

Overview of Island real estate

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Vancouver Island Real Estate Overview for 2010

The Vancouver Island Real Estate Board is predicting a steady improvement in market conditions for 2011, after 2010 finished with stable sales numbers. In the VIREB area, 3,879 units sold in 2010, down from 4,500 in 2009. The average sale price of \$342,324, was up four per cent from 2009.

Campbell River Statistics

Campbell River reported 386 MLS sales, down from 478 in 2009. The average sale price however increased five per cent to \$294,372, with a median price of \$285,000. Campbell River saw 165 single family housing starts in 2010, with a construction value of more than \$31 million. Total building permit values for the city were \$58.7 million. Building Links is estimating a 10 per cent increase in construction values in 2011 in the Campbell River and Comox Valley areas.

Comox Valley Statistics

The Comox Valley saw 724 units sold in 2009, down from 770 in 2009. The average price was \$342,481, up two per cent over 2009. The Comox Valley saw an unusual boost in December sales, with a record 62 homes sales, a 44 per cent increase over December 2009. The City of Courtenay also had a more than 50 per cent increase in the value of building permits issued in 2010 over 2009. Construction values were put at \$56.4 million compared to \$36.2 million in 2009. Construction values were also up 195% in the village of Cumberland, to 9.4 million, up from 3.2 million in 2009.

Parksville & Qualicum Statistics

In Parksville/Qualicum, there were 581 MLS sales last year, a drop from 627 in 2009. The average sales price went up 5 per cent to \$389,523, with a median price of \$365,000. Port Alberni and the West Coast saw 252 unit sales, down from 315 in 2009. The region saw the largest price increase of 7 per cent, from \$217,184 in 2009 to \$233,157 in 2010.

Nanaimo Statistics

Nanaimo's sales numbers were also down in 2010, but average sale prices were up. 2010 saw 1,124 unit sales, down 200 units from 2009. The average sale price was \$363,985, up three per cent over 2009.

Nanaimo has seen a record number of rezoning applications in the past two years, as developers gear up for a turnaround in the economy and an increase in new housing demand. The city's development services office completed 30 rezoning applications in the past two years, according to the latest figures from the city.

Cowichan Valley Statistics

The Cowichan Valley was the only Island area not to see a significant change in sale prices from 2009 to 2010. The region saw 666 unit sales in 2010, down from 826 the year prior. The average sale price was \$351,201, down \$1,000 from 2009.

1stView Event Summary for 2011

At the recent 1stView Economic Forum held in Courtenay, CMHC's Travis Archibald said construction made a "healthy" rebound in 2010 and the real estate market was entering a "normalization period" after a experiencing a small dip earlier in 2010.

The keynote speaker at the event, the BC Real Estate Association's chief economist Cameron Muir, predicted gradual economic growth in the future, although he told audience members to expect flat housing prices going forward.

The slower-to-recover U.S. economy is preventing the Canadian and B.C. economies from charging ahead.

"We really rely on the United States, we rely on the global economy in terms of our overall economic activity," Muir said.

Housing starts in B.C. are also set to make only very minor gains, predicted Muir. He blamed stunted housing start growth on an abundance of already-available housing in the market, and on uncertainty surrounding the future of the harmonized sales tax (HST).

"Builders are going to be holding back this year until the uncertainty is over," Muir said.

He added he expects to see a six per cent increase in B.C. housing sales this year, and mortgage rates will climb closer to about six per cent by the end of 2011.

To view the presentations from the 1stView Economic Forum, visit www.1stView.ca.