



# OMREB

Okanagan Mainline Real Estate Board



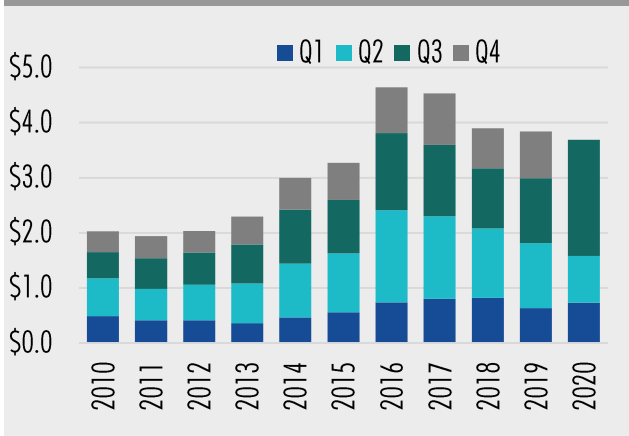
Q3 2020

# MARKET OVERVIEW

OCTOBER 2020

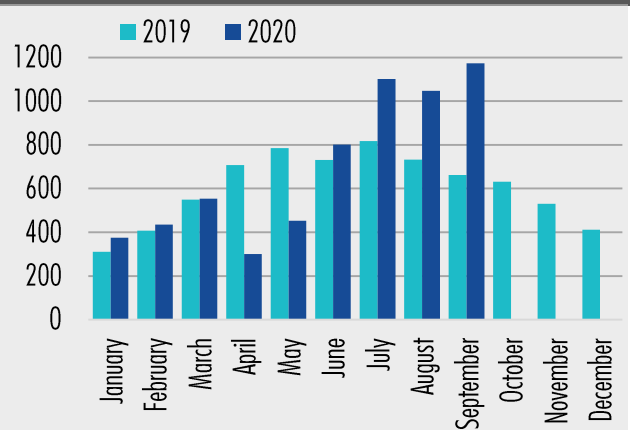


**FIGURE 1: RESIDENTIAL SALES VOLUME**  
**OMREB REGION - \$ Billions**



Source: OMREB Q3 2020

**FIGURE 2: NUMBER OF RESIDENTIAL SALES**  
**OMREB REGION**



Source: OMREB Q3 2020

The OMREB real estate market continues to achieve historical highs in the middle of a pandemic driven recession. There were 3,322 residential sales in the third quarter of 2020, a 56.1% increase compared to the same period last year. Sales topped \$2.1 billion in Q3 2020, the largest quarter on record. With another quarter still left in 2020, the current value of residential transactions are closing in on the total for 2019.

Residential sales across every OMREB region experienced double digit increases in Q3 2020 compared to same period last year. Single family home transactions continue to lead the way with 1,676 sales across the summer months. This represents a whopping 56% year-over-year increase. In terms of apartment and townhouse sales, there were 553 and 531 sales of each over the course of the same period, representing a 34.9% and 39.7% increase, respectively.

**FIGURE 3: RESIDENTIAL SALES QUICK STATS**



**3,322 residential sales**  
**in Q3 2020**



**\$2.1 Billion transacted**  
**in Q3 2020**



**3,410 Active residential**  
**listings as of September**  
**2020**

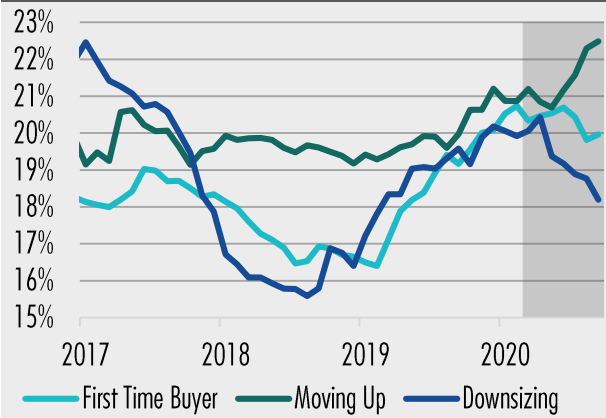
Source: OMREB Q3 2020



Demand from households currently living outside of the OMREB region has increased with the rise and success of the virtual workplace. COVID-19 has had a profound effect on the way the home is viewed as millions of people left shutdown workplaces and continued their work from home. The percentage of buyers in the market looking to downsize has noticeably decreased since the beginning of the pandemic, while those looking to upgrade into larger spaces have increased. Households now must balance work, life and play like has never been seen before. The average square footage of single-family homes transacted in the region was 7% larger than the 5-year average as the desire for more space takes precedence.

