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VICTORIA MARKET SHOWS MODEST GAINS

HOME SALE PRICE MEASURES

The Canadian Real Estate Association (CREA) and a number of real estate boards, including the Victoria Real Estate Board (VREB), recently introduced a new means to report home sale prices. This new measure employs the concepts of a "Benchmark Price" and a "Home Price Index." Consequently, it is timely to examine the various means by which home sale prices are reported and to examine the relative merits of the various approaches, at least at a rudimentary level.

Average MLS® Sale Price (ASP): The ASP is calculated by totalling the dollar value of home sales through the Multiple Listing Service for a given period and by dividing by the number of sales. The CREA reports the ASP of "residential" sales on a monthly basis at the national, provincial and local levels and the percentage change over time. Effectively, this is a composite measure that includes all types of residential dwellings (i.e., single family dwellings, condominiums, townhouses, etc.). Most real estate boards report monthly ASPs by the type of dwelling as well as by district. The ASP is a common statistical measure familiar to most people. It provides a ready means for comparison between cities, provinces and, indeed, between nations. And, there is a wealth of historical data available. The major limitation with the ASP is that it tends to be quite volatile, particularly when applied to a short time period or to a small number of sales. For example, the sale of an inordinately large number of expensive properties in a particular month will generally cause a short term spike in the ASP.

Median Sale Price (MSP): The MSP is the middle point of sale prices whereby half the sale prices are above the median and half are below. The National Association of Realtors reports the MSPs of homes in the United States. In Canada, many real estate boards, including the VREB, report MSPs on a monthly and an annual basis. The MSP has the same advantages as the ASP but typically does not exhibit, for the most part, the volatility associated with the ASP.

Benchmark Price (BM) and MLS® Home Price Index (HPI): A statistical technique that merges "repeat-sales and hedonic approaches" is used to calculate the BP and HPI. A "Benchmark home" is one that is typical of the homes sold in a given area based on mean values. There are ten real estate boards that report a BP by type of dwelling and by district. The CREA provides an "aggregate" index figure, but not an actual dollar figure for these boards. This measure is less volatile than the ASP. However, according to CMHC's "Housing Now" Dec 2013 issue, this measure lags the ASP by up to six months in signalling an increase or decrease in year-over-year price changes.

Teranet - National Bank House Price Index (T-NBHPI): The T-NBHPI uses what is known as the repeat sales method by tracking home prices over time using data collected from public land registries. All dwellings that have been sold at least twice are considered in the calculation of the index. T-NBHPI provides a monthly index figure for eleven areas and a composite index figure. Again, the resulting measures are less volatile than the ASP but they also lag the ASP in signalling price changes.

CMHC's "Housing Now" Sep 2013 issue examines the various measures and concludes: "... that it is preferable to look at the whole range of measures available when assessing house price conditions instead of relying on any single measure."

**TABLE 1: STATISTICAL TRENDS - ALL RESIDENTIAL
(Greater Victoria and Other Areas)**

QUARTER-TO-QUARTER COMPARISONS			
	1 st Qtr 13	1 st Qtr 14	Change
New Listings	3,120	2,833	-289
Sales	1,126	1,265	+139
Avg Sale Price	\$457,274	\$488,954	+\$31,680
Median Sale Price	\$419,900	\$432,500	+\$12,600
Ratio Sales Listings	.36	.44	+0.08
Avg Days to Sell	80	66	-14
Sale Price as % of Org List Price	94.1%	94.9%	-0.8%
Mortgages Rates (Posted 3 yr Fixed)	3.65%	3.25%	-0.40%

THE VICTORIA MARKET

The real estate market in Victoria posted modest gains in the 1st Qtr of 2014 and is firmly in balanced territory. However, it should be recalled that the 1st Qtr of 2013 was one of the weakest in recent years.

