

# MEDIA RELEASE

FEBRUARY 1, 2022

## NEW YEAR BRINGS SMALL INVENTORY BUMP

**NANAIMO, BC** - The new year brought a small inventory bump, but demand is still far outpacing supply in the Vancouver Island Real Estate Board (VIREB) area.

Active listings of single-family homes were 39 per cent lower last month than the previous January but rose by 15 per cent from December 2021. VIREB's inventory of condo apartments declined by 49 per cent from one year ago but increased by 61 per cent from the previous month. Row/townhouse inventory dropped by 31 per cent year over year but was 18 per cent higher than in December.

By category, 220 single-family homes sold on the MLS® System in January, a 22 per cent decrease from one year ago. There were 91 condo apartment sales last month compared to 87 one year ago and 75 the previous month. In the row/townhouse category, 61 units sold in January compared to 77 one year ago and 50 in December 2021.

In its recent *Market Intelligence Report*, the British Columbia Real Estate Association (BCREA) states that with markets so out-of-balance, it will take a substantial decline in demand to return active listings to a healthy state. Further, the Bank of Canada is signalling that it will begin raising its policy rate or "tightening" monetary policy this year in response to elevated Canadian inflation.

Historically, the Bank of Canada's tightening has led to falling home sales and flattening home prices. BCREA's model simulations show that the most likely outcome of this round of Bank of Canada tightening will be home sales falling to near their historical averages and for home price growth to moderate. However, any tightening is unlikely to result in significant price decreases because of severely low supply.

Erica Kavanaugh, 2022 VIREB President, echoes the real estate sector's repeated calls for new measures to increase housing stock.

"Unless demand drops significantly or more inventory comes online through new construction, VIREB's inventory situation likely won't improve," says Kavanaugh. "The issue of supply isn't a new one in British Columbia, but the lack of inventory we're experiencing has been compounded by the pandemic and decades of insufficient planning."

The board-wide benchmark price of a single-family home reached \$804,500 in January, up 36 per cent year over year. In the apartment category, the benchmark price hit \$409,100 last month, a 29 per cent increase from January 2021. The benchmark price of a townhouse increased by 35 per cent, climbing to \$620,400 in January.

In Campbell River, the benchmark price of a single-family home hit \$682,800 in January, up by 29 per cent from the previous year. In the Comox Valley, the year-over-year benchmark price rose by 32 per cent to \$814,500. The Cowichan Valley reported a benchmark price of \$782,900, an increase of 29 per cent from January 2021. Nanaimo's benchmark price rose by 36 per cent, reaching \$822,600, while the Parksville-Qualicum area saw its benchmark price increase by 40 per cent to \$952,900. The cost of a benchmark single-family home in Port Alberni reached \$553,900, a 52 per cent year-over-year increase. The benchmark price of a single-family home for the North Island rose by 52 per cent to \$434,400.

**Please note: The Vancouver Island Real Estate Board (VIREB) transitioned to a new MLS® System in July 2020 and now uses a significantly different data model, which has affected our categories and terminology. For the board-supplied graphs, single-family is now referred to as single-family detached, apartment as condo apartment, and townhouse as row/townhouse, which now includes patio homes. However, when reporting HPI numbers, VIREB still refers to single-family, apartment, and townhouse in the media release.**

## ABOUT VIREB

VIREB represents over 1,000 REALTORS® in nearly 90 member offices on Vancouver Island, from the Malahat in the south to the northern tip.

VIREB cautions that average price information can be useful in establishing trends over time but does not indicate the actual prices in centres comprised of widely divergent neighbourhoods or account for price differential between geographic areas.

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Visit our website for updated information at [www.vireb.com](http://www.vireb.com).

**HPI Note:** Areas with insufficient data do not generate statistics and are not included in the HPI graphs.

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