Greater Vancouver Market Intelligence: May 2026

Monthly Research Note | June 4, 2026

The Story in One Paragraph

May was the month the segment divergence began to show up in prices, not just volumes — and the month a routine seasonal test exposed how soft the "firming" really is. The board's headline reads benign: Composite benchmark up 0.2% month-over-month (MoM) to $1,100,700, sales up modestly, "prices flat across all housing types." But two facts cut against that framing. First, the segments are no longer moving together: detached benchmark +0.4% MoM, townhouse +0.5%, apartment -0.7% (to $697,800 — below $700,000 for the first time this cycle). Second, May is normally a spring-peak month — the typical May adds roughly +1.1% to the Composite; this May added +0.2%. Seasonally adjusted, prices didn't firm, they undershot by about a full point. Underneath, the cycle position is stark: sales of 2,150 sit 26.6% below the 10-year May average (2,930), and active listings are 34.6% above it. The apartment is where the macro forces converge — rents down 9% year-over-year (YoY) across 26 straight months, a 3.7% rental vacancy rate, sharp cuts to immigration, and investor yields below mortgage costs. One month doesn't make a regime, but the read is clear: a demand-starved, supply-heavy buyer's market in which the apartment segment is being repriced by the rental and macro channel while detached holds on a thinner bid.

Macro & Mortgage Dashboard

The capital-cost layer that sets buyer qualification and investor cap rates. BoC = Bank of Canada.

Indicator	Latest	~1 mo ago	~3 mo ago
BoC policy (target) rate	2.25%	2.25%	2.25%
Bank Rate	2.50%	2.75%	2.50%
Prime rate	4.45%	4.45%	4.45%
CORRA (overnight)	2.28%	2.25%	2.26%
5-yr Government of Canada bond yield	3.08%	3.26%	3.07%
Best 5-yr fixed, insured (high-ratio)	4.09%	~4.2%	~4.3%
Best 5-yr variable, insured	3.35%	3.40%	3.45%
Big-6 discounted 5-yr fixed (uninsured / renewal)	~4.93%	~5.0%	~5.1%
OSFI stress-test qualifying floor	~6.09%	6.09%	6.09%

The BoC is boxed. The Bank held at 2.25% on April 29 — its fourth consecutive hold — and markets price roughly a 97% chance of another hold on June 10. The reason is a genuine bind: Q1 GDP stalled (flat quarter-over-quarter — the "technical recession" headline overstates a 0.0% print that Statistics Canada itself never labelled a recession), the unemployment rate rose to 6.9% in April, and yet headline CPI re-accelerated to 2.8% YoY. The Bank cannot cut into above-target inflation even with a softening economy. For housing that means rate stability, not relief: the 5-yr GoC yield easing to 3.08% has nudged the best insured 5-yr fixed down to 4.09%, but the renewal cohort still rolls into uninsured rates near 4.9% — roughly triple their 2021-origination coupons.

Insolvency & mortgage stress — Q1 2026 prints (unchanged since last month's issue; quarterly cadence):

Indicator	Latest	YoY	Note
OSB consumer insolvencies, national	37,121	+8.5%	Highest quarterly volume since 2009; per-capita rate back to 2019 levels
OSB consumer insolvencies, BC	4,234	+16.2%	Steepest provincial rise nationally; Ontario second (+14.7%)
Equifax BC mortgage delinquent balance	—	+36.0%	Flow signal — leads CMHC arrears by ~2 quarters
Equifax homeowner insolvency volume	—	+18.8%	Avg delinquent mortgage balance $355,500 (+13.2% YoY)

The regional split is the diagnostic: Ontario mortgage-delinquency balances are up 52% YoY and BC 36%, while the Prairies and Quebec are falling. That divergence is the empirical signature of a 2021-vintage renewal problem, not a national credit shock — if this were broad macro stress, every province would be rising. One framing worth keeping in view: per-capita insolvency is "only" back to 2019 levels — but 2019's stress was promptly suppressed by pandemic stimulus, and there is no comparable backstop in 2026. These prints are observed data; they are not yet weighted in this issue's forward positioning, pending a back-test of BC delinquency against forward Vancouver prices.

