

GREATER VANCOUVER REAL ESTATE MARKET IN AUGUST

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August was a steady month for the Greater Vancouver housing market. Sandra Wyant, president of the Real Estate Board of Greater Vancouver, noted that "We've seen a healthy amount of demand in the marketplace this summer compared to the number of homes listed for sale. The market today is much stronger than we saw last year and is consistent with our long-term averages for this time of year."

Sales and Listings

After an unexpected sales surge in July, the Greater Vancouver housing market settled down a bit in August, as it usually does at the height of summer. Sales continued

to hover around the 10-year average. In July they beat the average by 1 per cent, but they dropped to 4.6 per cent under in August.

Throughout Greater Vancouver, 2514 homes sold on the MLS® last month. The statistic you'll see quoted gleefully is the year-over-year increase: sales were up 52.5 per cent from August 2012. Well, that was one of the slowest years since the lull of the late '90s, so it's not worth getting excited about. What's more impressive is that sales were up 3.1 per cent from August 2011, a more representative year.

Meanwhile, sales, new listings and active listings all declined from July. Sales experienced a (typical) drop of 14.7 per cent from 2,946 in July. New listings declined to 4,186, which was 13.8 per cent less than the July total. New listings have

been dropping steadily since April. Active listings were also down month over month. At the end of August there were 16,027 homes for sale in the Greater Vancouver region.

That puts the sales-to-active-listings ratio at 15.7 per cent, which is considered a market with a healthy balance between

supply and demand. It's been consistently over 15 per cent since March of this year. In July it was 17 per cent.

There are 6.3 months of inventory, which means it would take 6.3 months to sell every property now available at the current rate of sales activity. That number also indicates a balance of supply and demand.



Benchmark Price (MLS® Home Price Index)

Greater Vancouver MLS® Benchmark Prices % Change			
	August 2013	July 2013	August 2012
Detached	\$923,700	+0.4%	-2%
Townhome	\$457,000	+0.1%	-1.1%
Apartment	\$366,100	-0.6%	-1.1%

"People entering the market should not confuse stronger sales activity with rising prices," says Sandra Wyant. "Home prices have been quite stable and consistent for much of this year."

Benchmark prices (based on the price of a typical home for its neighbourhood) were within one per cent of where they were in July in almost every area of Greater Vancouver. Overall, prices have increased by 2.3 per cent since the beginning of 2013, but they lag August 2012 prices by 1.3 per cent.

It's worth keeping an eye on mortgage rates right now.

Five-year mortgage rates have risen from under 3 per cent closer to 4 per cent since June. The hikes are a response to bond yields and strong economic indicators. They are the work of the banks and other lenders, and they rise or fall in response to news on those fronts. While no one is predicting huge leaps in mortgage rates, every basis point counts for most buyers, so these changes could affect the local market.

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

	August 2013 / July 2013	August 2013 / August 2012
Overall Sales	▼ -14.7%	▲ +52.5%
- Detached	▼ -15.7%	▲ +69%
- Townhome	▼ -8.8%	▲ +48%
- Apartment	▼ -15.9%	▲ +40.4%
New Listings	▼ -13.8%	▲ +3.5%
Current Listings	▼ -3.6%	▼ -8.8%



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