 per cent. By property type, the ratio is 11.7 per cent for detached homes, 24.9 per cent for townhomes, and 33.4 per cent for condominiums.

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 \$1,093,600. This represents a 9.5 per cent increase over June 2017 and is virtually unchanged from May 2018.

Sales of detached homes in June 2018 reached 766, a 42 per cent decrease from the 1,320 detached sales recorded in June 2017. The benchmark price for a detached home is \$1,598,200. This represents a 0.7 per cent increase from June 2017 and a 0.6 per cent decrease compared to May 2018.



July 10, 2018

Credit: Real Estate Board of Greater Vancouver

Sales of apartment homes reached 1,240 in June 2018, a 34.9 per cent decrease compared to the 1,905 sales in June 2017. The benchmark price for an apartment is \$704,200. This represents a 17.2 per cent increase from June 2017 and a 0.4 per cent increase compared to May 2018.

Attached home sales in June 2018 totalled 419, a 37.3 per cent decrease compared to the 668 sales in June 2017. The benchmark price of an attached home is \$859,800. This represents a 15.3 per cent increase from June 2017 and is virtually unchanged from May 2018.