1. Monthly Dashboard

Cycle Position vs 10-Year Seasonal Norms — read this table first. YoY comparisons read mild because both 2025 and 2026 are abnormal years; the 10-year deviation is the regime fact.

Metric	May 2026	10-yr May avg	Deviation	YoY
Sales	2,150	2,930	-26.6%	-3.5%
New listings	6,115	6,036	+1.3%	-7.6%
Active listings	16,917	12,567	+34.6%	-1.0%

Demand is roughly a quarter below seasonal norm; supply a third above. New-listing flow has normalized (close to its 10-yr norm), but the accumulated inventory remains the story — sellers list, the market doesn't clear, active inventory stays elevated.

May Seasonality Check — was this May normal for a May? May is normally near Vancouver's spring sales-and-price peak. Measuring the April→May change across 2014-2025:

Metric	May 2026 (MoM)	Typical May (median)	Typical May (range)	Read
Sales	+1.9%	+1.4%	-13% to +44%	Bump is seasonally normal — but off a base 27% below the 10-yr norm
Composite price	+0.2%	+1.1%	-0.7% to +5.2%	Undershoot — a normal May firms ~1pp more

The takeaway: the spring sales bump showed up on schedule, but it lifted a deeply depressed base. And the +0.2% Composite "uptick" that looks like firming is actually a ~1-point seasonal undershoot — in a seasonally-adjusted sense, May prices were soft, not flat. This matters for how to read the board's narrative below.

Headline Metrics & Benchmark Prices (HPI = MLS Home Price Index; the composition-controlled benchmark, distinct from average sale price):

Segment	Benchmark	MoM	3-mo	YoY	Sales	SAR
Composite	$1,100,700	+0.2%	0.0%	-6.2%	2,150	13.1%
Detached	$1,847,900	+0.4%	+0.7%	-6.9%	660	10.7%
Townhouse	$1,048,200	+0.5%	+0.2%	-5.1%	463	15.4%
Apartment	$697,800	-0.7%	-1.5%	-7.9%	1,009	14.2%

SAR = Sales-to-Active Ratio. The board's rule of thumb: prices face downward pressure below 12% sustained, upward pressure above 20%. At 13.1% overall the market is in the low end of balanced — but detached, at 10.7%, is already in buyer's-market territory by that yardstick. Note the apparent contradiction this sets up — detached has the lowest SAR yet the firmest prices, while higher-SAR apartment is falling. § 3 resolves why (SAR measures flow balance; price is set by seller motivation, which differs by segment).

2. Lower Mainland Cross-Board Check

The Lower Mainland is the southwestern BC region covering both Greater Vancouver REALTORS (GVR) and the Fraser Valley Real Estate Board (FVREB) — CMHC, BCREA, and TD Economics treat it as one regional market. FVREB is a sister-market signal with a shorter data history and smaller samples, not an equal-weight source.

Fraser Valley tells the same story, harder on the apartment line. FVREB May benchmarks: detached $1,366,500 (-0.6% MoM), townhouse $769,500 (-0.3% MoM), apartment $483,800 (-1.5% MoM). Just as in Greater Vancouver, the apartment is the segment falling fastest — and in the Valley it's falling roughly twice as hard month-over-month. FVREB sales of 1,124 were essentially flat MoM (+0.5%) while active listings rose to 10,140 (+3.3% MoM), pushing its sales-to-active ratio to 11.1% — fractionally softer than GVR's 13.1% and likewise in the soft end of balanced.

The cross-board agreement is the point: two boards, two data pipelines, one signal. Detached is holding on a thin bid in both markets; the apartment is being repriced in both. When the sister market confirms the lead market's segment pattern rather than diverging from it, the read carries more weight — this is a Lower-Mainland-wide apartment repricing, not a Vancouver-specific quirk. The Valley's deeper apartment MoM decline is consistent with its higher investor-and-end-user sensitivity to the rental softness and renewal stress documented below.

