

MEDIA RELEASE

JULY 2, 2021

JUNE MARKET COOLS SLIGHTLY BUT HIGH DEMAND CONTINUES

NANAIMO, BC – The blistering heat that finally gave way to slightly cooler temperatures mirrors what is happening in our housing market, as scorching real estate activity continued its cooling trend in June.

Last month, the Vancouver Island Real Estate Board (VIREB) saw sales of 533 single-family detached properties compared to 531 the previous month and 473 in June 2020. In the condo apartment category, sales dropped by 10 per cent from May 2021 (150 to 134). Row/townhouse sales decreased by 18 per cent from May and were 15 per cent lower than in June 2020. Sales in the VIREB area are tracking at around 400 units more than at this time in 2016, which was our strongest market historically.

Inventory is rising slightly, which opens up a few more opportunities for buyers, but it is still historically tight on Vancouver Island. Although active listings of single-family homes dropped by two per cent from May, condo apartment and row/townhouse inventory rose by 16 and 23 per cent, respectively.

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.

“More inventory is certainly good news for buyers, even if the increases are slight,” says 2021 VIREB president Ian Mackay. “We’re also relieved to see a few more conditional offers again, which means the frenzied fear-of-missing-out mentality is tempering a bit.”

That said, Mackay reiterates that 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. 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 board-wide benchmark price of a single-family home broke the \$700,000 mark in June, rising to \$714,700, up 31 per cent year over year and three per cent from May. In the apartment category, the benchmark price was three per cent higher than in May and 21 per cent higher year over year. The benchmark price of a townhouse rose by 34 per cent year over year and by four per cent from May, climbing to \$549,300.

In Campbell River, the benchmark price of a single-family home hit \$627,600 in June, up by 29 per cent from the previous year. In the Comox Valley, the year-over-year benchmark price rose by 30 per cent to \$756,400. The Cowichan Valley reported a benchmark price of \$693,200, an increase of 29 per cent from June 2021. Nanaimo’s benchmark price rose by 31 per cent, hitting \$728,200, while the Parksville-Qualicum area saw its benchmark price increase by 30 per cent to \$824,000. The cost of a benchmark single-family home in Port Alberni reached \$468,100, a 41 per cent year-over-year increase. The benchmark price for the North Island also rose by 41 per cent, hitting \$372,600 in June.

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

Ian Mackay, President: 250.248.4321

Erica Kavanaugh, President-Elect: 250.248.4321

Kevin Reid, Past President: 250.334.3124

Darrell Paysen, Manager, Member Services: 250.390.4212

For localized commentary, please contact:

Campbell River

Ashley Stawski: 250.286.1187

Comox Valley

Kevin Reid: 250.334.3124

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: 250.923.2111

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

