

MEDIA RELEASE

Please note: The Vancouver Island Real Estate Board (VIREB) transitioned to a new MLS® System on July 28 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. Further, a new sub-category called Malahat and Area has been added to some of our HPI graphs.

AUGUST 21, 2020

COVID-19 RECOVERY CONTINUES IN JULY

NANAIMO, BC - VIREB's housing market continues to recover from the COVID-19 downturn seen in April and part of May.

Last month, 615 single-family detached properties (excluding acreage and waterfront) sold on the MLS® System compared to 474 in June 2020 and 460 in July 2019. Sales of condo apartments rose by 18 per cent year over year while row/townhouse sales increased by seven per cent.

The benchmark price of a single-family home board-wide was \$545,700 in July, an increase of six per cent from the previous year and two per cent higher than in June. (Benchmark pricing tracks the value of a typical home in the reported area.) In the apartment category, the year-over-year benchmark price rose by four per cent, hitting \$312,800 and up marginally from June. The benchmark price of a townhouse in July rose by four per cent year over year, climbing to \$425,800 and up by around one per cent from June.

For the Malahat and area, the benchmark price of a single-family home last month was \$612,800, a seven per cent increase from last July. In Campbell River, the benchmark price hit \$456,000, up five per cent over last year. In the Comox Valley, the benchmark price reached \$557,500, up by eight per cent from one year ago. Duncan reported a benchmark price of \$500,200, an increase of six per cent from July 2019. Nanaimo's benchmark price rose by seven per cent to \$593,600 in July, while the Parksville-Qualicum area saw its benchmark price increase by two per cent to \$604,900. The cost of a benchmark single-family home in Port Alberni reached \$342,700 in July, a seven per cent increase from one year ago. For the North Island, the benchmark price was \$231,600, a 13 per cent increase over last year.

"Our housing market has apparently rebounded from the COVID-19 dip we witnessed in April," says VIREB president Kevin Reid. "We believe that the recovery is being fueled by low interest rates and supply shortages, and we're cautiously optimistic that the turnaround will last."

Reid does wonder what will happen when the Canada Emergency Response Benefit (CERB) ends. However, since most layoffs thus far have affected younger individuals who would not have been entering the housing market, there may be no significant downturn when CERB ceases.

"An interesting development we're noting is that there seems to be more demand for single-family homes and less interest in condominiums and townhouses at the moment," adds Reid. "It makes us wonder whether quarantine and lockdown have instilled a desire for more space among buyers."

On the provincial front, the British Columbia Real Estate Association reports that sales in B.C. are surging to pre-COVID-19 levels in most markets. Although listings activity has normalized along with sales, active listings are still down close to 20 per cent year over year. As a result, many markets are seeing upward pressure on prices.

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.

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

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