



## Highlights

- B.C. home sales fall further in August, average price remained flat

## Home sales plunged and prices edged down in B.C.

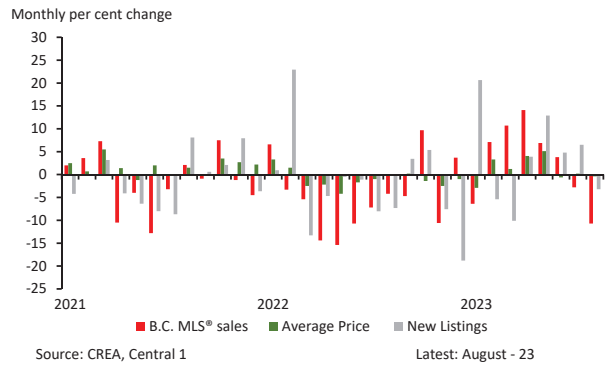
Ivy Ruan, Economic Analyst

Activity in B.C.'s housing market continued to cool in August as higher interest rates curbed housing sales although resale price levels remained high. Seasonally adjusted MLS® home sales dropped to 6,352 transactions during the month, down 10.7 per cent from the previous month following the modest decline in July. August's home sales reached their lowest point since April, representing only half the volume observed during the peak in 2021. Affordability erosion and interest rate uncertainty have curbed housing demand.

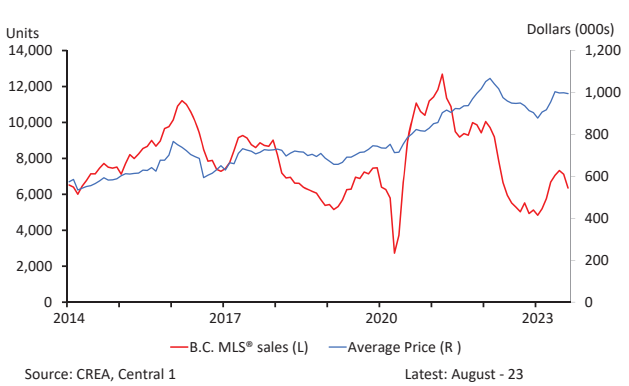
During August, significant declines in home sales were observed across major regions of B.C. Transactions retreated 18.5 per cent in Vancouver Island following a steady July increase. Victoria itself reported 10.8 per cent lower home sales during the month. In Chilliwack, sales were down 19.9 per cent and the entire Fraser Valley reported a 12.1 per cent decline. Greater Vancouver real estate board had its third consecutive monthly decline in August, with 8.5 per cent lower sales compared to last month. B.C. Interior regional home sales also declined 17.0 per cent.

Despite lower transactions, B.C. average home sale price remained flat at \$994,720 (-0.4 per cent) for a third straight month yet continued to point to a slowing market. Prices were 6.4 per cent below the peak recorded in February 2022, while remaining significantly higher at 35.4 per cent above the pre-pandemic value recorded in February. Among markets, home prices in Powell River fell 12.3 per cent in August after rising 4.2 per cent in July but could reflect product composition. Victoria also recorded a 2.0 per cent decline in the average price following an 8.0 per cent gain in July. In contrast, prices increased in Fraser Valley (up 0.4 per cent), in Greater Vancouver (up 0.9 per cent) and in Kootenay (up 0.3 per cent). That said, average prices are influenced by regional and product composition. Adjusting for home attributes, seasonally adjusted benchmark prices were higher in almost all of the B.C. real estate markets

## Home sales fall while average price growth on pause, new listings decrease



## B.C. home transactions plunged in August



where the benchmark home value is published but at a slower rate. Lower mainland prices rose 0.8 per cent while being up 1.2 per cent in Victoria. Fraser Valley also reported 0.7 per cent increase in July.

New listings in B.C. decreased 3.2 per cent during the month, and paused the growing trend accumulated during the past few months. That said, interest rates are likely at their peak, but these elevated levels are expected to continue exerting financial stress on homeowners as mortgage renewals push more owners to the brink. With still limited supply, there is no clear path to affordability. Buyers have shown a willingness to return to the market even with modest declines in prices and interest rates, while latent demand from historic population growth points to a future flood of buyers when rates retreat.

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