

# Residential Sales Summary & Housing Market Overview

**British Columbia Q1, 2022**  
 January - March

## Inside Our Quarterly Report

*Landcor's Residential Sales Summary-All BC (by region & property type)*

*Economist, Will Dunning's BC Housing Market Overview*



### MESSAGE FROM OUR PRESIDENT

"Over the years we've helped hundreds of clients achieve their goals by offering the most comprehensive real estate data, analysis and insights available.

From real estate valuations to land economics research and systems development, our staff of highly qualified experts are here to help you find solutions to your real estate analysis and data needs.

Landcor maintains the largest, most complete database of historical sales and current information on BC residential real estate."




*Rudy Nielsen, RI, FRI  
 President & Founder*

## Q1 Provincial Snapshot:

	<i>Total Number of Sales</i>	<i>Total Value of Sales</i>
	<b>26,074</b>	<b>\$26.66B</b>
<i>January</i>	9,581	\$9.8
<i>February</i>	7,313	\$7.6
<i>March</i>	9,180	\$9.3

## Across the Regions at a Glance:

	<b>Q1 Total Number of Sales</b>	<b>Q1 Total Value of Sales (Billions)</b>
<b>Greater Vancouver</b>	12,121	\$15.91B
<b>Vancouver Island</b>	3,955	\$3.48B
<b>Kootenay</b>	1,006	\$378.76M
<b>Okanagan</b>	2,552	\$2.45B
<b>Fraser Valley</b>	3,866	\$3.95B
<b>BC North /Northwest</b>	1,574	\$0.50B

*Regional Highlights Summary includes all property types (Detached, Condo, Attached).*

# Residential Sales Summary Report

January - March

Landcor's Quarterly Residential Sales Summary reports on property sale values within BC. Providing sales information on a regional level, these charts compare average and median pricing on different property types: Detached, Condo and Attached, on a quarterly and monthly basis.

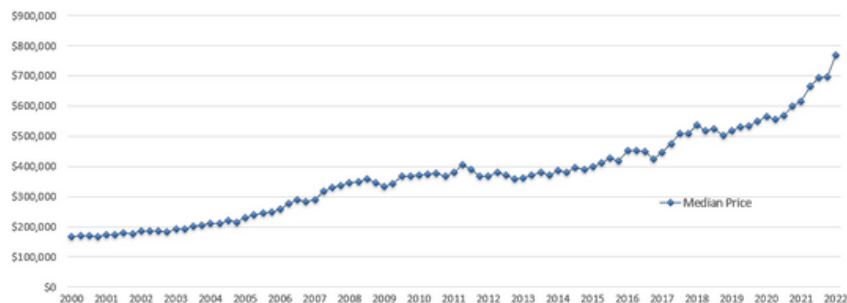
## British Columbia All

Quarterly Sales		Q1 2022	Q4 2021	% Chg <sup>1</sup>	Q1 2021	% Chg <sup>2</sup>
Total Number of Sales		26,074	34,032	-23.38%	32,726	-20.33%
Total Value of Sales		\$26.66B	\$30.57B	-12.77%	\$26.36B	1.14%
Detached	Average	\$1,427,449	\$1,241,132	15.01%	\$1,131,503	26.16%
	Median	\$1,250,000	\$1,015,500	23.09%	\$940,000	32.98%
Condo	Average	\$684,711	\$650,685	5.23%	\$568,347	20.47%
	Median	\$615,000	\$577,000	6.59%	\$496,000	23.99%
Attached	Average	\$897,418	\$833,433	7.68%	\$728,016	23.27%
	Median	\$833,500	\$760,648	9.58%	\$649,900	28.25%

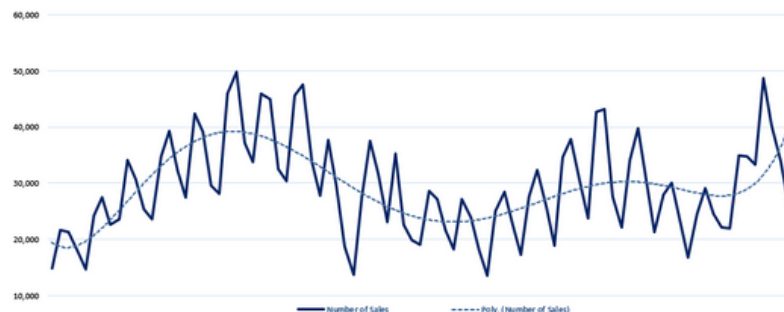
(1) % change Q1'2022—Q4'2021; (2) % change Q1'2022—Q1'2021

Note: When sales is grouped at the ALL – BC level all are weighted equally. This means each data point contributes the same amount of information to the average. In this sense, when there are sales that are much higher in Q3 than Q4, the average in Q3 would be higher than Q4.

