

# MEDIA RELEASE

**JULY 4, 2022**

## **RISE IN INVENTORY A HOPEFUL SIGN FOR BUYERS**

**NANAIMO, BC** - Inventory in the Vancouver Island Real Estate Board (VIREB) area rose significantly last month, with listings of single-family homes more than doubling from June 2021. At the same time, sales dipped across the board area in most markets.

Last month, active listings of single-family homes (not acreage or waterfront) climbed by 107 per cent from June 2021 and 23 per cent from May 2022, reaching 1,204. VIREB's inventory of condo apartments was 295 in June, 43 per cent higher than one year ago and up by 28 per cent from May. There were 222 row/townhouses for sale in June, a 60 per cent year-over-year increase and up by 32 per cent from May.

The additional inventory is a positive development for buyers, providing more options and easing the pressure to move too quickly when making an offer. Higher interest rates are causing some buyers to put the brakes on purchasing a home, and REALTORS® are seeing price reductions in the higher end of the market. However, it is too early to speculate whether VIREB's housing market is moving towards a buyers' or balanced market.

"While we're happy to see more listings coming onto the system, that doesn't change the conversations we're having with stakeholders regarding supply," says Erica Kavanaugh, 2022 VIREB President.

"Vancouver Island has had historically low inventory for many months now, so unless demand drops significantly, it will take a lot of new housing stock to create a balanced market."

Kavanaugh adds that if consumers are struggling with timing around whether to buy or sell in the current market, the advice of a local REALTOR® can be beneficial. REALTORS® have specialized knowledge of their communities and are equipped with sales tools, such as custom analytics, to help you develop a winning strategy for buying or selling a home.

By category, there were 408 single-family-home sales in June, a 23 per cent decrease from one year ago and down by 10 per cent from May. There were 82 condo apartment sales last month, a decline of 37 per cent year over year and down by 11 per cent from May. In the row/townhouse category, 68 units changed hands in June, down 11 per cent from one year ago and 34 per cent from May 2022.

Notwithstanding higher inventory and lower sales, prices continue to rise throughout the VIREB area. The board-wide benchmark price of a single-family home reached \$865,600 in June, up 26 per cent year over year. In the apartment category, the benchmark price hit \$452,600 last month, a 32 per cent increase from June 2021. The benchmark price of a townhouse increased by 25 per cent, climbing to \$618,900 in June. (Please note that the MLS® HPI methodology was updated in June; a complete explanation is provided on page 3).

In Campbell River, the benchmark price of a single-family home hit \$761,800 in June, up by 24 per cent from the previous year. In the Comox Valley, the year-over-year benchmark price rose by 22 per cent to \$911,700. The Cowichan Valley reported a benchmark price of \$884,400, an increase of 31 per cent from June 2021. Nanaimo's benchmark price rose by 26 per cent, reaching \$906,300, while the Parksville-Qualicum area saw its benchmark price increase by 24 per cent to \$988,100. The cost of a benchmark single-family home in Port Alberni reached \$624,700, up 36 per cent from the previous year. For the North Island, the benchmark price of a single-family home rose by 34 per cent to \$478,000. Some regions in the VIREB area saw small month-over-month price reductions in June, including Campbell River, the Cowichan Valley, and Parksville-Qualicum.

**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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# 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.