

MEDIA RELEASE

JUNE 1, 2021

MARKET CALMS SLIGHTLY IN MAY BUT CONTINUES TO SIZZLE

NANAIMO, BC – The Vancouver Island Real Estate Board (VIREB) reports that the housing market calmed slightly in May but is still the strongest experienced since 2016.

May saw sales of 534 single-family detached properties compared to 590 in April, a dip of nine per cent. In the condo apartment category, 150 units sold last month versus 133 in April, up by 13 per cent. In the townhouse market, sales dropped by 11 per cent, with 94 units selling in May compared to 106 the previous month. (Since the pandemic began at this time last year, and the economic lockdown significantly slowed down the housing market – at least initially – our usual year-over-year sales comparisons are not particularly helpful right now.)

Slight upticks in active listings are opening up a few more opportunities for buyers, but inventory on Vancouver Island is still historically tight. Active listings of single-family homes rose by nine per cent month over month while townhouse inventory increased by five per cent. In the condo apartment category, however, active listings dropped by 10 per cent from April.

The British Columbia Real Estate Association (BCREA) reports that it would take approximately 2,500 new listings in the VIREB area to create a balanced housing market under current conditions. Sellers remain firmly in the driver's seat, and many buyers face fierce competition in their home search. Multiple offers are the norm rather than the exception, and many homes are selling over the asking price.

"Listings are up a little in certain markets, which is certainly good news for buyers," says 2021 VIREB president Ian Mackay. "However, unless demand drops significantly or more housing supply comes online through new construction, we don't see the inventory situation improving much."

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.

VIREB's heated housing market continues to impact prices, which are rising throughout the board area. The benchmark price of a single-family home hit \$692,600 last month, up by five per cent from April and 27 per cent higher than in May 2020. The benchmark price of an apartment reached \$355,000, a year-over-year increase of 16 per cent and three per cent higher than in April. The benchmark price of a townhouse rose by 29 per cent year over year and by four per cent from April, climbing to \$527,200.

In Campbell River, the benchmark price of a single-family home hit \$614,400 in May, up by 30 per cent from the previous year. In the Comox Valley, the year-over-year benchmark price rose by 29 per cent to \$735,200. The Cowichan Valley reported a benchmark price of \$671,600, an increase of 26 per cent from May 2020. Nanaimo's benchmark price rose by 26 per cent, hitting \$710,500, while the Parksville-Qualicum area saw its benchmark price increase by 25 per cent to \$797,700. The cost of a benchmark single-family home in Port Alberni reached \$442,700, a 30 per cent year-over-year increase. For the North Island, the benchmark price rose to \$347,800, a 34 per cent increase over last year.

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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