## Median Sale Price - British Columbia All



## Sales Counts - British Columbia All



# Residential Sales Summary Report

January - March

(1) %change Q1'2022—Q4'2021 (2) %change Q1'2022—Q1'2021 (3) %change month to previous month

## Greater Vancouver Region

Quarterly Sales		Q1 2022	Q4 2021	% Chg <sup>1</sup>	Q1 2021	% Chg <sup>2</sup>
Total Number of Sales		12,121	15,444	-21.52%	14,604	-17.00%
Total Value of Sales		\$15.91B	\$17.77B	-10.46%	\$15.64B	1.72%
Detached	Average	\$2,172,310	\$2,015,003	7.81%	\$1,707,301	27.24%
	Median	\$1,830,000	\$1,665,000	9.91%	\$1,443,517	26.77%
Condo	Average	\$770,585	\$731,124	5.40%	\$670,007	15.01%
	Median	\$675,500	\$645,900	4.58%	\$584,950	15.48%
Attached	Average	\$1,125,013	\$1,029,890	9.24%	\$908,981	23.77%
	Median	\$988,944	\$900,000	9.88%	\$775,000	27.61%

Monthly Sales		January	February	% Chg <sup>3</sup>	March	% Chg <sup>3</sup>
Total Number of Sales		4,658	3,441	-26.13%	4,022	16.88%
Total Value of Sales		\$5.90B	\$4.58B	-22.45%	\$5.43B	18.70%
Detached	Average	\$2,118,119	\$2,161,980	2.07%	\$2,243,884	3.79%
	Median	\$1,770,000	\$1,802,888	1.86%	\$1,900,000	5.39%
Condo	Average	\$751,493	\$761,228	1.30%	\$799,841	5.07%
	Median	\$660,000	\$678,000	2.73%	\$690,000	1.77%
Attached	Average	\$1,064,989	\$1,165,105	9.40%	\$1,164,372	-0.06%
	Median	\$923,452	\$1,023,000	10.78%	\$1,020,500	-0.24%

## Vancouver Island Region

Quarterly Sales		Q1 2022	Q4 2021	% Chg <sup>1</sup>	Q1 2021	% Chg <sup>2</sup>
Total Number of Sales		3,955	5,163	-23.40%	5,381	-26.50%
Total Value of Sales		\$3.48B	\$4.17B	-16.66%	\$3.56B	-2.40%
Detached	Average	\$1,063,937	\$1,001,258	6.26%	\$852,051	24.87%
	Median	\$919,000	\$874,900	5.04%	\$734,500	25.12%
Condo	Average	\$617,368	\$592,493	4.20%	\$448,327	37.70%
	Median	\$555,000	\$499,900	11.02%	\$413,500	34.22%
Attached	Average	\$715,049	\$670,920	6.58%	\$562,625	27.09%
	Median	\$675,000	\$640,000	5.47%	\$534,950	26.18%

Monthly Sales		January	February	% Chg <sup>3</sup>	March	% Chg <sup>3</sup>
Total Number of Sales		1,465	1,069	-27.03%	1,421	32.93%
Total Value of Sales		\$1.27B	\$0.94B	-26.51%	\$1.26B	35.02%
Detached	Average	\$1,060,679	\$1,058,559	-0.20%	\$1,071,559	1.23%
	Median	\$910,000	\$900,000	-1.10%	\$950,000	5.56%
Condo	Average	\$605,389	\$587,249	-3.00%	\$649,842	10.66%
	Median	\$546,444	\$540,000	-1.18%	\$572,250	5.97%
Attached	Average	\$717,096	\$676,831	-5.62%	\$738,630	9.13%
	Median	\$669,000	\$665,000	-0.60%	\$685,000	3.01%

# Residential Sales Summary Report

January - March

(1) %change Q1'2022—Q4'2021 (2) %change Q1'2022—Q1'2021 (3) %change month to previous month

## Kootenay Region

Quarterly Sales		Q1 2022	Q4 2021	% Chg <sup>1</sup>	Q1 2021	% Chg <sup>2</sup>
Total Number of Sales		1,006	1,564	-35.68%	1,260	-20.16%
Total Value of Sales		\$378.76M	\$0.64B	-40.45%	\$425.95M	-11.08%
Detached	Average	\$553,039	\$543,295	1.79%	\$495,582	11.59%
	Median	\$500,000	\$485,000	3.09%	\$435,000	14.94%
Condo	Average	\$273,682	\$272,580	0.40%	\$214,816	27.40%
	Median	\$247,500	\$239,500	3.34%	\$205,500	20.44%
Attached	Average	\$402,453	\$446,964	-9.96%	\$360,905	11.51%
	Median	\$399,000	\$393,000	1.53%	\$345,000	15.65%
Monthly Sales		January	February	% Chg <sup>3</sup>	March	% Chg <sup>3</sup>
Total Number of Sales		336	275	-18.15%	395	43.64%
Total Value of Sales		\$133.22M	\$105.39M	-20.89%	\$140.15M	32.99%
Detached	Average	\$579,060	\$561,731	-2.99%	\$523,694	-6.77%
	Median	\$500,000	\$500,000	0.00%	\$495,442	-0.91%
Condo	Average	\$280,253	\$254,606	-9.15%	\$282,907	11.12%
	Median	\$248,500	\$231,000	-7.04%	\$258,550	11.93%
Attached	Average	\$368,150	\$467,932	27.10%	\$406,388	-15.14%
	Median	\$366,000	\$425,000	16.12%	\$399,000	-6.52%

