

Metro Vancouver: Record sales year, but supply at an all-time low

By Daren King

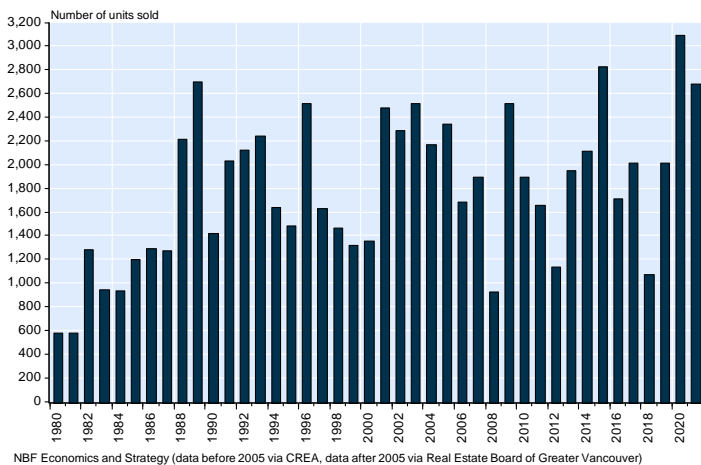
The Real Estate Board of Greater Vancouver (REBGV) has just published figures for the resale market in December and home sales were down 13.1% over 12 months compared to the same period last year (chart 1). For 2021 as a whole, sales were up 42.2% and marked their highest level on record, surpassing the all-time high set in 2015 before macro-prudential measures were put in place to slow the real estate market (chart 2).

According to our estimates, seasonally adjusted sales were down 4.9% from November to December (chart 3). On the supply side, the number of properties listed for sale is now at its lowest level ever recorded. Indeed, inventory dropped 6.9% between November and December, a seventh monthly pullback in a row.

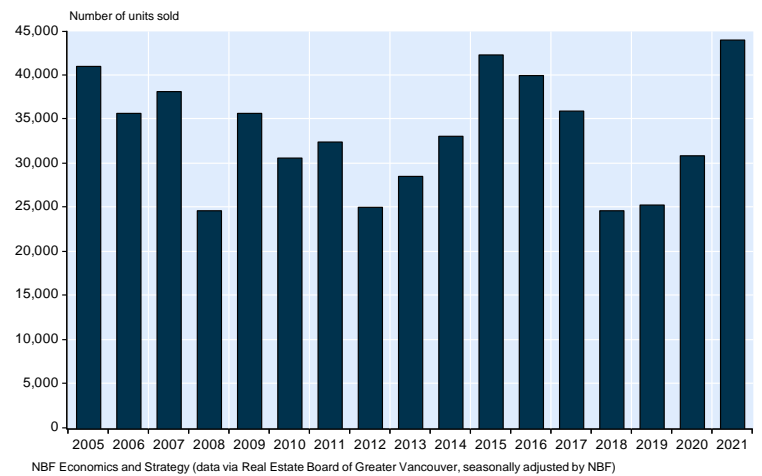
After moving into balanced territory, the market is now once again indicating conditions favourable to sellers on the back of the recent contraction in supply and persisting demand (chart 4). Although the market is less active than at the beginning of the year, it remains strong on a historical basis and the inventory of properties for sale will need to increase before we see a significant slowdown in home price growth in the region.

On a year-over-year basis, sales decreased in all property segments. Sales of detached and attached homes declined by 22.6% and 27.5% respectively, while apartments declined by only 0.7%. The apartment market remained strong on a comparable basis as it experiences its first decline in 19 months.

1. Vancouver: Home sales in December

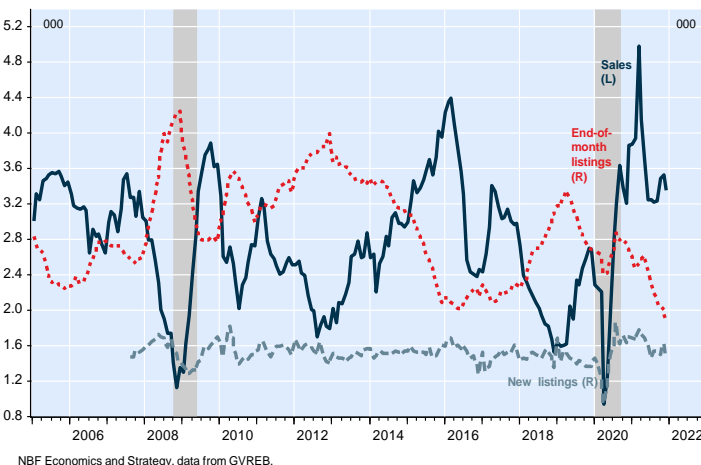


2. Vancouver: Year-to-date home sales



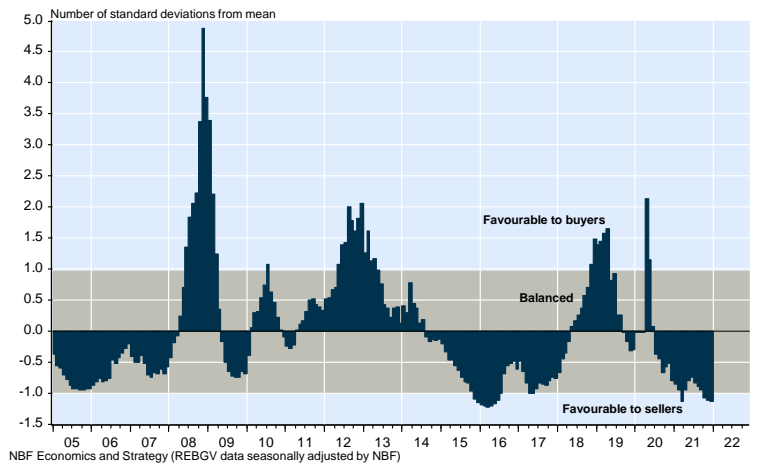
3. Vancouver: Home sales and listings

Seasonally adjusted by NBF. Last observation: December 2021



4. Greater Vancouver: Home resale market conditions

Active-listing-to-sale ratio. Last observation: December 2021



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