

## Home sales decline below long-term averages in 2019 despite increased demand to end the year

Jan 03, 2020

Credit: Real Estate Board of Greater Vancouver

The Metro Vancouver housing market experienced below average sales activity and moderate price declines in 2019.

The Real Estate Board of Greater Vancouver (REBGV) reports that sales of detached, attached and apartment homes reached 25,351 in 2019, a three per cent increase from the 24,619 sales recorded in 2018, and a 29.6 per cent decrease over the 35,993 residential sales in 2017.

Last year's sales total was 20.3 per cent below the region's 10-year sales average.

"We didn't see typical seasonal patterns in 2019. Home buyer demand was quieter in the normally busy spring season and it picked up in the second half of the year," Ashley Smith, REBGV president said. "In terms of home values, prices dipped between two and four per cent across the region last year depending on property type."

Home listings on the Multiple Listing Service® (MLS®) in Metro Vancouver reached 51,918 in 2019. This is a 3.2 per cent decrease compared to the 53,614 homes listed in 2018 and a five per cent decrease compared to the 54,655 homes listed in 2017.

Last year's listings total was 7.6 per cent below the 10-year average.

"Home buyer confidence was a factor throughout the year. In the first quarter, many prospective buyers were in a holding pattern, waiting to see how prices would react to the mortgage stress test, new taxes, and other policy changes," Smith said. "Confidence started to return in the summer, and we saw above average sales in the final quarter of 2019."

The MLS® HPI composite benchmark price for all residential properties in Metro Vancouver ends the year at \$1,001,000. This is a 3.1 per cent decrease compared to December 2018.

The benchmark price of apartments decreased 2.7 per cent in the region last year. Townhomes decreased 2.4 per cent and detached homes decreased four per cent.

### December summary

REBGV reports that residential home sales in the region totalled 2,016 in December 2019, an 88.1 per cent increase from the 1,072 sales recorded in December 2018, and a 19.3 per cent decrease from the 2,498 homes sold in November 2019.

Last month's sales were 9.5 per cent above the 10-year December sales average.

There were 1,588 detached, attached and apartment properties newly listed for sale on the MLS® in Metro Vancouver in December 2019. This represents a 12.9 per cent increase compared to the 1,407 homes listed in December 2018 and a 46.8 per cent decrease compared to November 2019 when 2,987 homes were listed.

The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 8,603, a 16.3 per cent decrease compared to December 2018 (10,275) and a 20.1 per cent decrease compared to November 2019 (10,770).

For all property types, the sales-to-active listings ratio for December 2019 is 23.4 per cent. By property type, the ratio is 15.2 per cent for detached homes, 25.7 per cent for townhomes, and 32.5 per cent for apartments.

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

Sales of detached homes in December 2019 reached 599, a 72.1 per cent increase from the 348 detached sales recorded in December 2018. The benchmark price for detached properties is \$1,423,500. This represents a four per cent decrease from December 2018, and a 0.6 per cent increase compared to November 2019.



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Sales of apartment homes reached 1,053 in December 2019, a 96.8 per cent increase compared to the 535 sales in December 2018. The benchmark price of an apartment property is \$656,700. This represents a 2.7 per cent decrease from December 2018, and a 0.8 per cent increase compared to November 2019.

Attached home sales in December 2019 totalled 364, a 92.6 per cent increase compared to the 189 sales in December 2018. The benchmark price of an attached home is \$778,400. This represents a 2.4 per cent decrease from December 2018, and a 0.7 per cent increase compared to November 2019.

\*Editor's Note: Areas covered by the Real Estate Board of Greater Vancouver include: Burnaby, Coquitlam, Maple Ridge, New Westminster, North Vancouver, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, South Delta, Squamish, Sunshine Coast, Vancouver, West Vancouver, and Whistler.