## Okanagan Region

Quarterly Sales		Q1 2022	Q4 2021	% Chg <sup>1</sup>	Q1 2021	% Chg <sup>2</sup>
Total Number of Sales		3,552	4,958	-28.36%	4,959	-28.37%
Total Value of Sales		\$2.45B	\$3.23B	-24.06%	\$2.64B	-7.18%
Detached	Average	\$910,845	\$852,326	6.87%	\$753,317	20.91%
	Median	\$825,000	\$770,000	7.14%	\$662,000	24.62%
Condo	Average	\$433,908	\$408,586	6.20%	\$346,929	25.07%
	Median	\$391,326	\$365,000	7.21%	\$331,000	18.23%
Attached	Average	\$637,498	\$617,658	3.21%	\$523,138	21.86%
	Median	\$599,000	\$552,500	8.42%	\$489,900	22.27%
Monthly Sales		January	February	% Chg <sup>3</sup>	March	% Chg <sup>3</sup>
Total Number of Sales		1,125	1,009	-10.31%	1,418	40.54%
Total Value of Sales		\$0.78B	\$0.71B	-9.91%	\$0.96B	36.56%
Detached	Average	\$907,408	\$897,598	-1.08%	\$922,795	2.81%
	Median	\$806,500	\$825,000	2.29%	\$830,000	0.61%
Condo	Average	\$430,903	\$421,612	-2.16%	\$444,132	5.34%
	Median	\$389,900	\$387,750	-0.55%	\$399,900	3.13%
Attached	Average	\$654,673	\$606,639	-7.34%	\$644,356	6.22%
	Median	\$595,000	\$585,100	-1.66%	\$615,000	5.11%

# Residential Sales Summary Report

January - March

(1) % change Q1'2022—Q4'2021 (2) % change Q1'2022—Q1'2021 (3) %change month to previous month

## Fraser Valley Region

Quarterly Sales		Q1 2022	Q4 2021	% Chg <sup>1</sup>	Q1 2021	% Chg <sup>2</sup>
Total Number of Sales		3,866	4,695	-17.66%	4,920	-21.42%
Total Value of Sales		\$3.95B	\$4.03B	-2.07%	\$3.66B	7.94%
Detached	Average	\$1,427,081	\$1,298,089	9.94%	\$1,071,342	33.21%
	Median	\$1,285,714	\$1,161,057	10.74%	\$930,000	38.25%
Condo	Average	\$504,391	\$470,682	7.16%	\$374,552	34.67%
	Median	\$497,000	\$467,680	6.27%	\$368,000	35.05%
Attached	Average	\$807,797	\$717,793	12.54%	\$592,422	36.35%
	Median	\$800,000	\$709,650	12.73%	\$590,000	35.59%

Monthly Sales		January	February	% Chg <sup>3</sup>	March	% Chg <sup>3</sup>
Total Number of Sales		1,511	1,049	-30.58%	1,306	24.50%
Total Value of Sales		\$1.52B	\$1.10B	-27.85%	\$1.33B	20.81%
Detached	Average	\$1,426,382	\$1,420,007	-0.45%	\$1,434,452	1.02%
	Median	\$1,240,000	\$1,300,000	4.84%	\$1,327,950	2.15%
Condo	Average	\$517,542	\$498,940	-3.59%	\$491,971	-1.40%
	Median	\$508,500	\$479,999	-5.60%	\$486,500	1.35%
Attached	Average	\$778,616	\$796,091	2.24%	\$849,059	6.65%
	Median	\$770,000	\$807,825	4.91%	\$825,000	2.13%

## Region: BC North / Northwest

Quarterly Sales		Q1 2022	Q4 2021	% Chg <sup>1</sup>	Q1 2021	% Chg <sup>2</sup>
Total Number of Sales		1,574	2,208	-28.71%	1,602	-1.75%
Total Value of Sales		\$0.50B	\$0.73B	-31.64%	\$437.56M	14.46%
Detached	Average	\$408,408	\$427,999	-4.58%	\$373,037	9.48%
	Median	\$397,500	\$398,000	-0.13%	\$355,000	11.97%
Condo	Average	\$194,068	\$131,068	48.07%	\$170,362	13.91%
	Median	\$204,000	\$123,500	65.18%	\$135,000	51.11%
Attached	Average	\$312,063	\$294,217	6.07%	\$256,678	21.58%
	Median	\$325,000	\$285,000	14.04%	\$256,000	26.95%

Monthly Sales		January	February	% Chg <sup>3</sup>	March	% Chg <sup>3</sup>
Total Number of Sales		486	470	-3.29%	618	31.49%
Total Value of Sales		\$156.32M	\$135.50M	-13.32%	\$209.00M	54.24%
Detached	Average	\$418,406	\$379,614	-9.27%	\$420,398	10.74%
	Median	\$400,000	\$370,000	-7.50%	\$407,500	10.14%
Condo	Average	\$213,117	\$209,311	-1.79%	\$170,514	-22.75%
	Median	\$243,750	\$187,000	-23.28%	\$172,500	-8.41%
Attached	Average	\$304,154	\$372,376	22.43%	\$282,788	-24.06%
	Median	\$310,750	\$364,750	17.38%	\$300,000	-17.75%



# BC Housing Market Overview – Q1, 2022

This section of our report is prepared by economist WILL DUNNING. Views expressed by Will Dunning are his own and do not necessarily represent those of Landcor Data Corporation. Will Dunning operates a consulting firm that specializes in analysis of housing markets.