3. The Theme of the Month: The Divergence Reaches Prices

For two months the segment divergence lived in the volume data — detached transactions holding up, apartment transactions falling away. In April, GVR Chief Economist Andrew Lis put the board's name on it. In May, the divergence started to appear in the price data, and the seasonal lens shows it's sharper than the headline suggests.

Detached — holding, but seasonally soft. Detached benchmark rose 0.4% MoM to $1,847,900, the third straight monthly uptick, and detached sales edged up 0.9% YoY to 660. On the surface, resilience. But a normal May lifts the Composite ~1.1% and detached historically firms in spring; a +0.4% print is positive in absolute terms and below seasonal norm in relative terms. Detached is the segment with the thinnest demand by the board's own SAR yardstick — 10.7%, in buyer's-market range — so the modest price firmness is being held up by constrained new supply of quality detached stock, not by demand. The board frames the month as inventory "easily absorbing muted demand." That's accurate for the aggregate and incomplete for the segment: detached prices are firm because few good houses are listed, not because buyers are competing.

Townhouse — the relative winner. Townhouse benchmark rose 0.5% MoM to $1,048,200 and carries the best 5-year record of any segment (+12.1%). It remains the structurally preferred "missing middle" — detached utility at a sub-detached price, with less investor exposure than apartments. Its 15.4% SAR is the firmest of the three segments. If any segment has a genuine end-user demand floor right now, it's this one.

Apartment — the segment being repriced. This is the month's real signal. Apartment benchmark fell 0.7% MoM to $697,800, through the $700,000 line, and is down 1.5% over three months and 7.9% YoY — the worst of every segment on every horizon. Apartment sales fell 7.2% YoY to 1,009, yet apartments are still 47% of all transactions, which is why a weak apartment drags the Composite even as the other two segments firm. In a month that seasonally adds ~1% to prices, apartment subtracted 0.7% — a seasonal undershoot of nearly two points, the deepest of any segment.

Why the apartment specifically? Because the apartment is where Vancouver's macro stress lands first. It is the most investor-dependent segment, and investor math has broken: a benchmark 1-bed yields about 4.0% gross while the mortgage to carry it costs ~4.9% and the safe 5-yr GoC pays 3.1% — negative leverage with policy risk attached. It is the most rent-sensitive segment, and rents have fallen 9% YoY across 26 consecutive months (§ 4). And it is the segment most exposed to the immigration cuts now flowing through (§ 7) — international students and temporary residents are a structural share of entry-apartment rental demand, and both are being cut sharply. The volume divergence Lis named in April is now bleeding into apartment prices, exactly where the rental and macro channels say it should.

The SAR paradox — why the lowest-SAR segment has the firmest prices. A careful reader will notice these segment prices invert the board's own SAR rule. By that yardstick, detached — at 10.7%, the lowest SAR and the only segment below the 12% "downward-pressure" line — should be falling hardest, while apartment, at a balanced 14.2%, should be the steadier of the two. The opposite happened. The resolution is that SAR measures the balance of transaction flow, while price is set by seller motivation and the marginal buyer's economics — neither of which SAR can see. Detached's low SAR is a low-liquidity signal, not a distress signal: few sales meeting few sellers. Detached owners are equity-rich, low-leverage, and long-tenured, so in a soft market they withdraw rather than cut — the segment freezes (low volume) instead of falling (low price), and the handful of trades that clear do so at firm benchmarks on scarce quality stock. Apartment is the mirror image: a healthier-looking flow ratio sits atop motivated sellers (negative-carry investors and the 2021 renewal cohort) and a shrinking buyer pool, so apartment sellers genuinely capitulate on price. Townhouse, at 15.4%, is the control case that obeys the rule — comfortably balanced and firming. The lesson: the board's single 12%/20% threshold is an aggregate heuristic, and applied segment-by-segment it inverts, because it assumes sellers across segments are equally willing to cut — and they are not. One caution travels with this read: a sub-12% detached SAR is still a leading warning. It says detached demand has already thinned to buyer's-market levels; price simply hasn't followed because sellers haven't been forced to transact. Should the renewal cliff (§ 7) turn patient detached owners into motivated ones, that low SAR is the coiled spring — which is precisely why we frame detached as holding on a thin bid, not on genuine strength.

