

J A N U A R Y  
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# MARKET STATS



# Strong Momentum in Greater Vancouver Real Estate Market Signals the Return of Consumer Confidence in 2024

The Greater Vancouver Real Estate market has demonstrated an impressive trajectory as it kicked off the year with notable growth. Home values surged by \$10,320 monthly and an impressive \$84,637 year-over-year, resulting in an average home sale price of \$1,252,392. The surge in yearly sale prices coincided with a remarkable 37.5% increase in overall market activity, while inventory saw a 2.4% uptick.

The real estate landscape in 2024 has started on a positive note, and industry experts predict a further acceleration in market conditions in the latter half of the year. This creates a timely opportunity for prospective homebuyers to make their move before the market potentially witnesses a resurgence of multiple offers and frenzied activity.

As highlighted in a recent [Globe and Mail article](#), attempting to time the mortgage rate cuts may not be the best path forward. "The truth is no one knows the future of interest rates – even Mr. Macklem is uncertain about the possibility and timing of rate cuts. For first-time home buyers navigating the uncertainty, it's crucial to acknowledge that a crystal ball for mortgage rates doesn't exist. And getting caught up in the hype and uncertainty surrounding the future of rates is dangerous. When you buy your first home, aim for a reasonable degree of certainty regarding the people in your life and your housing needs; otherwise, you will end up having to sell sooner than you had planned and perhaps in unfavourable market conditions, costing yourself tens or even hundreds of thousands of dollars."

In January, each asset class experienced both monthly and yearly gains, instilling confidence in homebuyers and sellers as market conditions stabilized. Leading the charge was the detached market, boasting an average sales price of \$2,104,523 – a monthly increase of \$40,801 and a significant yearly increase of \$194,628 or 10.2%. The inventory for detached properties increased by 9.4%, with 3,310 active listings, resulting in a substantial 28.4% yearly gain in sales.

Condo prices also saw an upswing, reaching an average sales price of \$816,427 – a robust yearly increase of 7.5%. The strength of condo sales played a crucial role in this upward trajectory, with January recording 749 sales, marking the 9th consecutive month of yearly gains. Sellers are becoming more confident in achieving sales, reflected in the market with 11.3% more inventory in January 2024 compared to the previous year.

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Townhomes emerged as the highlight of the first month, experiencing a remarkable 83.3% yearly increase in sales, totalling 220 finalized transactions. The average townhouse in Greater Vancouver is now priced at \$1,141,674, and despite a 6.8% yearly decline in inventory, the demand remains strong.

The REBGV highlighted the unexpectedly robust performance of the housing market. "It's hard to believe that January sales figures came in so strong after such a quiet December, which saw many buyers and sellers delaying major decisions," commented Andrew Lis, REBGV's director of economics and data analytics. "If sellers don't step off the sidelines soon, the competition among buyers could tilt the market back into sellers' territory as the available inventory struggles to keep pace with demand. This follows a [recent interview](#) where Andrew expressed, "As we navigate through 2024, we expect a delicate balance between rising sales and normalizing inventories, which should lead to a relatively quiet year for prices."

A promising indicator of the market's potential for substantial gains is the re-entry of the Greater Vancouver housing market into a golden cross scenario. This pattern, characterized by a short-term moving average crossing above a long-term moving average, is considered a bullish breakout pattern, suggesting positive momentum and potential future growth.

The anticipated strength and resilience projected for the latter half of the year seem to be gaining traction earlier than expected. In light of this, both buyers and sellers should be prepared to make informed decisions as the market continues to unfold.

JANUARY

# Market Stats

## DETACHED

**\$2,104,523**

SALE PRICE AVG.

**3,310**

INVENTORY

**388**

SALES

**54**

DOM  
AVG.

**95.8%**

LIST PRICE VS.  
SALES PRICE

## TOWNHOME

**\$1,141,674**

SALE PRICE AVG.

**852**

INVENTORY

**220**

SALES

**37**

DOM  
AVG.

**98%**

LIST PRICE VS.  
SALES PRICE

## CONDO

**\$816,427**

SALE PRICE AVG.