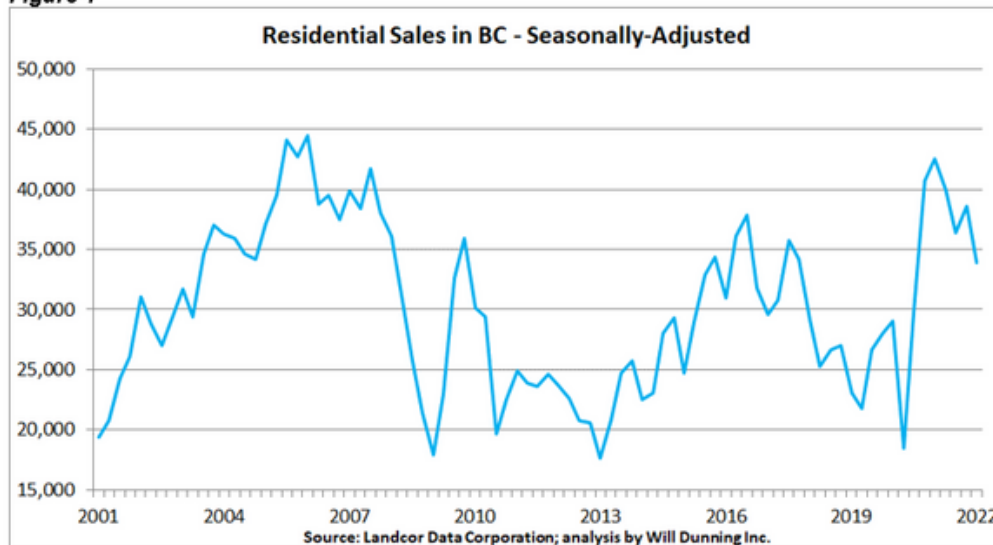
Data from the first quarter of this year shows a downturn in the market. I expect that this is just the early stages of what might become a painful period for housing markets across British Columbia. If you've read previous editions of this report, you will notice that the tone of this edition is very different: mortgage interest rates have far surpassed the levels that I consider neutral, and if that situation persists, substantial negative effects might spread beyond housing into the broader economy, in BC and across the country.

Landcor reports that there were 26,074 sales in the first quarter this year. In a long-term perspective, this is above average (by 14%) for first quarters. It is the seventh highest out of 22 first quarters that are contained in Figure 1.

In a shorter-term view, on a seasonally-adjusted basis sales (33,900) fell by 12% versus the fourth quarter. Still, the seasonally-adjusted sales rate for Q1 was above-average (by 12% compared to the entire period shown in this chart).

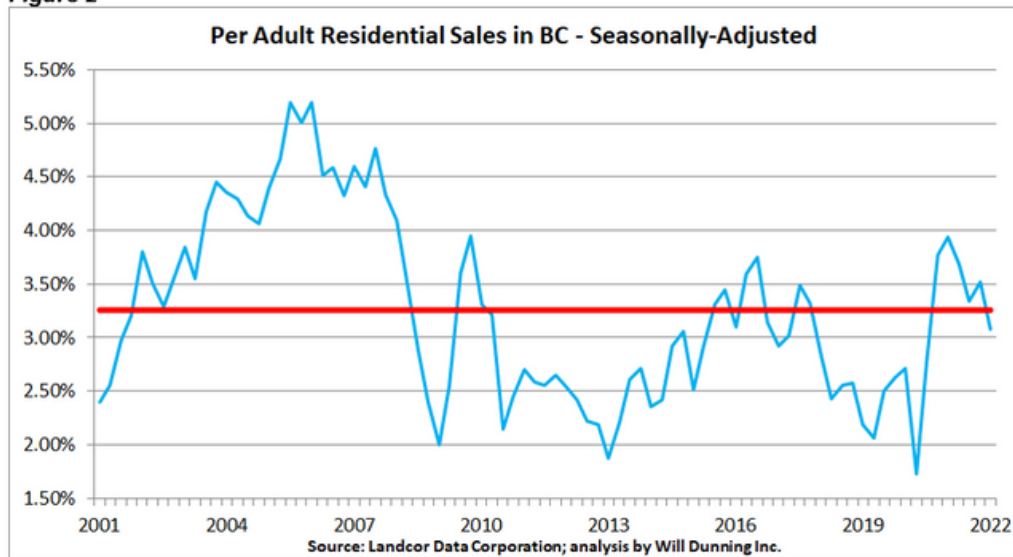
*(In some charts, trend lines have been added, where I judge that they help improve understanding of trends. Where those trend lines are present, they are labelled "Poly.")*

**Figure 1**



The next chart looks at the sales data in a different way. The population is growing (and there are more people who could potentially buy homes). The total stock of housing is expanding because of on-going construction (and as a result there are more homes that could potentially be sold). We should expect that sales will trend upwards over time. With that in mind, Figure 2 looks at sales on a population-adjusted basis. This data also shows that in historic terms, population-adjusted sales for Q1 were 6% below the long-term average (the flat red line). By this metric, sales within BC had been strong during the prior five quarters, and the new datapoint shows a change in market conditions.