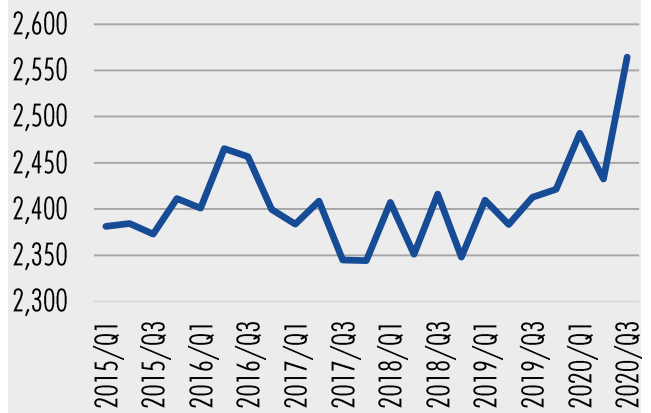
The inventory of homes for sale is struggling to catch up to this demand. Residential listings declined 21.5% in September 2020 and is now comparable to decade lows, with single-family inventory at a 10-year low. The strong increase in demand coupled with the sharp decline in inventory has pushed both single-family and townhouses back into sellers' territories as measured by the sales to new listings ratio. Some would-be sellers are delaying putting their homes on the market. Many homeowners want to remain in the Okanagan region, but they are unable to find what they want. Builders are also unlikely to provide a short-term relief into this in-demand single-family market. There were only 176 new construction dwellings added to the region in Q3 2020. There are 1,476 single family homes currently under construction, the lowest number since Q2 2013. Despite strong demand, the inventory of single-family homes under construction has been steadily declining since 2018.

**FIGURE 4: PERCENTAGE OF BUYERS BY TYPE OF PURCHASE** 12-Month moving average



Source: OMREB Q3 2020

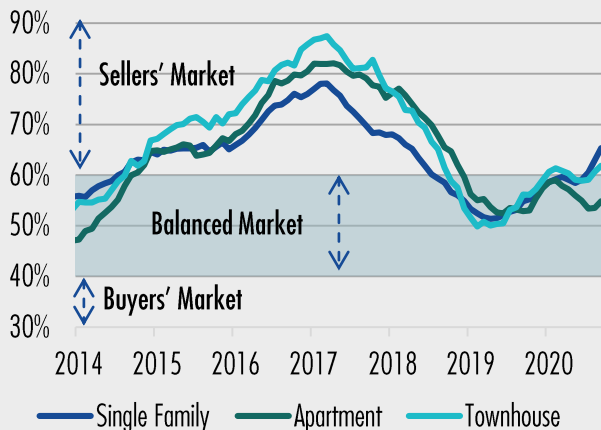
**FIGURE 5: AVERAGE FLOOR AREA SINGLE FAMILY HOME SALES - Square Feet**



Source: OMREB Q3 2020



**FIGURE 6: SALES-TO-NEW-LISTING RATIO**  
12-Month moving average

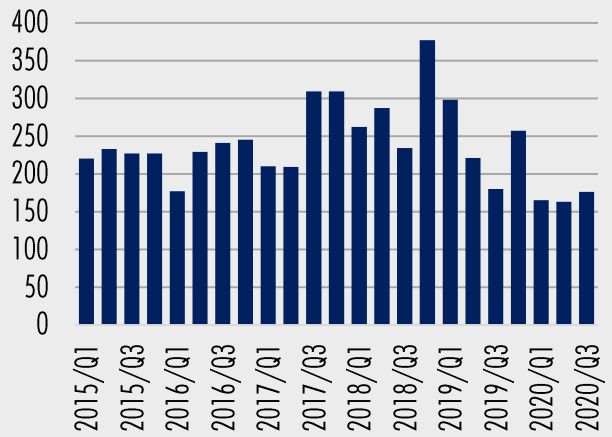


Source: OMREB Q3 2020

The region is a hub of tourism with a blossoming tech industry, both of which are expected to see support from the provincial government. The BC government has outlined a \$1.5 billion dollar pandemic recovery package. This includes \$660 million in new tax incentives, including a credit for those who hire employees in the remaining months of 2020. With \$100 million specifically for the province's hard-hit tourism sector, the province will launch a task force who will decide how the funds should be spent to best assist the various regions. This stimulus does not come without a price, as BC projects a \$12.8 billion dollar deficit for the fiscal year ending March 2021.