**3,643**

INVENTORY

**749**

SALES

**42**

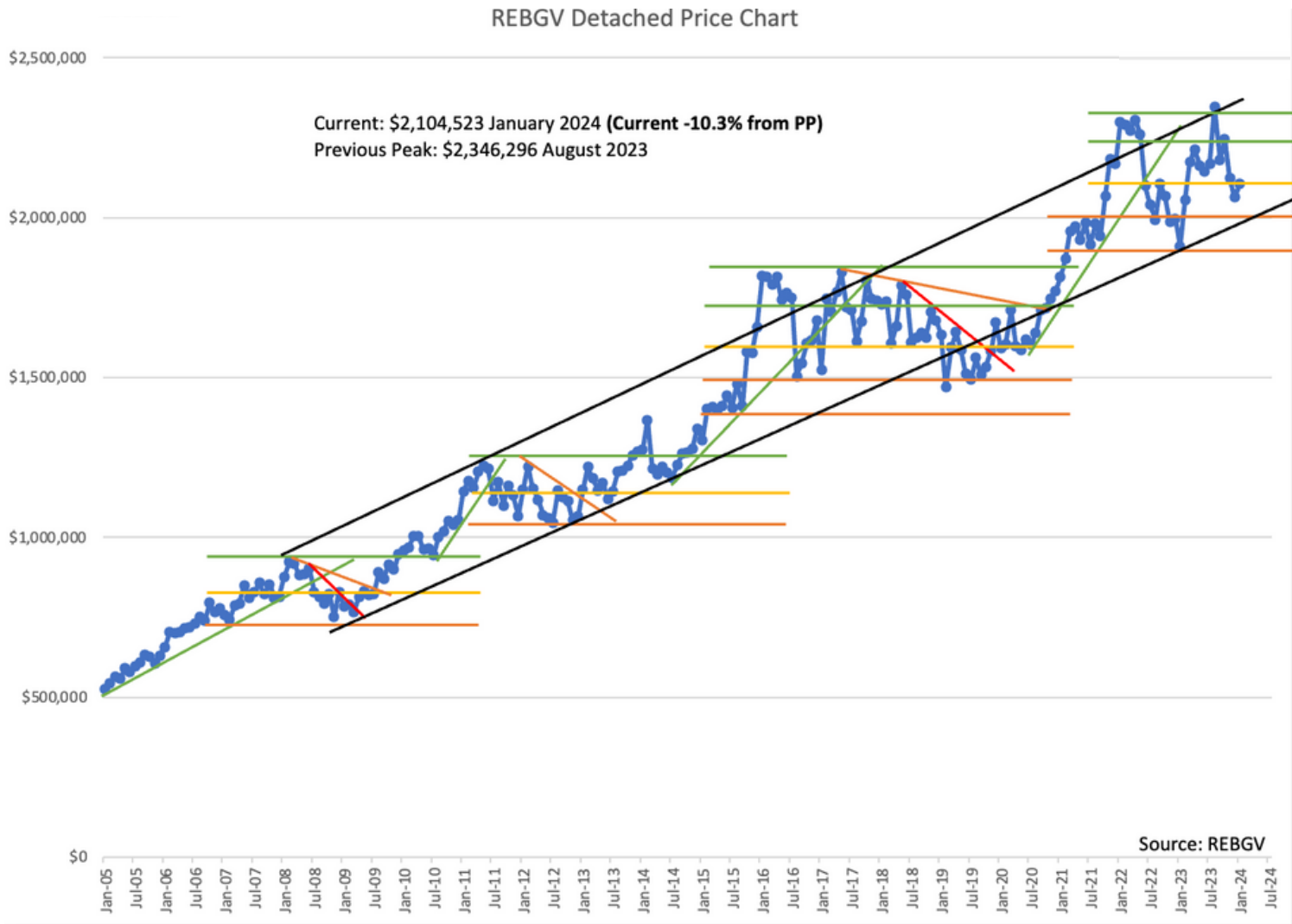
DOM  
AVG.

