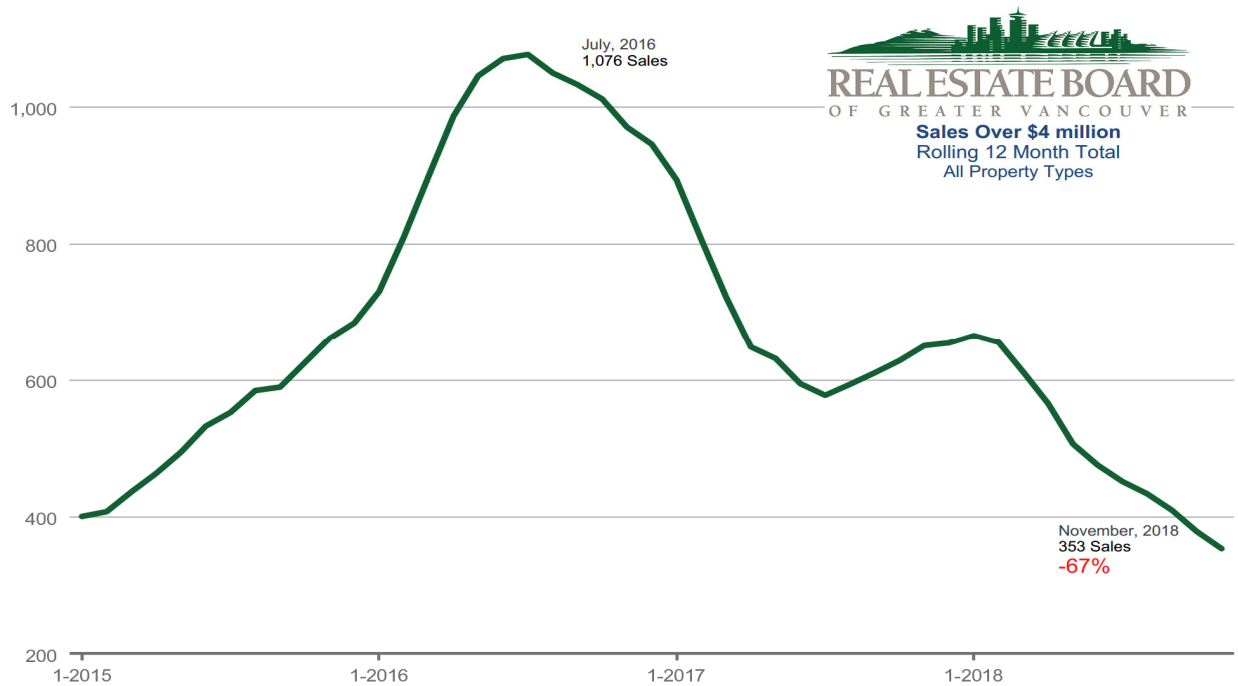




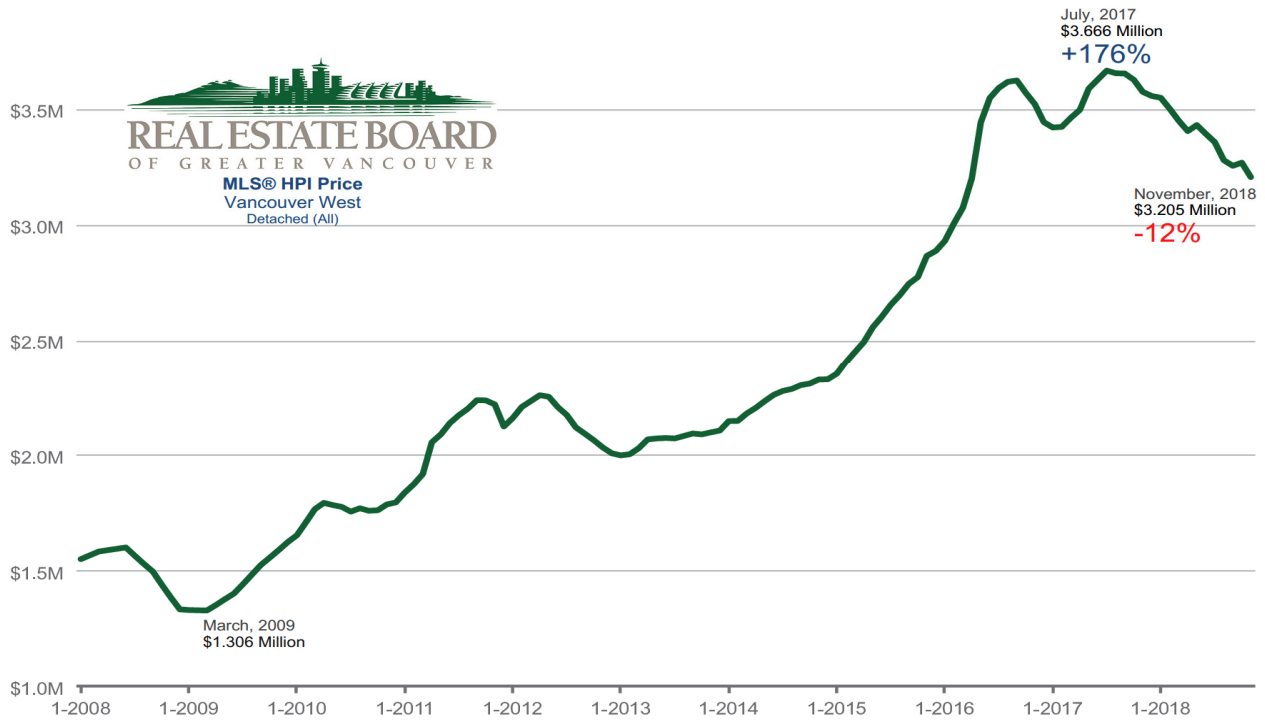
VANCOUVER, BC — DECEMBER 21, 2018 – Vancouver Luxury Home Sales are collapsing.



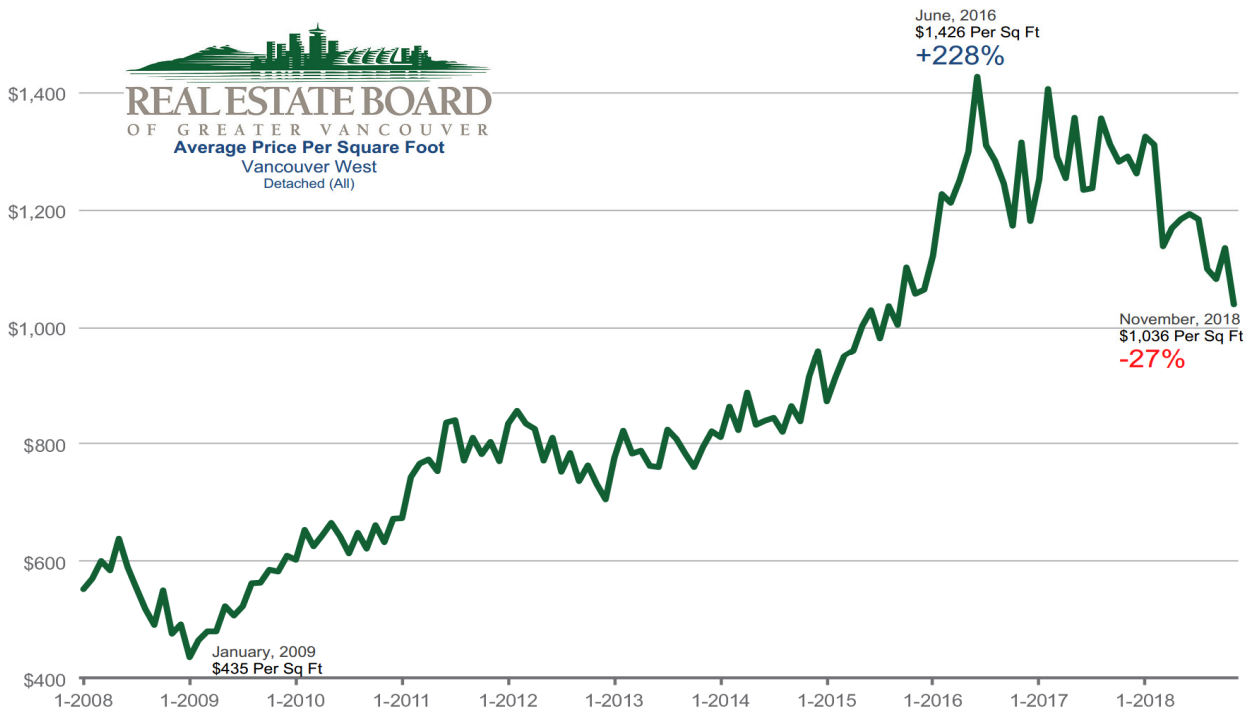
The chart above shows the rolling 12-month total of all homes sold over \$4 million within all areas of the REBGV (Real Estate Board of Greater Vancouver). Since July 2016 when 1,076 homes sold for over \$4 million in the previous 12-months, the total has fallen to 353, a decline of 67% or more than 2/3 within a year and a half.