The honest caveat. One month of a 1-point segment spread is suggestive, not confirmation — segment HPI can wobble, and the board is right that aggregate price action was quiet. But the direction is consistent with the volume data, the rental data, and the macro overlay all at once, and the seasonality check removes the "firming" gloss. If the June and July prints extend the spread, the divergence stops being interesting and becomes the regime.

4. The Rental Layer

Apartment investor demand sets the marginal bid for half of all Vancouver transactions, so the rental market is the apartment-price story. Right now it is flashing red.

Metric	Latest	YoY	Trend
CMHC vacancy rate (Q4 2025)	3.7%	—	rising
Avg asking rent, 1-bed (Rentals.ca)	$2,330	-9.0%	↓
Avg asking rent, 2-bed	$3,070	-8.5%	↓
Implied gross yield, benchmark 1-bed	4.01%	—	—

Three readings, all bearish for apartment demand. Vacancy at 3.7% is far above the ~2.5% threshold at which pricing power shifts from landlords to renters — Vancouver has not seen a renters' market like this in a decade. Asking rents down 9% YoY mark the 26th consecutive month of annual decline, the longest such streak in the modern record; these are new-lease asking rents, the leading edge of rental pricing, so they lead stock rents lower. And the 4.0% gross yield is the arithmetic that ends the investor case: it sits below both the cost of the mortgage to carry the unit and, remarkably, barely above the risk-free 5-yr GoC at 3.1%. An investor today pays for negative cash-flow carry plus price-decline risk plus policy risk, for a yield they could nearly match in a government bond.

This is the mechanism beneath § 3's apartment weakness. When rents rise and yields expand, apartment resale demand has support even in poor sentiment. The opposite is true now: rents falling, yields compressed, vacancy high. Until the rental layer turns — which requires either rent stabilization or a meaningful rate cut, neither imminent — the apartment segment is structurally vulnerable independent of the rate cycle. The rental softness and the immigration cuts (§ 7) are two views of the same cause: fewer new renters chasing a growing completed-supply pipeline.

5. The Supply Story

Supply is the half of the imbalance that's quietly improving — but from an extreme. New listings of 6,115 came in 7.6% below May 2025 and just 1.3% above the 10-year May norm; new-listing flow has effectively normalized. Active inventory of 16,917 is down 1.0% YoY, and its deviation from the 10-year seasonal norm has eased from +37.9% in April to +34.6% in May. The accumulated overhang is receding at the margin.

But "receding from extreme" is not "tight." A third more inventory than a normal May, against demand a quarter below normal, is the definition of a buyer's market, and the board's own language captures the dynamic:

"Price trends across all housing types were flat month-over-month, as a healthy level of inventory easily absorbed the relatively muted level of overall demand in the market." — Andrew Lis, GVR Chief Economist

Read that carefully against § 1 and § 3. "Flat" is true of the Composite and false of the segments; "easily absorbed" is the board's optimistic gloss on what is, seasonally adjusted, a price undershoot. The board's incentive is to frame elevated inventory as orderly absorption; the data is equally consistent with inventory overwhelming a demand level that can't clear it at current prices. The tell is the seasonal undershoot — a market "easily absorbing" supply in its peak month should be firming faster than +0.2%, not slower.

The constructive reading: with new-listing flow normalized and active inventory grinding lower off its peak, the supply side is no longer actively deteriorating. If demand were to stabilize, the imbalance could close from the supply side over several quarters. That "if" belongs to § 7 and § 9.