**97.7%**

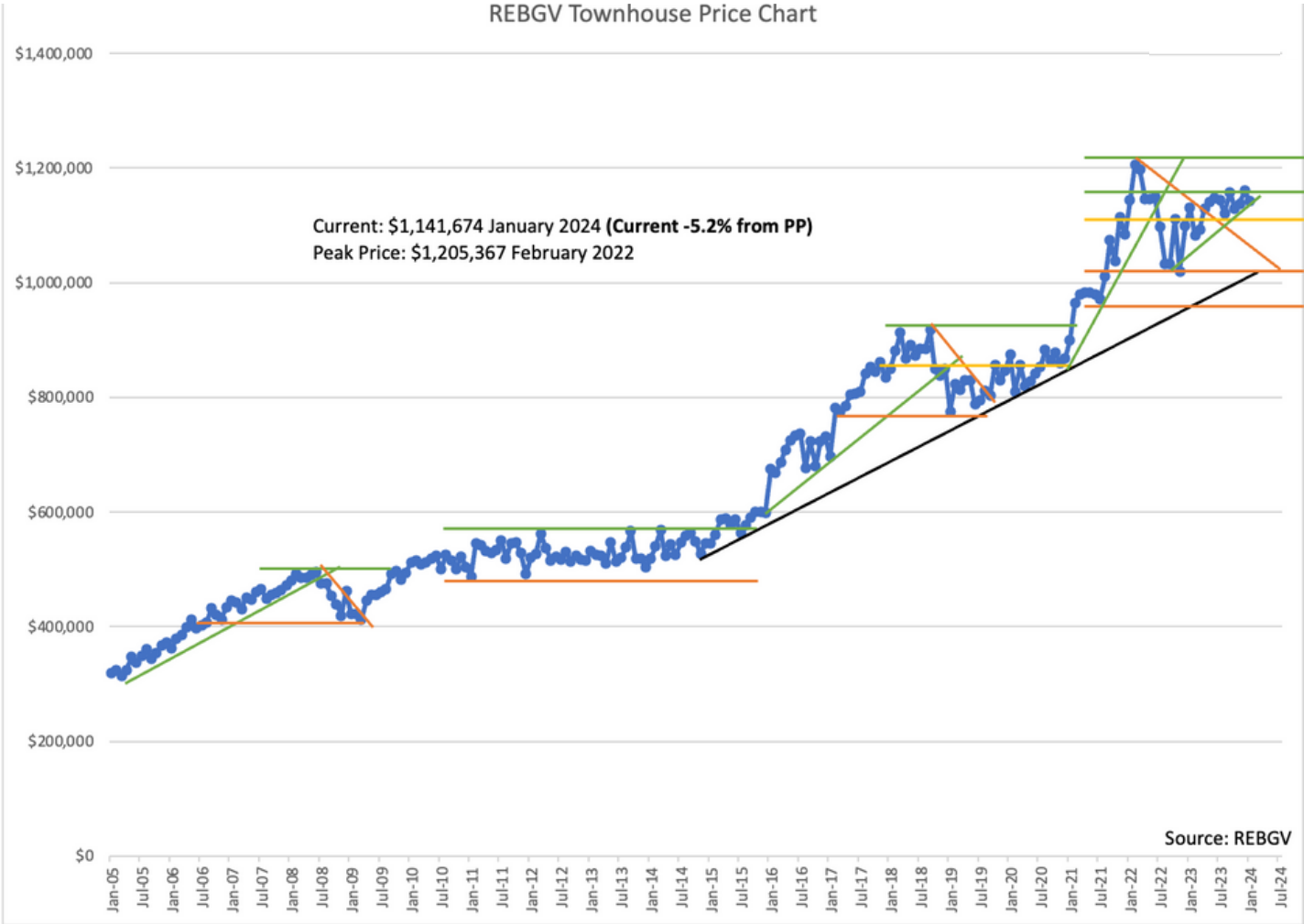
LIST PRICE VS.  
SALES PRICE

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# Detached Price Chart

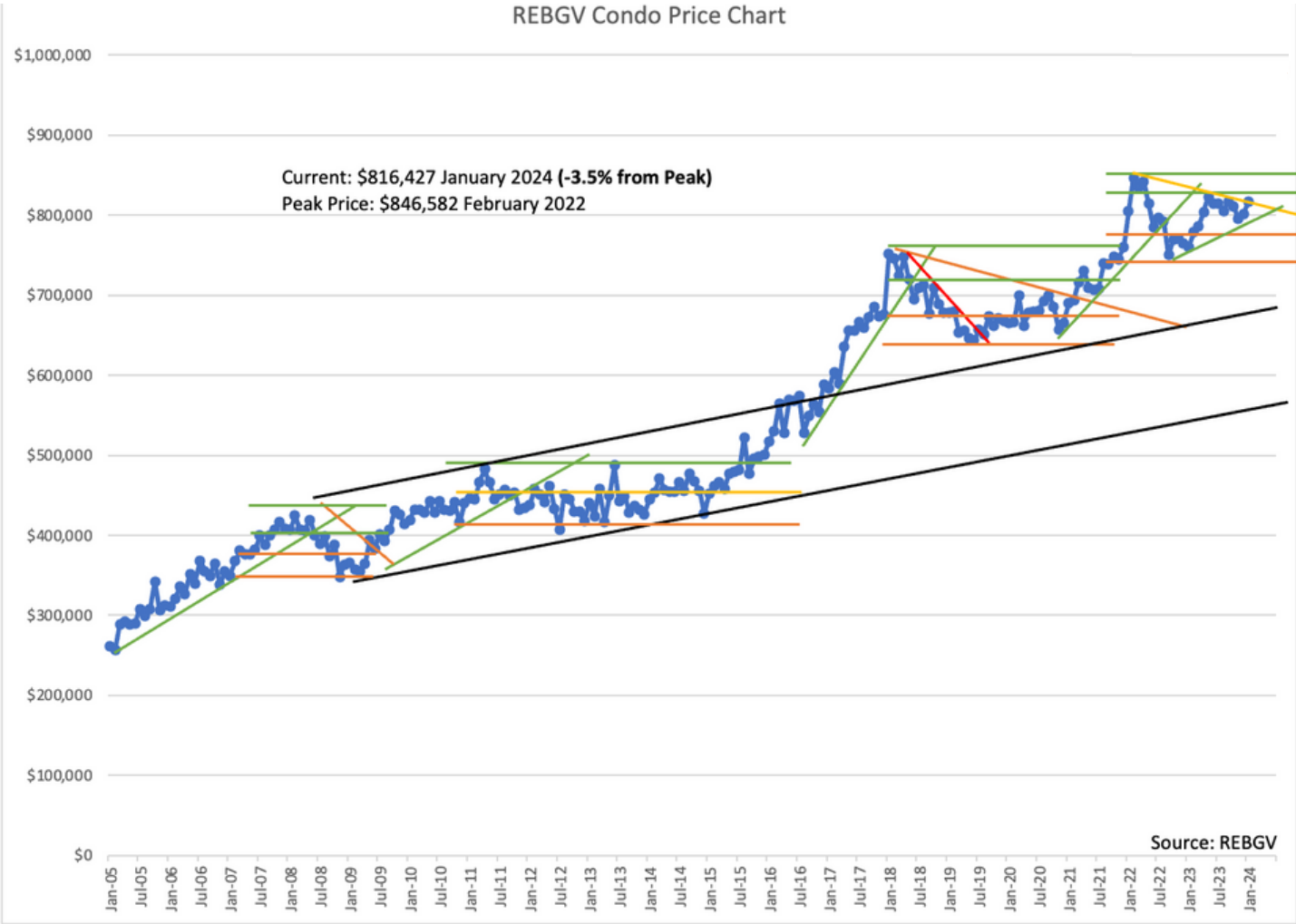


# Townhouse Price Chart



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# Condo Price Chart



# Thinking of buying your first home in 2024? Stop trying to time mortgage rates

On Wednesday, the Bank of Canada issued its first rate announcement of 2024, opting to leave rates unchanged for the fourth time in a row. In the wake of the decision, pundits (including myself) have been dissecting Governor Tiff Macklem's every word and speculating about rate policy going forward.

