

More on where the market is heading



# A HOT JULY FOR HOME SALES

Last month was unusual on two fronts. Most noticeably, it was the sunniest July in Vancouver since 1986. (Yaay!) It was also the biggest month for home sales this year.

Usually there's a summer lull in the housing market. Not this year. Sandra Wyant, president of the Real Estate Board of Greater Vancouver, suggests that "pent-up demand from the slowdown in sales activity we saw at the end of last year" was one factor.

The glorious weather, stable prices and the hint that mortgage rates might go up some more might also have had something to do with it.

Or maybe it's just the alignment of the planets, because this activity wasn't confined to Greater Vancouver. July sales were up in the Fraser Valley, which has been experiencing 10-year lows for over a year. Toronto also had a bigger-than-expected July. In fact it had the third-best July sales on record.

That means the three most expensive housing markets in Canada all saw atypical buying and selling in what's generally a pretty lax month for home sales. Wonder if that's enough to send the federal government back into a flurry of market-calming activities.

## Sales and Listings

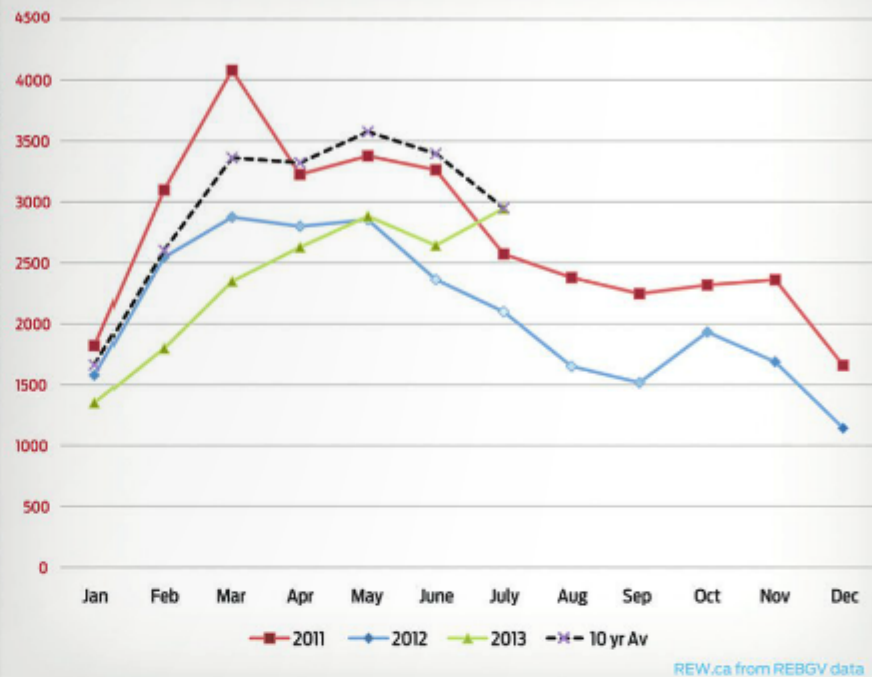
In Greater Vancouver, 2,946 homes sold on the MLS® last month, up by 11.5 per cent from the month before, and up a full 40.4 per cent from last year at the same time (2012 was a slow year). Those July sales even beat the 10-year average by a hair—the first time this year sales have been anywhere near the 10-year average.

Meanwhile, new listings have been dropping every month since April. With fewer home owners putting their places up for sale, the increase in sales ate away at the active listings. There were 16,618 MLS properties for sale at the end of July, which was down 3.9 per cent from June and down 8.1 per cent from July 2012.

This bumped up the sales-to-active-listings ratio from 15 to 17.7 per cent, which is considered a balanced market. It's been consistently over 15 per cent since March of this year.

There are 5.6 months of inventory, which means it would take 5.6 months to sell every property now available at the current rate of sales activity. That number also indicates a balance of supply and demand.

Greater Vancouver MLS Home Sales



What's Up, What's Down - At a Glance

	July 2013 / June 2013	July 2013 / July 2012
Overall Sales	▲ +11.5%	▲ +40.4%
- Detached	▲ +13.2%	▲ +59.0%
- Townhome	▲ +3.2%	▲ +27.0%
- Apartment	▲ +13.3%	▲ +31.0%
New Listings	▼ -0.4%	▲ +1.1%
Current Listings	▼ -3.9%	▼ -8.1%

## Benchmark Price (MLS® Home Price Index)

The surprising July sales didn't affect benchmark prices (based on the price of a typical home for its neighbourhood). Across the Greater Vancouver region, these are generally within one per cent of where they were in June.

Home prices are still lower than they were the same time last year. July 2012 was just two months off the all-time price peak for Greater Vancouver.

Greater Vancouver MLS® Benchmark Prices % Change

	July 2013	June 2013	July 2012
Detached	\$920,500	▲ +0.1%	▼ -3.1%
Townhome	\$456,700	▼ -0.1%	▼ -2.6%
Apartment	\$368,300	▼ -0.2%	▼ -1.6%

We hear from many Realtors that they're expecting very strong September sales this year, and July's numbers sure seem to be heading in that direction.