6. Area Scorecard

Greater Vancouver is at least five regimes, and in May they split. The clean divergence: recreational and outer-luxury sub-markets firmed sharply while the Burnaby/Eastside core kept bleeding. Burnaby East (-1.1% MoM), Vancouver East (-1.0%), Burnaby South (-0.8%), Burnaby North (-0.7%), Richmond (-0.6%) and Maple Ridge (-1.3%) all fell, while Port Moody (+1.1%), Tsawwassen (+1.4%), Ladner (+1.3%) and the recreational cohort (below) rose. The transit-oriented, investor-heavy, deepest-2021-leverage core is exactly where renewal stress and apartment weakness concentrate.

Firming (Composite MoM)		Bleeding (Composite MoM)	
West Vancouver	+3.9%	Maple Ridge	-1.3%
Squamish	+3.3%	Burnaby East	-1.1%
Whistler	+3.3%	Vancouver East	-1.0%
Sunshine Coast	+2.6%	Burnaby South	-0.8%
Tsawwassen	+1.4%	Burnaby North	-0.7%

Deepest corrections (Composite, 3-yr): Richmond -12.2%, Burnaby East -10.8%, Burnaby North -10.2%, New Westminster -10.1%, West Vancouver -9.7% (and -15.1% over 5 yr, the luxury drawdown). These are the sub-areas where peak-to-current discounts are largest — the hunting ground for buyers per § 9.

Recreational/Luxury Cohort

The five-area discretionary-capital cohort (Whistler, Sunshine Coast, Bowen Island, Squamish, West Vancouver) activated this month — and to the upside, which is the uncommon direction.

Area	Composite MoM	Composite YoY	Apt MoM	Apt YoY	Cohort Read
West Vancouver	+3.9%	-6.7%	+8.7%	-12.7%	Leading (thin-trade caveat)
Squamish	+3.3%	-1.5%	+2.9%	-19.9%	With cohort
Whistler	+3.3%	-4.0%	+1.2%	-23.6%	With cohort
Sunshine Coast	+2.6%	-4.7%	+0.5%	-24.0%	With cohort
Bowen Island	+0.6%	-6.7%	n/a	n/a	Lagging
Cohort median	+3.3%	-4.7%	+1.2%	-23.6%	—

The cohort's median Composite move of +3.3% MoM clears the ±2.0% magnitude threshold and the 4-of-5 breadth threshold, so it earns the callout. Two cautions temper the read. First, the up-move is detached/luxury-driven, not apartment-driven: cohort apartment benchmarks are down 20-24% YoY even as composites firmed this month —

discretionary apartment demand has evaporated; it's the recreational detached and luxury line that bid up. Second, thin trading inflates these prints — West Vancouver's +3.9% composite and +8.7% apartment in a single month sit on very low volumes and should be treated as noisy, not as a 47%-annualized signal. The interpretable signal is the direction: discretionary capital returning to recreational detached/luxury ahead of the mass market, even as that same capital abandons the apartment. It's a wealth-cohort bid, not a broad recovery — and notably it reverses April's cohort move, which fired down. One month of reversal in a thin, high-beta cohort is a flag to watch, not a trend to trade.

7. The Structural Overlay

The forces the monthly transaction data doesn't capture — and this month they mostly point the same direction.

A. The mortgage renewal cliff — now at T-0. The 2021 spring-summer origination cohort — the peak-boom vintage that borrowed at ~1.5-2.0% on 5-year fixed terms — is renewing now, into best-case insured rates near 4.1% and realistic uninsured/renewal rates near 4.9%. A payment shock of roughly 2.5-3x on the rate. The leading evidence is already visible in the flow data: Equifax BC mortgage delinquent balances up 36% YoY, with the Ontario-and-BC concentration (versus falling Prairies and Quebec) confirming this is renewal-vintage stress, not a generalized shock. This is the structural bid-killer beneath the apartment and the leveraged Burnaby/Tri-Cities core. Per our discipline, the delinquency flow is observed and named here but not yet weighted into the forward call (§ 9) — the back-test of BC delinquency against forward Vancouver prices has not yet run.

