



Home sale and listing activity in Metro Vancouver moves off of its record-breaking pace

June 02, 2021

Credit: Real Estate Board of Greater Vancouver

The Metro Vancouver* housing market saw steady home sale and listing activity in May, a shift back from the record-breaking activity seen in the earlier spring months.

The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region totalled 4,268 in May 2021, a 187.4 per cent increase from the 1,485 sales recorded in May 2020, and a 13 per cent decrease from the 4,908 homes sold in April 2021.

Last month's sales were 27.7 per cent above the 10-year May sales average.

"While home sale and listing activity remained above our long-term averages in May, conditions moved back from the record-setting pace experienced throughout Metro Vancouver in March and April of this year," Keith Stewart, REBGV economist said. "With a little less intensity in the market today than we saw earlier in the spring, home sellers need to ensure they're working with their REALTOR® to price their homes based on current market conditions."

There were 7,125 detached, attached and apartment properties newly listed for sale on the Multiple Listing Service® (MLS®) in Metro Vancouver in May 2021. This represents a 93.4 per cent increase compared to the 3,684 homes listed in May 2020 and a 10.2 per cent decrease compared to April 2021 when 7,938 homes were listed.

The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 10,970, a 10.5 per cent increase compared to May 2020 (9,927) and a 7.1 per cent increase compared to April 2021 (10,245).

"With sales easing down from record peaks, a revised mortgage stress test that reduces the maximum borrowing amounts by approximately 4.5 per cent, and the average five-year fixed mortgage rate climbing back over two per cent since the beginning of 2021, we'll pay close attention to these factors leading into the summer to understand what affect they'll have on the current market cycle," Stewart said.

For all property types, the sales-to-active listings ratio for May 2021 is 38.9 per cent. By property type, the ratio is 29.8 per cent for detached homes, 53.8 per cent for townhomes, and 43.5 per cent for apartments.

Generally, analysts say 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.

"The seller's market conditions experienced throughout much of the pandemic highlight the need for increasing the volume and variety of housing supply across our region," Stewart said. "Doing this requires a more disciplined focus on planning, reducing building costs, understanding demographic changes, and expediting the building approval process."

The MLS® Home Price Index¹ composite benchmark price for all residential properties in Metro Vancouver is currently \$1,172,800. This represents a 14 per cent increase over May 2020 and a 1.5 per cent increase compared to April 2021.

Sales of detached homes in May 2021 reached 1,430, a 166 per cent increase from the 537 detached sales recorded in May 2020. The benchmark price for a detached home is \$1,800,600. This represents a 22.8 per cent increase from May 2020 and a 1.7 per cent increase compared to April 2021.

Sales of apartment homes reached 2,049 in May 2021, a 213 per cent increase compared to the 653 sales in May 2020. The benchmark price of an apartment home is \$737,100. This represents a 7.9 per cent increase from May 2020 and a 1.2 per cent increase compared to April 2021.

Attached home sales in May 2021 totalled 800, a 168 per cent increase compared to the 298 sales in May 2020. The benchmark price of an attached home is \$936,300. This represents a 16.3 per cent increase from May 2020 and a 1.8 per cent increase compared to April 2021.

*Editor's Note: Areas covered by the Real Estate Board of Greater Vancouver include: Burnaby, Coquitlam, Maple Ridge, New Westminster, North Vancouver, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, South Delta, Squamish, Sunshine Coast, Vancouver, West Vancouver, and Whistler.