

MEDIA RELEASE

AUGUST 3, 2021

SLIGHT COOLING LIKELY DUE TO HISTORICALLY LOW INVENTORY

NANAIMO, BC - Last month, the Vancouver Island Real Estate Board (VIREB) saw sales of 450 single-family detached properties compared to 531 in June, a decrease of 15 per cent. In the condo apartment category, sales dropped by seven per cent from June 2021. However, row/townhouse sales rose by 29 per cent from the previous month.

Inventory remains extremely tight in the VIREB area, tracking at a 21-year historical low. Active listings of single-family homes and row/townhouses dropped by 51 per cent from July 2020. In the condo apartment category, inventory decreased by 60 per cent from one year ago. Based on the demand VIREB is seeing, there is no doubt that sales would be higher if there were sufficient inventory.

The British Columbia Real Estate Association (BCREA) forecasts that market conditions may begin to even out somewhat by the end of the year. However, it would take approximately 2,500 new listings in the VIREB area to create an actual balanced market if activity continues at this pace.

VIREB president Ian Mackay reiterates what VIREB and other real estate boards have been saying for several months.

“Unless demand drops significantly or more housing supply comes online through new construction, the needle for VIREB’s inventory situation will not move by much,” states Mackay. “BCREA, VIREB, and other real estate boards continue advocating with policymakers at the provincial and regional levels to speed up the development process so that municipalities can expand supply more quickly to meet demand.”

Mackay adds that building more homes is not a quick solution, but VIREB believes it is the only one that will address the lack of affordable housing.

VIREB’s heated housing market continues to impact prices, which continue to increase throughout the board area. The board-wide benchmark price of a single-family home reached \$732,700 in July, up 33 per cent year over year and three per cent from June. In the apartment category, the benchmark price was four per cent higher than the previous month and 24 per cent higher year over year, reaching \$380,700. The benchmark price of a townhouse rose by 32 per cent year over year and by three per cent from June, climbing to \$564,400.

In Campbell River, the benchmark price of a single-family home hit \$639,100 in July, up by 33 per cent from the previous year. In the Comox Valley, the year-over-year benchmark price rose by 30 per cent to \$765,200. The Cowichan Valley reported a benchmark price of \$723,800, an increase of 32 per cent from July 2020. Nanaimo’s benchmark price rose by 31 per cent, hitting \$739,000, while the Parksville-Qualicum area saw its benchmark price increase by 34 per cent to \$850,100. The cost of a benchmark single-family home in Port Alberni reached \$488,100, a 47 per cent year-over-year increase. The benchmark price for the North Island also rose by 47 per cent, hitting \$384,200 in July.

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

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