Will the first rate cut come in April? Or maybe in July? How will U.S. rate policy affect Canadian policy? What about quantitative tightening? What is quantitative tightening? How about the wars – do they affect rates?

The truth is no one knows the future of interest rates – even Mr. Macklem is uncertain about the possibility and timing of rate cuts. For first-time home buyers navigating the uncertainty, it's crucial to acknowledge that a crystal ball for mortgage rates doesn't exist. And getting caught up in the hype and uncertainty surrounding the future of rates is dangerous.

To start, real estate transactions have never been more expensive. Whether you buy or sell a home, expect to pay a realtor's commission of 5 per cent, lawyer's fees, moving costs or even a penalty for breaking your existing mortgage early. You may need to buy furniture for the new home, or at the very least a coat of paint. All these expenses add up. Which is why you should only buy a home if you are planning on owning it for at least five years, but ideally 10 or more.

The Bank of Canada's policies and current mortgage rates should have little influence on this long-term decision. So how can you evaluate the likelihood that you will be able to own a home for the long term? It comes down to a self-evaluation of your personal life and household finances.

There are, of course, no guarantees. But a stable personal life will increase the likelihood that you will live happily in your home for the long term. Questions you should ask yourself include:

- Are you buying on your own? If so, evaluate whether a current relationship might evolve into something more serious and wait to see if it does.
- Are you buying with a partner? Is the relationship stable and long-term? If not, it is a bad idea to buy with a partner.
- Are children on the horizon? What would your housing needs be with an expanding family?

When you buy your first home, aim for a reasonable degree of certainty regarding the people in your life and your housing needs; otherwise you will end up having to sell sooner than you had planned and perhaps in unfavourable market conditions, costing yourself tens or even hundreds of thousands of dollars.

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Household finances and employment should also be on a sound footing when you jump into the housing market for the first time. Job instability is a leading cause of homeowners being forced to sell their properties early and incurring the expenses noted above. You should ask yourself:

- Are you confident that your job is secure? How about your partner – is their income reliable?
- Is there a chance you may want to switch careers or maybe move to another city?
- If you are self-employed, do you have a reasonable degree of certainty as to what your income will be in the years ahead?
- Do you have sufficient savings? After you make the down payment and pay for all the closing and moving costs, will you still have a financial cushion left?

If your career or income is uncertain, it's best to avoid plunging into home ownership. With housing prices this high, being forced to sell could be disastrous for your personal finances.

Buying and selling real estate is costly, which is why it only makes sense as a long-term investment. The right time to buy your first home is when you are ready from a career and personal perspective, not when you think it's an ideal time based on mortgage rates.

Source: The Globe and Mail

# B.C. real estate market to rebound in 2024, BCREA forecasts

Falling rates for fixed mortgages and the potential for interest rate cuts later this year have realtors optimistic for a rebound, according to the British Columbia Real Estate Association (BCREA).

The association says mortgage conditions were tough last year, but its first quarter forecast is calling for an eight per cent jump in unit sales in 2024.

“In 2023, the housing market faced headwinds due to elevated mortgage rates, but the recent decline in fixed mortgage rates and potential Bank of Canada rate cuts present an optimistic outlook for 2024,” said BCREA chief economist Brendon Ogmundson.

As we navigate through 2024, we expect a delicate balance between rising sales and normalizing inventories, which should lead to a relatively quiet year for prices.”

The impact on prices will depend on how inventory changes over the year, the BCREA says.

“While risks to the economy remain, our view is that new listings normalize following a lull in activity last year,” it said. “That normalization of new listing activity should result in a more balanced market this year with relatively stable pricing.”

The board forecasts that, in Greater Vancouver alone, home sales will increase more than nine per cent in 2024. It is also forecasting a further jump of 12 per cent in 2025.

The average sale price for homes across the province was just over \$970,000 in 2023, and the board forecasts this to increase 1.7 per cent, to just under \$988,000. In Greater Vancouver, the average home price was just over \$1.28 million in 2023, and this is expected to increase one per cent to \$1.29 million in 2024.

Source: City News - Vancouver

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ALL STATS ARE PROVIDED BY REAL ESTATE BOARD OF GREATER VANCOUVER