**Figure 2**



Strong sales had been supported by a combination of positive factors: very healthy employment, rapid population growth, consumers' adjustments of their housing situations (partly in response to Covid-19), and low interest rates.

As is shown in the next chart, rates for fixed rate mortgages jumped late in 2021 and there have been further rises this year. As I write this (on May 24) a typical "special offer" rate advertised by major lenders is now 4.35%, which is the highest rate since 2011. I believe that a neutral rate is in the area of 2.5-2.75%.

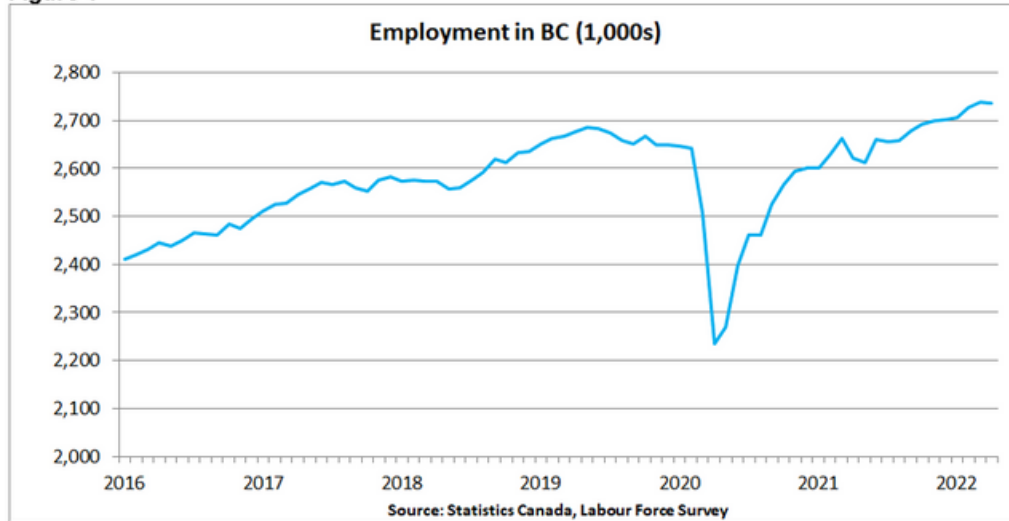
Rates for variable rate mortgages have also increased, but from extremely low levels, and are now close to what I consider neutral. This presents potential buyers with a stressful choice: take a chance that a variable rate mortgage will escalate further in cost, or lock-in to an unusually high interest rate that will be fixed for the next five years. In consequence, sales are now in the process of slowing. The drop in the sales rate in Q1 was just the beginning of an adjustment that will take some time to play out, which will likely result in further drops in sales rates during the second and third quarters.

**Figure 3**



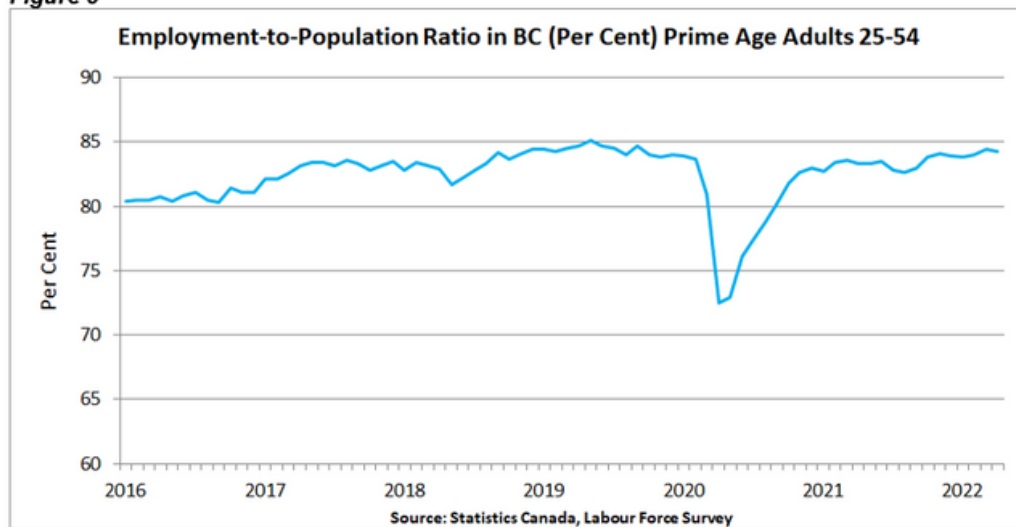
The employment situation remains a strongly positive factor for housing demand in BC. This chart (which includes data up to April) shows that the level of employment in BC is now about 90,000 higher than before the start of the pandemic. The large amount of job growth that has happened during the past six years means that there are a lot of potential home buyers in BC.