B. Trade and CUSMA — the overhang gets a clock. (CUSMA = the Canada-US-Mexico trade agreement.) The mandatory CUSMA review hits its July 1 deadline. On June 2, Trade Minister LeBlanc formally requested renewal and met the US Trade Representative in Washington — the first concrete Canada-US engagement, a mild de-risk. But the US has signalled it won't renew for the full 16-year term, BC's jobs minister calls a new deal "unlikely," and tariff uncertainty is the named cause of the fifth straight quarterly drop in Canadian business investment that drove Q1's GDP stall. For Vancouver this is a confidence tax: it doesn't show in any single print, but it sits on every discretionary buying decision until July 1 resolves the direction.

C. Immigration — the demand cut now biting. The 2026-2028 federal plan cuts new temporary-resident arrivals 43% and new international-student permits roughly 50%, targeting a temporary-resident population below 5% by end-2027. This is the structural counterpart to § 4's rental collapse: international students and temporary residents are a disproportionate share of entry-apartment rental demand, and cutting them at this scale removes marginal renters exactly as completed supply arrives — falling rents, rising vacancy, impaired apartment investor math. Of every force in this overlay, this is the one most directly responsible for the apartment divergence in § 3.

D. Aboriginal title — a localized Richmond cloud. The Cowichan Tribes BC Supreme Court title declaration over ~125 fee-simple Richmond parcels remains operative: lenders have pulled financing on the affected parcels since the August 2025 judgment, and a reopening motion (backed by BC, Ottawa, and the City of Richmond) is pending. The May 28 Supreme Court of Canada denial of leave in the New Brunswick Wolastoqey case is a tailwind for BC's appeal but resolves nothing. Treat this as hard, present risk inside the claim area (financing impaired today) and soft, probably-narrowing sentiment risk elsewhere in Richmond and Vancouver West — not a region-wide overhang.

E. The macro backdrop — confidence cracking unevenly. Beyond rates (§ 0), two sentiment reads matter. Business confidence has cracked harder than consumer: the CFIB Business Barometer fell 11.7 points to 46.3 in May, a one-year low, below the 50 expansion line, with every province and sector down — while the Nanos consumer-confidence index merely steadied near neutral (51.88). Firms are more spooked than households, which historically leads hiring and investment lower. Paired with April's softening labour market (unemployment 6.9%, full-time employment -47,000), the demand-side backdrop for housing is deteriorating at the leading edge even as the lagging price data holds.

8. What Is the Market Actually Telling Us?

The Lag column tells you a signal's timing relative to the market: Leading signals turn before prices (1-3 months of warning); Coincident signals move with the market in real time (they describe the present, not the future); Lagging signals only confirm a move already underway. The forward read weights leading signals most heavily — see the synthesis below.

Signal	Reading	Direction (strength)	Lag
Composite vs seasonal	+0.2% MoM vs ~+1.1% norm — soft, not flat	Bearish (Mod)	Coincident
Apartment HPI	-0.7% MoM, -7.9% YoY — being repriced	Bearish (Strong)	Coincident
Detached HPI	+0.4% MoM — holding on thin supply	Neutral (Weak)	Coincident

Signal	Reading	Direction (strength)	Lag
Sales vs 10-yr	-26.6% (was -22.9%) — demand depression deepening	Bearish (Strong)	Coincident
Active vs 10-yr	+34.6% (was +37.9%) — overhang still elevated, but easing	Bearish (easing)	Leading, 1-3 mo
New-listing flow	+1.3% vs 10-yr — normalized	Neutral (Mod)	Leading, 1-3 mo
Rents & vacancy	rents -9% YoY, vacancy 3.7% — investor demand impaired	Bearish (Strong)	Leading, 1-3 mo
Business confidence	CFIB 46.3, 1-yr low — demand-side cracking	Bearish (Mod)	Leading, 1-3 mo
BC delinquency	+36% YoY — renewal stress building	Bearish (Mod)	Lagging (leads in stress)
Recreational cohort	+3.3% MoM — discretionary capital returning (thin)	Bullish (Weak)	Leading (luxury)
Rates	BoC hold, GoC 3.08% — stable, no relief	Neutral (Mod)	Leading

In the Reading column, "vs 10-yr" means versus the 10-year seasonal average for May — a level/count comparison (e.g. sales 2,150 vs the 2,930 ten-year May average = -26.6%). The Composite row's "~+1.1% norm" is different: it's the typical (median) May month-over-month price change from the seasonality check, not a 10-year level.

