

MEDIA RELEASE

AUGUST 2, 2022

JULY BRINGS MORE OPTIONS FOR BUYERS

NANAIMO, BC - Due to a significant increase in inventory, July brought more options for buyers in the Vancouver Island Real Estate Board (VIREB) area.

Last month, active listings of single-family homes (not acreage or waterfront) climbed by 142 per cent from July 2021 and 15 per cent from June 2022, reaching 1,387. VIREB's inventory of condo apartments hit 336 in July, 91 per cent higher than one year ago and up by 14 per cent from June. There were 267 row/townhouses for sale in July, a 107 per cent year-over-year increase and up by 20 per cent from June.

The additional inventory gives buyers more choices and mitigates the need to move too quickly when making an offer. Kelly O'Dwyer, 2022 VIREB President-Elect, notes that while sales have slowed, the tempo is more reminiscent of a typical summer market, but one the board has not seen in several years.

"While higher interest rates are certainly impacting the market, some buyers are postponing their home purchase and planning to revisit the process in the fall," says O'Dwyer. "The pandemic threw a wrench into the real estate market, but what we're experiencing now feels more like a typical summer."

O'Dwyer also notes that REALTORS® are seeing price reductions on higher-priced properties, and multiple offers have decreased. Sellers may have to adjust their price expectations now that the market has shifted, although it is too early to say how long these conditions will persist.

By category, there were 297 single-family-home sales in July, a 34 per cent decrease from one year ago and down by 27 per cent from June. There were 75 condo apartment sales last month, a decline of 37 per cent year over year and down by nine per cent from June. In the row/townhouse category, 51 units changed hands in July, down 49 per cent from one year ago and 25 per cent from June 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 \$856,700 in July, up 22 per cent from one year ago. In the apartment category, the benchmark price hit \$450,200 last month, a 26 per cent increase from July 2021. The benchmark price of a townhouse increased by 23 per cent, climbing to \$624,700 in June. However, the benchmark price for the overall board area dipped by one per cent from June to July.

In Campbell River, the benchmark price of a single-family home hit \$755,800 in July, up by 21 per cent from the previous year. In the Comox Valley, the year-over-year benchmark price rose by 21 per cent to \$914,100. The Cowichan Valley reported a benchmark price of \$879,300, an increase of 24 per cent from July 2021. Nanaimo's benchmark price rose by 21 per cent, reaching \$883,400, while the Parksville-Qualicum area saw its benchmark price increase by 20 per cent to \$982,000. The cost of a benchmark single-family home in Port Alberni reached \$611,800, up 27 per cent from the previous year. For the North Island, the benchmark price of a single-family home rose by 29 per cent to \$478,300. Excluding the Comox Valley and North Island, all zones in the VIREB area saw small month-over-month price reductions from June to July.

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 your home.

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: 250.741.6615

Parksville-Qualicum

Erica Kavanaugh: 250.248.4321

Port Alberni-West Coast

Judy Gray: 250.726.2228

Directors-at-Large

Janet Scotland: 250.287.6985

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.