



Boomers and Albertans buy up Vancouver Island properties

Outside buyers come with cash, but drive up rents across the region

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Vancouver Sun

Tuesday, August 07, 2007

Boomers cashing out of higher-priced markets and Albertans flush with oilpatch cash continue to buy up Vancouver Island real estate unabated, according to the Vancouver Island Real Estate Board.

The Vancouver Island regions outside of the Victoria Capital Region saw 619 properties trade hands on the Multiple Listing Service in July, which was just a touch below the 624 sales in June, but still 34 per cent over the number of homes sold in July of last year.

Vancouver Island's average MLS price reached \$332,657, a 10-per-cent increase over the average price of a year ago.

However, compared with Victoria, where the average house price hit \$575,000, and Vancouver, with a so-called benchmark price of \$715,000, outside buyers are often bringing considerable equity with them.

"[Buyers] are still mostly coming from Vancouver, Victoria and Alberta," Jessica Lynch, president of the Vancouver Island Real Estate Board said in an interview. "Alberta has been a driving factor. Definitely [the number of] buyers is increasing from there, more so than from other areas."

Lynch added that there is some speculative investment, but her sense is that most are making pre-retirement purchases.

"Mostly, [buyers] are people really wanting to come and realize, in a few years, the prices aren't going to be as affordable, so they may not be able to do that transition."

Higher prices on Vancouver Island also mean that buyers expect higher rents on homes they intend to rent out until they retire, which is making the affordability of rental housing a bigger issue.

"But it is a [a big issue] everywhere [in B.C.]," Lynch added.

Activity was up in all areas of the Vancouver Island board's region, with the Cowichan Valley showing the biggest price growth, with values up 15 per cent over the last 12 months and an average price of \$356,142.

Parksville-Qualicum had the highest average price of \$364,390, up six per cent from the same month a year ago.

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ISLAND HOPPING

Baby boomers who have earned equity in B.C. and Alberta's larger markets continue to discover Vancouver Island in a big way, driving large market gains over last year's figures for July:

Unit Average

July 2007 sales price

Campbell River 74 (+61%) \$325,642 (+11%)

Comox Valley 102 (+26%) \$329,542 (+9%)

Cowichan Valley 109 (+36%) \$356,142 (+15%)

Nanaimo 185 (+31%) \$351,662 (+10%)

Parksville-Qualicum 72 (+24%) \$364,390 (+6%)

Port Alberni-West Coast 50 (+28%) \$218,251 (+8%)

Total 619 (+34%) \$332,657 (+10%)

Source: Vancouver Island Real Estate Board

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