

MEDIA RELEASE

JUNE 3, 2022

MARKET SHIFTING AMIDST LIGHTER DEMAND AND MORE INVENTORY

NANAIMO, BC - The Vancouver Island Real Estate Board (VIREB) housing market appears to be shifting amidst lighter demand and increased inventory.

Last month, active listings of single-family homes (not acreage or waterfront) climbed by 64 percent from May 2021 and 34 percent from April of this year. VIREB's inventory of condo apartments in May was 28 per cent higher than one year ago and increased by 32 per cent from April. Row/townhouse inventory rose by 49 per cent year over year and 12 per cent from April.

The increased inventory is good news for buyers, giving them more options to choose from and easing the pressure to move too quickly when making an offer. However, the market still favours sellers, and balanced conditions seem to be some distance away. According to the British Columbia Real Estate Association (BCREA), it will take a substantial decline in demand to return active listings on Vancouver Island to a healthy state.

By category, 455 single-family homes were reported sold on the MLS® System in May, a 14 per cent decrease from one year ago and down by 10 per cent from April. There were 92 condo apartment sales last month, a decline of 38 per cent year over year and down by 19 per cent from April. In the row/townhouse category, 103 units changed hands in May, up 10 per cent from one year ago and seven per cent from April 2022.

As for prices, they continue to rise throughout the VIREB area. The board-wide benchmark price of a single-family home reached \$867,000 in May, up 30 per cent year over year. In the apartment category, the benchmark price hit \$451,900 last month, a 36 per cent increase from May 2021. The benchmark price of a townhouse increased by 30 per cent, climbing to \$618,900 in May. (Please note that the MLS® HPI methodology was updated this month; a complete explanation is provided on page 3).

In Campbell River, the benchmark price of a single-family home hit \$776,200 in May, up by 29 per cent from the previous year. In the Comox Valley, the year-over-year benchmark price rose by 25 per cent to \$910,900. The Cowichan Valley reported a benchmark price of \$886,300, an increase of 35 per cent from May 2021. Nanaimo's benchmark price rose by 29 per cent, reaching \$901,400, while the Parksville-Qualicum area saw its benchmark price increase by 30 per cent to \$1,002,700. The cost of a benchmark single-family home in Port Alberni reached \$617,400, a 43 per cent year-over-year increase. For the North Island, the benchmark price of a single-family home rose by 36 per cent to \$456,200.

Looking to the future, VIREB cautiously aligns with the BC Financial Services Authority (BCFSA) regarding its recently released report recommending a package of measures intended to enhance consumer protections in British Columbia's real estate sector.

"Consumer protection is of utmost importance to REALTORS®, and the proposed five-day pre-offer period is one of the suggested measures introduced in BCREA's white paper, *A Better Way Home*," says Erica Kavanaugh, 2022 VIREB President. "However, the success of the proposed measures hinges on the next steps taken by BCFSA and the provincial government."

Kavanaugh adds that more time, research, and consultation with all parties involved in the real estate transaction process - including REALTORS® - are needed to ensure the nuances of such substantial changes are carefully considered, and unintended consequences on consumers are avoided.

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.

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

Visit our website for updated information at www.vireb.com.

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

CONTACTS

Erica Kavanaugh, President: 250.248.4321

Kelly O'Dwyer, President-Elect: 833.817.6506

Ian Mackay, Past President: 250.248.4321

For localized commentary, please contact:

Campbell River

Joanne Millar: 250.286.3293

Comox Valley

Sue Russell: 250.334.9900

Cowichan Valley

Susan Perrey: 250.245.2252

Nanaimo

Deana Baumel: 250.751.1223

Kelly O'Dwyer: 833.817.6506

Parksville-Qualicum

Erica Kavanaugh: 250.248.4321

Port Alberni-West Coast

Judy Gray: 250.726.2228

Directors-at-Large

Janet Scotland: 833.817.6506

David Procter: 250.339.2021

Ian Mackay: 250.248.4321

MLS® HPI Media Contact

Communications Department

Vancouver Island Real Estate Board

communications@vireb.com

250.390.4212



ANNUAL HPI REVIEW IMPLEMENTED IN JUNE 2022 PLUS METHODOLOGY CHANGE

An annual review by the Canadian Real Estate Association (CREA) and Groupe Altus, the company that developed the MLS® Home Price Index (HPI), was implemented on June 1, 2022. This year's review also included a methodology update. (Click [here](#) for a video explanation by CREA covering the methodology changes.)

For example, HPI coverage may now extend to areas within markets where sales volumes were previously too low but have picked up enough to support benchmark price tracking. On the other hand, HPI coverage may have been discontinued for areas where sales have become too sparse to support benchmark price calculations.

To ensure HPI coverage is consistent and comparable, historical aggregate and composite data may have been recalculated based on revised and uniform coverage. As a result, historical benchmark prices reported in this statistics package may differ from those distributed previously.

Adjustments

- The addition of some new benchmark homes where sales meet the HPI model's threshold and the retirement of others where sales have fallen below the threshold.
- The adjustment of the attributes of some existing benchmark homes to correspond with changing trends in what is "typical" for that benchmark home in its area.

Methodology Update

Combined with this year's review are changes in the methodology used to calculate benchmark attributes and prices.

- Instead of using 2005 as the base comparison value, the new model only uses housing attributes from the last five years (to be advanced by one year with each annual review).
- To ensure accurate historical comparisons, when a particular benchmark home's attributes are adjusted, the model will recalculate all its previously published benchmark prices based on the new set of attributes.