**Figure 4**



In understanding the economy, and especially how it might affect the housing market, my preferred indicator is the percentage of the population that has jobs, in the 25 to 54 age group. As is shown in Figure 5, this indicator has been very strong for some time, and, with the recovery from the early days of Covid-19, the employment situation should now be resulting in very strong home sales.

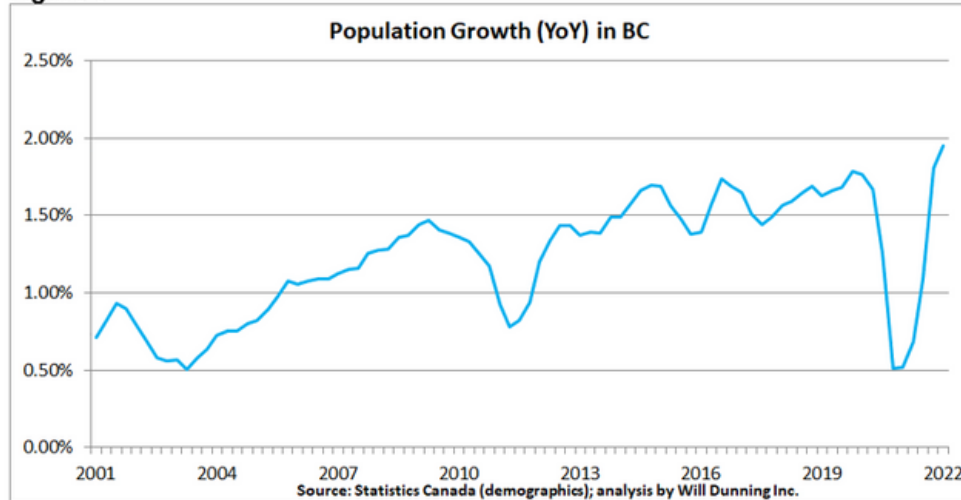
**Figure 5**





Covid-19 resulted in sharply slower population growth for Canada, due to reduced numbers of people arriving as immigrants and/or on temporary permits. But, Statistics Canada estimates that population growth has picked up. For the year ended January 1, 2022, the estimated growth rate for BC is very high, at almost 2%, the fastest growth rate of the past two decades.

**Figure 6**

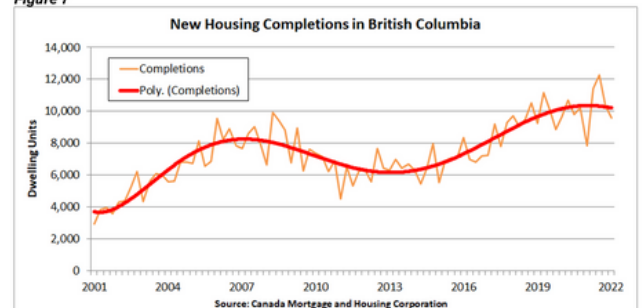


Housing completions have been elevated within BC during the past three years, and the trend rate is now at an annualized rate of just over 40,000 dwelling units. This is actually slightly higher than the demographic requirements that result from population growth (which I calculate as 38,000 per year).

Reduced home sales in the coming months might create an impression that there is less pressure in the market. This will just be a short-term variation away from a long-term trend in which inadequate housing supplies will continue to make it very difficult for the people of BC to meet their reasonable housing needs.

But, BC has for a long time suffered from an inadequate total supply of housing. I have calculated that as of last year, there is an accumulated housing shortfall of more than 100,000 dwellings for the province. To address that deficit, there is a need for BC to produce a lot more housing. A few weeks ago, I published a report on housing shortages across Canada. It is the first item on this page:  
<https://www.wdunning.com/recent-reports>