Going forward buyers are expected to continue to be active, but many will likely hold off on their purchase until they are able to find their ideal home. The market is already experiencing a

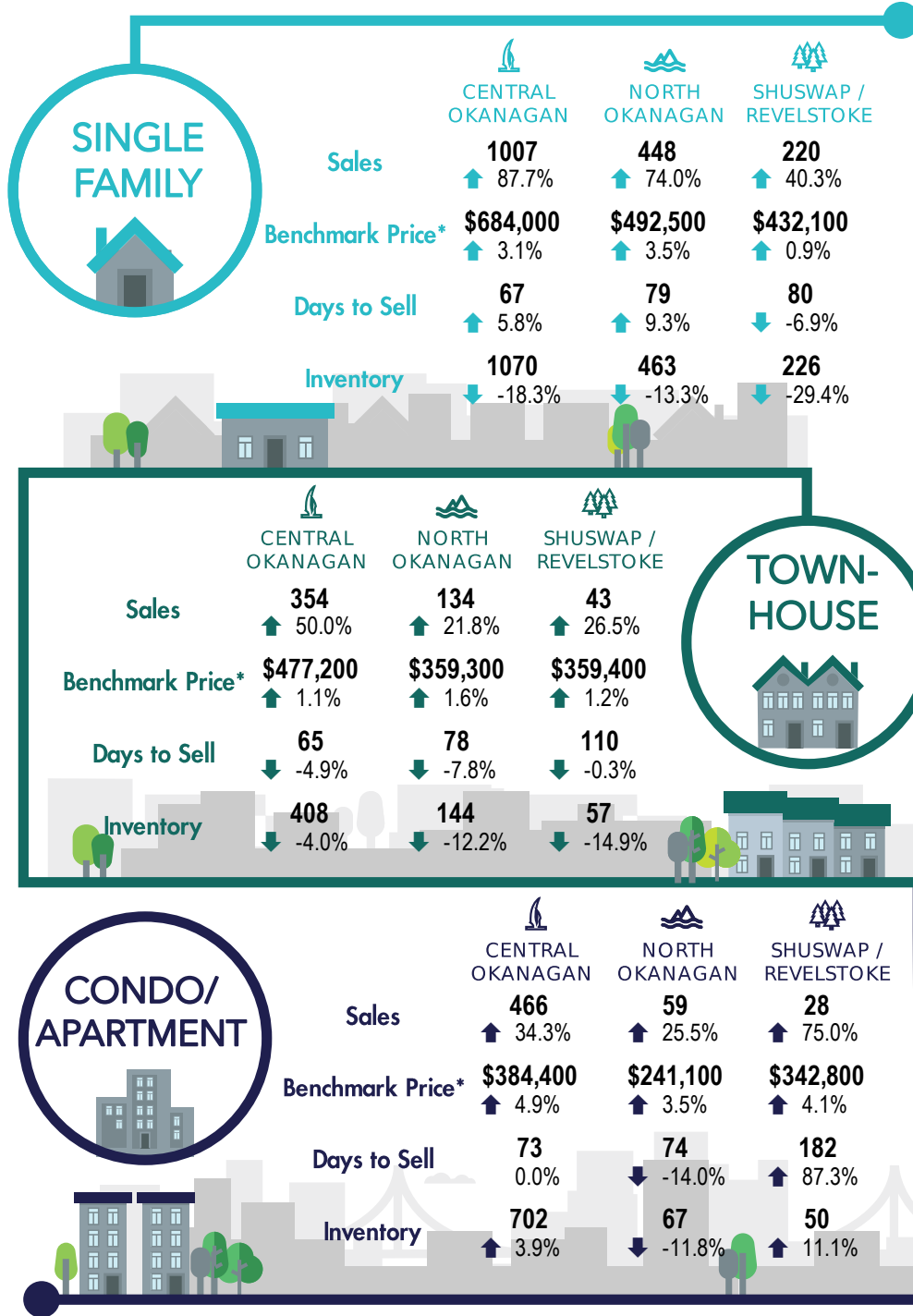
**FIGURE 7: SINGLE FAMILY HOME NEW CONSTRUCTION**



Source: Canada Mortgage and Housing Corporation, Q3 2020

deceleration typical of the seasonal slowdown. Additionally, households will need to brace for the coming economic realities of a likely second wave of COVID-19 throughout the winter. The CERB program expired earlier this month and more than 1.3 million people moved onto EI across the country. Although it is positive to note that the transition was a smooth one, it still shows how many still need assistance to get through the pandemic. Currently, the Federal government is working on another stimulus plan; a \$7.5 billion project to boost several renewable energy initiatives and provide a catalyst for job growth. However, the impact on the OMREB's housing market remains uncertain once the stimuli have run their course.

