

Competition among buyers in Metro Vancouver's housing market heats up as summer arrives

While the year started slower than usual, Metro Vancouver's housing market is heating up, with prices increasing for the sixth consecutive month.

VANCOUVER, BC, CANADA, June 2, 2023 /EINPresswire.com/ -- While the year started slower than usual, Metro Vancouver's(1) housing market is showing signs of heating up as summer arrives, with prices increasing for the sixth consecutive month.



[The Real Estate Board of Greater Vancouver \(REBGV\) reports](#) that residential home sales in the region totalled 3,411(2) in May 2023, which is a 15.7 per cent increase from the 2,947 sales recorded in May 2022, and a 1.4 per cent decline from the 10-year seasonal average (3,458).

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Andrew Lis

“Back in January, few people would have predicted prices to be up as much as they are – ourselves included,” Andrew Lis, REBGV's director of economics and data analytics said. “Our forecast projected prices to be up modestly in 2023 by about two per cent at year-end. Instead, Metro Vancouver home prices are already up about six per cent or more across all home types at the midway point of the year.”

There were 5,661 detached, attached and apartment properties newly listed for sale on the Multiple Listing Service® (MLS®) in Metro Vancouver in May 2023. This

represents an 11.5 per cent decrease compared to the 6,397 homes listed in May 2022, and was 4.3 per cent below the 10-year seasonal average (5,917).

The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 9,293, a 10.5 per cent decrease compared to May 2022 (10,382), and 20.6 per cent below the 10-year seasonal average (11,705).

Across all detached, attached and apartment property types, the sales-to-active listings ratio for May 2023 is 38.4 per cent. By property type, the ratio is 28.5 per cent for detached homes, 45 per cent for townhomes, and 45.5 per cent for apartments.

Analysis of the historical data suggests downward pressure on home prices occurs when the ratio dips below 12 per cent for a sustained period, while home prices often experience upward pressure when it surpasses 20 per cent over several months.

“You don’t have to squint to see the reason prices continue to increase. The fundamental issue remains that there are more buyers relative to the number of willing sellers in the market. This is keeping the amount of resale homes available in short supply,” Lis said. “And in a surprising twist, MLS® sales in May snapped back closer to historical averages than we’ve seen in the recent past, despite mortgage rates being where they are now, and new listing activity having been slower than usual this spring. If mortgage rates weren’t holding back market activity so much right now, I think our market would look a lot like the heydays of 2021/22, or even 2016/17.”

The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently \$1,188,000(3). This represents a 5.6 per cent decrease over May 2022 and a 1.3 per cent increase compared to April 2023.

Sales of detached homes in May 2023 reached 1,043, a 30.7 per cent increase from the 798 detached sales recorded in May 2022. The benchmark price for a detached home is \$1,953,600. This represents a 6.7 per cent decrease from May 2022 and a 1.8 per cent increase compared to April 2023.

Sales of apartment homes reached 1,730 in May 2023, a 7.9 per cent increase compared to the 1,604 sales in May 2022. The benchmark price of an apartment home is \$760,800. This represents a two per cent decrease from May 2022 and a 1.1 per cent increase compared to April 2023.

Attached home sales in May 2023 totalled 608, a 16.7 per cent increase compared to the 521 sales in May 2022. The benchmark price of an attached home is \$1,083,000. This represents a 4.7 per cent decrease from May 2022 and a 0.2 per cent increase compared to April 2023.

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1. Areas covered by the Real Estate Board of Greater Vancouver include: Bowen Island, Burnaby, Coquitlam, Maple Ridge, New Westminister, North Vancouver, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, South Delta, Squamish, Sunshine Coast, Vancouver, West Vancouver, and

Whistler.

2. REBGV is now including multifamily and land sales and listings in this monthly report. Previously, we only included detached, attached, and apartment sales, and these additional categories, which typically account for less than one to two per cent of total MLS® activity per month, are being included for completeness in our reporting.

3. The national MLS® Home Price Index (MLS® HPI) operations group underwent an annual review of the model in May in-line with statistical best practices. The attributes and neighbourhoods within the model were updated based on sales data to more accurately reflect current market conditions. To ensure the MLS® HPI coverage is consistent and comparable, historical aggregate and composite data has been recalculated.

The Real Estate Board of Greater Vancouver is an association representing more than 15,000 REALTORS® and their companies. The Board provides a variety of member services, including the Multiple Listing Service®. For more information on real estate, statistics, and buying or selling a home, contact a local REALTOR® or visit www.rebgv.org

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