**Figure 7**



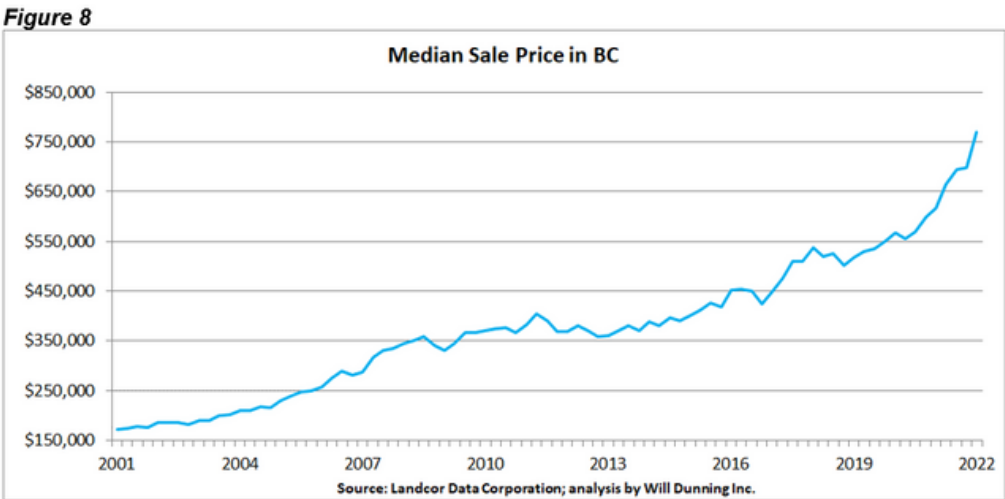
### Regional Variations for Sales

Landcor’s data shows that during 2022-Q1, residential sales were down by 20% compared to a year earlier. As is shown in the table below, sales dropped in all of the six regions. The largest drops were for Vancouver Island and Okanagan (the primary move-to markets). Northern BC saw the smallest drop (just 2%).

Residential Sales in British Columbia, by Region, 2021-Q1 and 2022-Q1					
Region	Quarterly Sales		% Change	Share of BC	
	2021-Q1	2022-Q1		2021-Q1	2022-Q1
Greater Vancouver	14,604	12,121	-17%	44.6%	46.5%
Vancouver Island	5,381	3,955	-27%	16.4%	15.2%
Kootenay	1,260	1,006	-20%	3.9%	3.9%
Okanagan	4,959	3,552	-28%	15.2%	13.6%
Fraser Valley	4,920	3,866	-21%	15.0%	14.8%
BC North/Northwest	1,602	1,574	-2%	4.9%	6.0%
BC Total	32,726	26,074	-20%	100.0%	100.0%
Source: Landcor Data Corporation					
Note: Figures may vary from other published data due to on-going revisions.					

### Prices

The median price leaped in the first quarter, to \$770,000 versus \$699,000 in the fourth quarter. During the past two years, the median price has increased by \$252,000 (36%). For the entire period shown in this chart, the average increase is 7.4% per year.



As I've discussed previously, Covid-19 has caused consumer interest to shift to low-density housing options. In addition, supplies have increased quite rapidly for apartments, but low-rise homes remain under-supplied. Consequently, price growth is more rapid for detached and attached homes than for condominium apartments. This can be seen in the price data for all of the province and for most of the regions, except for, in the current data, Vancouver Island and BC North (in the north, limited numbers of transactions result in volatile data).

<b>Year-Over-Year Changes in Median Selling Prices, by Region and Type of Dwelling, 2021-Q1 to 2022-Q1</b>			
<i>Region</i>	<i>Detached</i>	<i>Condo</i>	<i>Attached</i>
Greater Vancouver	26.8%	15.5%	27.6%
Vancouver Island	25.1%	34.2%	26.2%
Kootenay	14.9%	20.4%	15.7%
Okanagan	24.6%	18.2%	22.3%
Fraser Valley	38.2%	35.1%	35.6%
BC North/Northwest	12.0%	51.1%	27.0%
BC Total	33.0%	24.0%	28.3%
Source: Landcor Data Corporation			
Note: Figures may vary from other published data due to on-going revisions.			

### Shifts for Affordability

The affordability situation is changing very rapidly. As was shown in Figure 3, interest rates for 5-year fixed rate mortgages have increased sharply. For the first quarter, the average rate was 2.96% (and there have been further increases, to above 4% during May).

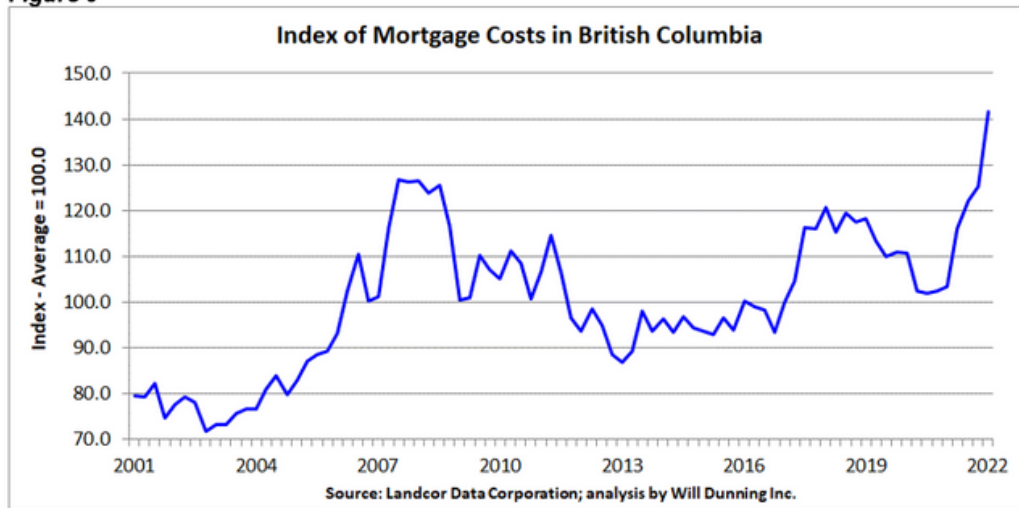
With the recent increases in mortgage interest rates, layered on top of sharply higher house prices, affordability has been rapidly reduced.