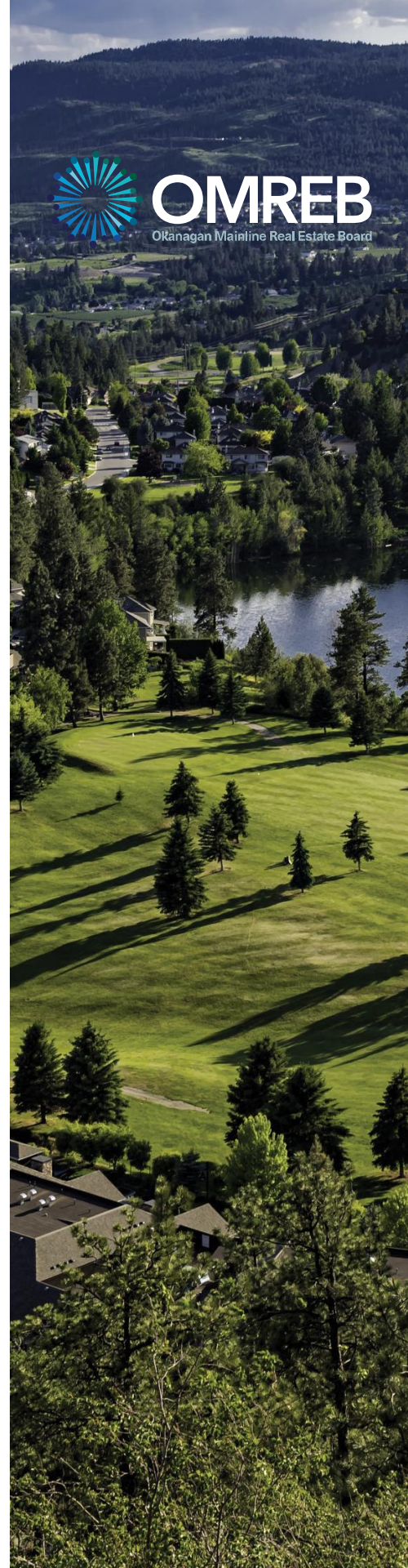
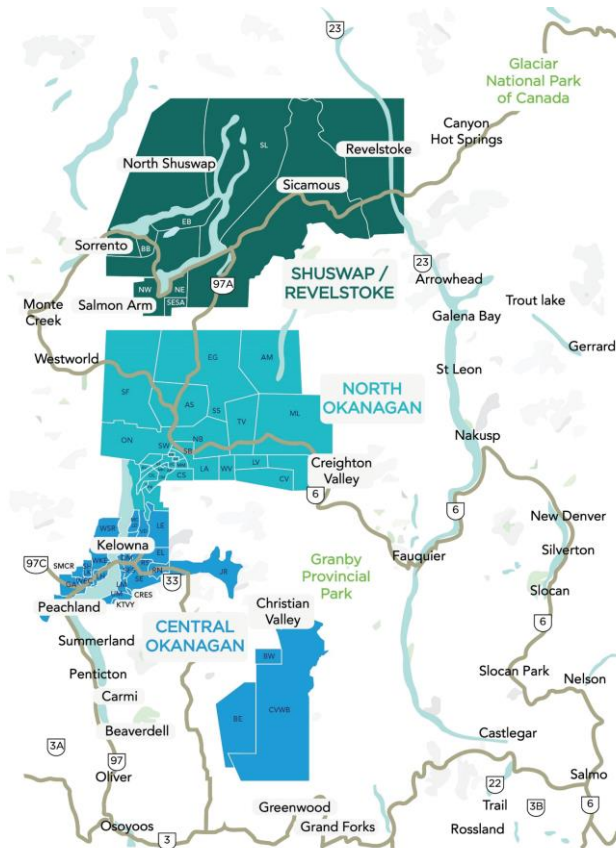




\*The Benchmark Price is a better representation of value as it represents a dwelling with "typical attributes" to those traded in the area. Averages can be misleading due to atypical transactions.

\*\*Percentage indicate change from the same period last year





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