Despite recent assurances from industry groups including [CREA](#) and the [BCREA](#), financial institutions like [Central 1 Credit Union](#) and [RBC and BMO](#) and a couple of national [Real Estate Firms](#) that the Real Estate market has achieved a soft landing and that sales and prices will tick up or moderate in the New Year, we do not share that optimism when it comes to high-end, Vancouver homes.

Here are two more charts produced with stats from the REBGV:

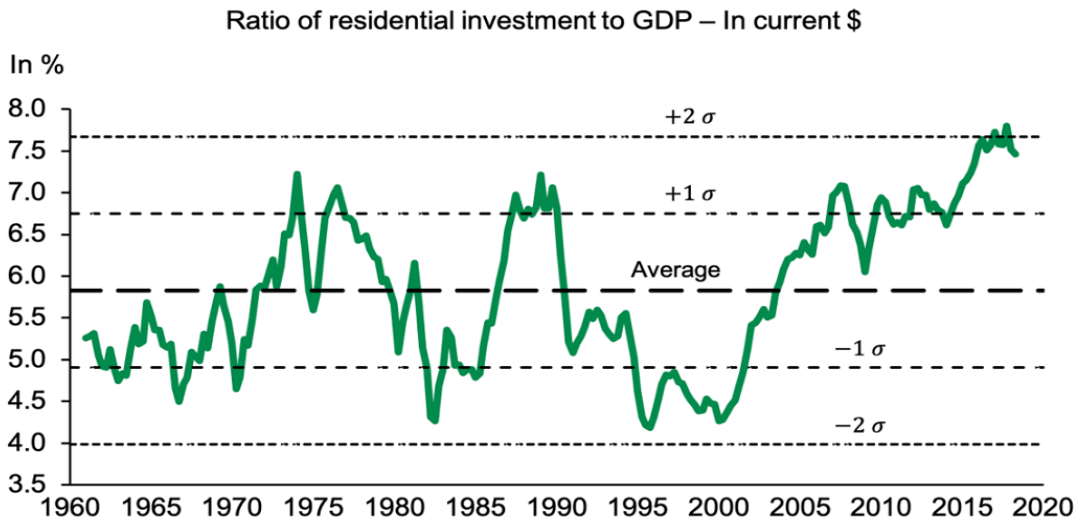


The chart above shows the MLS® HPI (Multiple Listing Service Housing Price Index) for detached homes on the West side of Vancouver for the last 10 years. From March, 2009 detached home prices rose 176%, peaking in July, 2017 and then fell a modest 12.6%.



This second chart shows average selling price per square foot for the same homes over the same time period. By looking at price per square foot, we see a much larger increase of 228% from January, 2009 to June, 2016 and then a fall of over 27% from the peak to date. More than double the decline of the widely published HPI number.