Synthesis. Weighting the leading signals, the balance is bearish, with one mitigant. The leading indicators that matter most — rents, vacancy, business confidence, renewal-stress flow — are all deteriorating, and they point at the same target, the apartment. The single constructive thread is not that any signal turned bullish, but that the supply side is easing rather than intensifying: new-listing flow has normalized and the active-inventory overhang, though still ~35% above its 10-year norm and therefore still a price headwind, has receded for a second month. That distinction matters — a weakening headwind is not a tailwind, so supply is best read as "no longer adding fuel," not as support. The coincident price data (Composite barely positive) is the least informative input — and the seasonality check shows even that is softer than it looks. Net: a market still grinding lower in price, led by apartments, but with the supply headwind easing rather than building — a slow bleed, not an accelerating one, absent a macro shock from the July 1 CUSMA deadline or the renewal cliff.

9. Positioning Framework

For the typical subscriber, not personal advice. Leading signals are bearish-to-mixed this month; we hold a buyer-favorable stance and sharpen the segment guidance.

For buyers. This is a buyer's market with real negotiating leverage, and patience is still being rewarded — but the segment guidance now matters more than the headline. The apartment is not a falling knife to catch yet: rents, yields, vacancy, and immigration all point lower, and there is no leading signal calling an apartment floor. Buyers who need an apartment should bid aggressively below ask and assume further softness; buyers who can wait, can. Detached and townhouse offer better risk/reward — supported by constrained quality supply and (for townhouse) genuine end-user demand — with the deepest negotiating room in the corrected core: Richmond, Burnaby, New Westminster, where 3-year drawdowns run 10-12%. Across all segments, qualify at the ~6.1% stress floor and assume no rate relief before fall.

For sellers. If you must sell an apartment, price to the rental-impaired reality, not to last year's comp — the segment is being repriced and waiting has carried a cost for 26 months of falling rents and 8 months of falling prices. Detached and townhouse sellers have a thinner but real bid; the constrained-supply dynamic means well-presented, fairly-priced quality stock still clears. May is normally the seasonal high-water mark for selling, and that strongest stretch is now passing — listing into a market that undershot its own seasonal lift is not a position of strength.

For investors. The apartment cap-rate case is broken at current prices: ~4.0% gross yield against ~4.9% carry and 3.1% risk-free is negative-leverage-plus-risk. We do not see an investor entry point in apartments until either rents stabilize (no sign yet — § 4) or prices fall enough to push yields meaningfully above carry. The exception is the deep-drawdown opportunistic play in the corrected detached/townhouse core (10%+ peak discounts, mild further downside) for buyers with a multi-year horizon and no reliance on rental yield. The recreational-cohort firming (§ 6) is a wealth-cohort bid, not an investment thesis — thin, high-beta, and apartment-negative beneath the surface.

10. What to Watch Next Month

Report Card — Grading Last Month's Watch List

Accountability first. April's issue set eleven triggers and a thesis to test. Here is how May resolved them — and the verdict is more bearish than bullish, with one important correction to April's own read.