The next two charts show estimates that compare mortgage costs for median-priced homes to incomes. In these charts, low values indicate that mortgage payments require low percentages of incomes (i.e. low values indicate improved affordability).

In these charts, the index is equal to 100 over the entire period shown. Therefore, index values below 100 indicate that affordability is better than the long-term average, and values above 100 show affordability is worse than average.

The first chart (Figure 9) looks at total mortgage payments. It shows that affordability has recently deteriorated very badly and very rapidly. The first quarter value of this index (141.5) is now the worst seen in the history of this data. And, interest rates are now even higher than the 2.96% figure that was used for the first quarter. If the current rate (4.35%) is used, this index would be even higher, at 163.1.

**Figure 9**



But, I don't consider this the final word on affordability, for two reasons.

Mortgage payments include two components: payment of interest and repayment of the mortgage principal. I argue that the principal repayment is actually a form of saving, and that the "true" cost of borrowing is the interest portion only. Potential mortgage borrowers have to be mindful of the total payment, because they have to qualify for the mortgage, and then they need to budget for the full payment. But, most borrowers are also aware of the distinction between interest and principal. At the first quarter interest rate (2.96% for 5-year fixed-rates), almost one-half (48%) of the payment is principal repayment and 52% is interest.

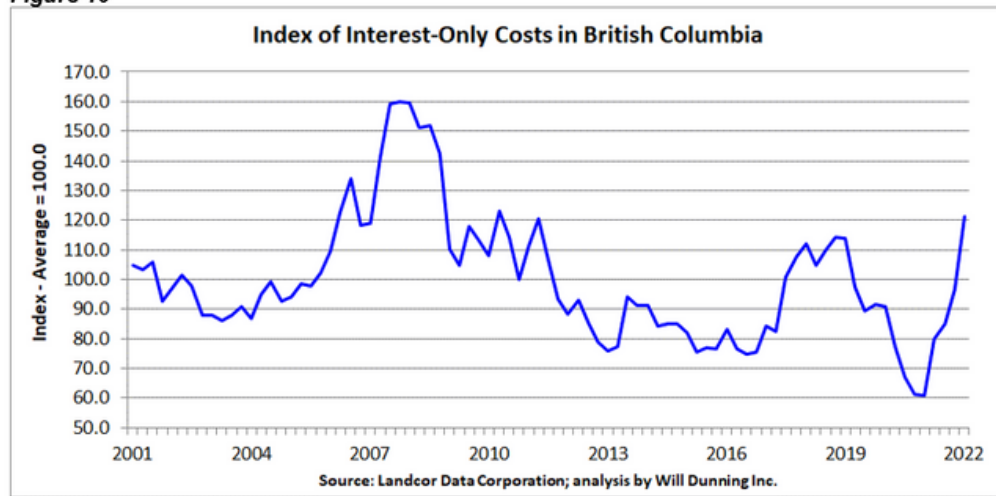
Therefore, the second chart (Figure 10) looks at the relationship between the interest component of payments versus incomes. Until recently, interest-only costs have been below the long-term average. But, as of 2022-Q1, the combination of much higher prices and interest rates raised the interest-only cost to 21% above the long-term average. While there has been a sharp deterioration, this isn't a worst-ever result.

But, if the current interest rate is used in this calculation, the interest-only cost would be a massive 76% above average, which would be the worst-ever result.

These calculations go a long way in explaining why the sale rate has slowed recently, and imply that we should expect further, and larger, drops.

While economic conditions remain quite positive (apart from interest rates and affordability), the deterioration of affordability is likely to be the dominant factor for the remainder of this year.

**Figure 10**



The second consideration around interest rates is that variable rates remain much more affordable (as was illustrated in Figure 3, my opinion-estimate is currently 2.4%). At that interest rate, interest-only affordability is now slightly better than average (by 1.4%).

Therefore, in the present market, a lot of buyers are people willing to take a chance that variable rates won't rise much farther. Among economists, there are expectations that the Bank of Canada will raise its benchmark rate (the Overnight rate) next week, by a half point. This would result in a corresponding rise in variable rates, which would reduce affordability.

## **The Outlook**

While I believe that interest rates have overshot where they should be, I am not counting on any significant reversal in the near term: financial markets will do what they do.

The impact of much worse affordability on sales is very likely to create downward pressure on prices. At the same time, in the background is still the very large supply deficits that exist in the largest cities (and in many smaller centres, due to in-migration). In the past, the shortages have resulted in intense upward pressure on prices.

That pressure might become less visible in the near future, but the underlying conditions will continue to exist. Therefore, I'm not able to make up my mind on what will happen to housing values within BC. I just know that there is a substantial risk: if prices drop by a large amount, there would be intense consequences for the broader economy.

Will Dunning has been analyzing housing markets since 1982. He provides analysis to clients in the private, public, and non-governmental sectors. Services include presentations and briefings, in addition to larger custom research projects. His website is [www.wdunning.com](http://www.wdunning.com).

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