Meanwhile, at the National level, residential Real Estate has never made up such a large share of the economy. As François Dupuis, chief economist at the Desjardins Group [states](#); the “ratio is currently near two standard deviations, a level that has never been reached in the past 60 years!”

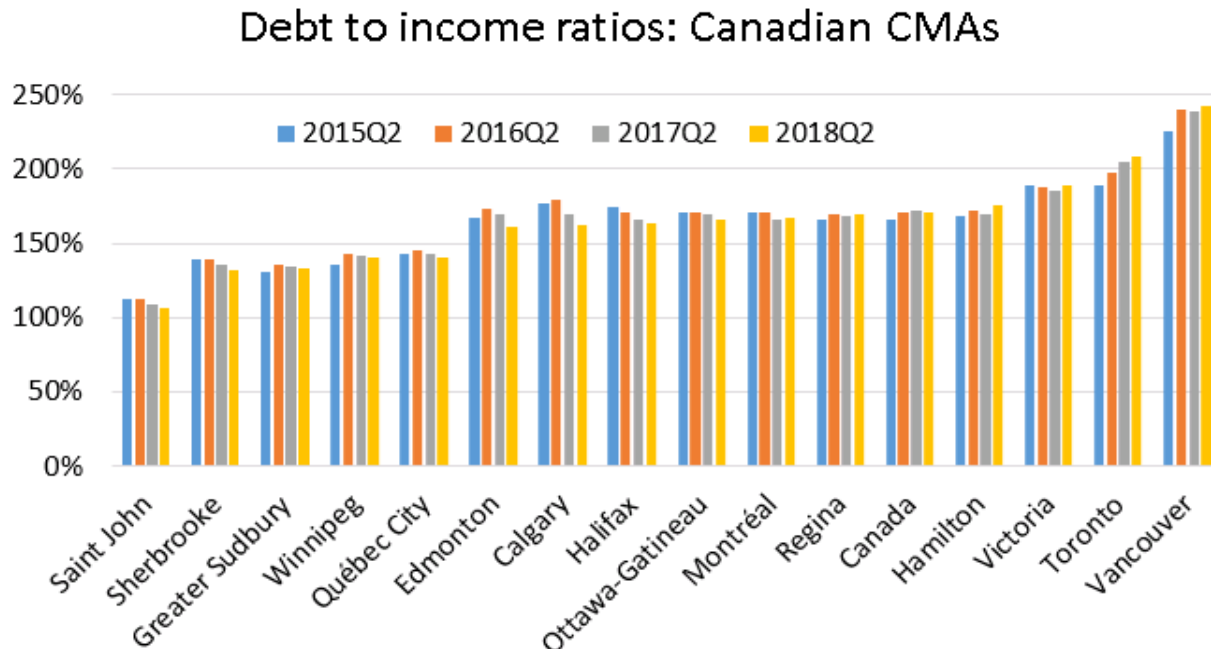


σ : Standard deviation

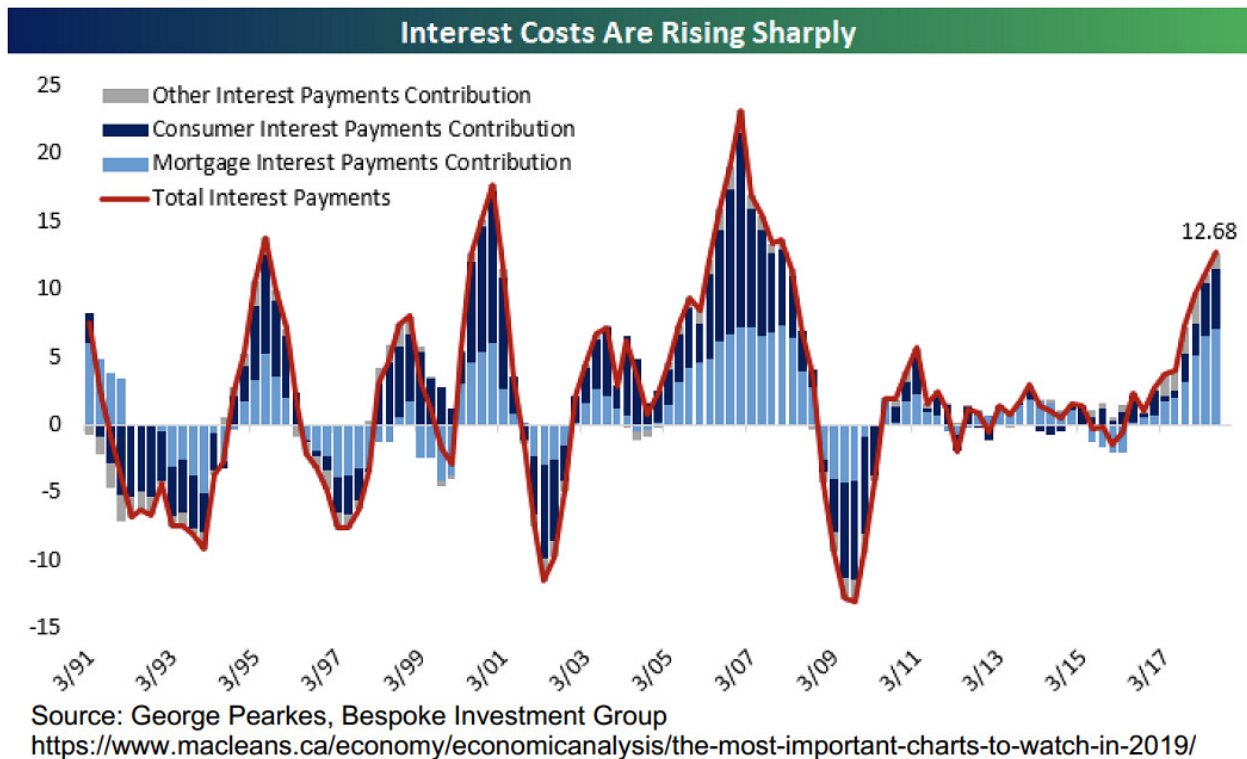
Sources: Statistics Canada and Desjardins, Economic Studies

<https://www.macleans.ca/economy/economicanalysis/the-most-important-charts-to-watch-in-2019/>

[CMHC](#) reports that the Debt to Income Ratio for the average Vancouverite is nearing 250%, a record high:



And interest rates and the cost to service all the debt are rising sharply:



So what does all this mean? It means that in an apples to apples comparison, prices at the high end of the Vancouver Real Estate market have already fallen nearly 30% and that the current trend in prices and in sales is downward. Bah Humbug!

It also highlights the importance of making up-to-date real estate data available to consumers. Real Estate Boards, banks, and Real Estate companies all have a vested interest in keeping the real estate market inflated. All these groups employ economists and spokespeople whose job it is to interpret the data and tell you why **now** is a great time to borrow or buy, or re-mortgage.

At Zealty.ca we are committed to providing data to consumers, so they can make informed decisions. That is why we were [the first](#) to release pending Sold prices for all properties in Greater Vancouver and the Fraser Valley and why we offer neighbourhood specific [statistics](#) and [lot lines](#) for all properties throughout British Columbia.

If you are thinking of selling your \$4 million home, you may want to do it sooner rather than later and price it for today's market, not 2017's. If you are thinking of buying a \$4 million home do your research, or better yet, wait. Real Estate Markets do not change overnight. US housing prices peaked in 2006 and didn't reach bottom until 2012, six years later. If you are looking at a condo or more reasonably priced home somewhere else in BC, compare prices on our interactive [map](#). We will release our forecast for Vancouver & BC housing for 2019 early in the New Year so please stay tuned or [contact us](#) with specific questions and we will be happy to help.

More important than Vancouver Luxury Home prices, we hope you are warm and well-fed this holiday season and that you are spending time with people you love. Merry Christmas!

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