April watch item	Trigger	May actual	Verdict
Sales vs 10-yr May	Bull < -15% / Bear ⩾ -20%	-26.6%	Bearish — regime stuck (worse than April's -22.9%)
Active vs 10-yr	Bull < +25% / Bear > +35%	+34.6%	Neither — improved from +37.9%, just under the line
Detached sales YoY	Bull > +10% / Bear < +5%	+0.9%	Bearish — the head-fake fired
Detached MoM price	Bull positive / Bear 2 more negative	+0.4%	Bullish — held positive
Apartment MoM price	Bull any positive / Bear keeps falling	-0.7%	Bearish — no positive month
Active listings (absolute)	Bull < 15,500 / Bear > 17,000	16,917	Neither — just under the bear line
New listings YoY	Bull < -5% / Bear turns positive	-7.6%	Bullish — supply flow contracting
BC delinquency rate (CMHC)	Bull < 0.22% / Bear > 0.25%	no fresh print	Unmeasured — Equifax flow (+36%) is the live read
"Subject to Court Approval" Burnaby	Bull stable / Bear spike	not tracked	Unmeasured — still a coverage gap
FVREB composite	Bull 3rd gain / Bear reverses	-0.6% MoM	Bearish — reversed
West Vancouver follow-through	Bull aberration / Bear 2nd ⩾ -2%	+3.9% MoM	Bullish — aberration confirmed (thin-trade)

Tally: 4 bearish, 3 bullish, 2 neither, 2 unmeasured — and the bearish triggers are all on the demand/regime side, the bullish ones all on the supply side, exactly the split § 8 describes.

The thesis April set — "detached strength survives the renewal cliff" — is weakening, and April was half-wrong about why. Detached price held (+0.4% MoM, the bullish trigger), but the detached sales strength the thesis rested on evaporated: April's +14.0% YoY surge collapsed to +0.9% in May. To April's credit, it flagged this exact risk — it called the March-April detached-sales jump a possible "head-fake," and May confirmed the head-fake. So detached is now holding on constrained quality supply, not demand — a thinner foundation than the April thesis implied. The renewal cliff is at T-0; per April's own framing, the July data (early-August release) is the real test of whether late-2026 is a detached price floor or a way-station to a deeper trough. We carry the thesis forward, downgraded from "holding" to "holding on a thin bid."

This Month's Watch List (June)

Watch item	Bullish trigger	Bearish trigger
Apartment HPI (June)	MoM turns flat/positive	A third straight monthly decline → divergence confirmed
Composite vs seasonal	June MoM beats ~+0.4% seasonal norm	June undershoots seasonal again → soft trend
BoC decision (June 10)	Surprise 25bp cut	Hawkish hold / no 2026 cuts signalled
CUSMA review (July 1)	16-yr renewal or tariff relief	Annual-review or renegotiation / tariffs entrenched
Active listings vs 10-yr	Deviation falls below +25%	Re-accelerates above +37%
Asking rents (Rentals.ca)	YoY decline narrows toward -5%	27th straight month, ⩾ -9% YoY
Equifax BC delinquency (Q2)	YoY decelerates below +30%	Crosses +40% → distress-watch threshold
May labour / June LFS	Unemployment falls below 6.7%	Rises toward 7.1% prior peak

Key Metrics Summary

	May 2026	MoM	YoY	vs 10-yr
Composite HPI	$1,100,700	+0.2%	-6.2%	—
Detached HPI	$1,847,900	+0.4%	-6.9%	—
Townhouse HPI	$1,048,200	+0.5%	-5.1%	—
Apartment HPI	$697,800	-0.7%	-7.9%	—
Sales	2,150	+1.9%	-3.5%	-26.6%
New listings	6,115	-8.5%	-7.6%	+1.3%
Active listings	16,917	+4.2%	-1.0%	+34.6%
Overall SAR	13.1%	—	—	balanced (low)
Best 5-yr fixed (insured)	4.09%	—	—	—
1-bed asking rent	$2,330	—	-9.0%	26 mo of decline
CMHC vacancy	3.7%	—	—	renters' market

Data: 161 monthly GVR Stats Packages (Jan 2020 - May 2026) + FVREB cross-board reference, BoC, Statistics Canada, CMHC, Rentals.ca, OSB, and Equifax. This note is analytical commentary based on board data and analyst judgment; it is not investment advice. All forward-looking framings carry material uncertainty.