The number of “residential properties” (i.e., all types of housing excluding lots/acreage and commercial) listed through the Victoria Real Estate Board’s (VREB) MLS® in the 1st Qtr of 2014 was 2,833, down -9.3% from 3,120 in the 1st Qtr of 2013. Residential sales totalled 1,265, up +12.3% from 1,126 in the 1st Qtr of 2013. The sales-to-new-listings ratio (a measure of market strength) was .44 in the 1st Qtr of 2014, up from .36 last year. Properties that sold in the 1st Qtr of 2014 were on the market for an average of 66 days, down from 80 days in the 1st Qtr of 2013. Both average and median sale prices increased in the 1st Qtr of 2014. **The average sale price of a residential property in Greater Victoria and other areas was \$488,954 in the 1st Qtr of 2014**, +6.9% higher than \$457,274 in the 1st Qtr of 2013. The median sale price was \$432,500 in the 1st Qtr of 2014, up a more modest +3.0% from \$419,900 last year. (Note: There were 52 sales above the million dollar mark, compared to 27 last year).

The Victoria market still remains relatively weak compared to the other expensive markets in Canada. The average sale price of a residential property in Victoria (year-to-date) is up +1.7% from the average sale price of \$480,997 in 2013. By way of comparison, Vancouver is up +8.5% to \$832,776 from the average sale price in 2013, the Fraser Valley is up +4.0% to \$510,858, Toronto is up +3.4% to \$542,017 and Calgary is up +3.7% to \$453,336.

The Chief Economist with the BCREA has forecast that Victoria will experience largely balanced market conditions through 2014.

THE MARKET INVENTORY

The number of properties on the market has fallen. Table 2 shows there were 2,884 properties (including lots and acreage) active on the VREB’s MLS® for the Greater Victoria area (i.e., excluding the Malahat, Up-Island and the Gulf Islands) on April 1, 2014, down -7.1% from 3,104 on April 1, 2013.

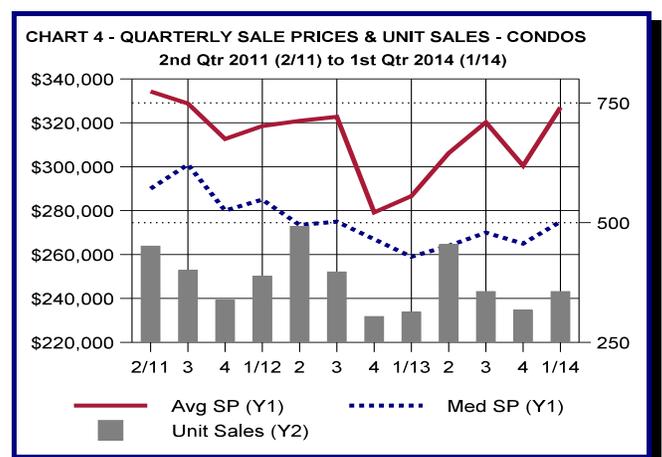
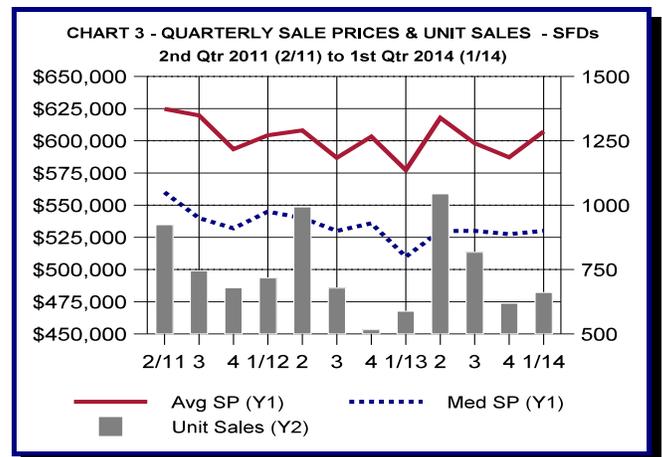
SINGLE FAMILY DWELLINGS (SFDs)

There were 661 sales of SFDs in Greater Victoria in the 1st Qtr of 2014, compared to 588 sales in the 1st Qtr of 2013. As shown in Chart 3, the average and median sale prices have remained relatively flat over the past several quarters. **The average sale price of SFDs in the 1st Qtr of 2014 was \$607,202, up +5.2% from \$577,221 in the 1st Qtr of 2013.** The median sale price was \$530,000, up +3.9% from \$510,000 last year. SFDs that sold in the 1st Qtr of 2014 were on the market for an average of 60 days, compared to 66 days last year. The sales-to-listings ratio was .42 in the 1st Qtr of 2014, a little stronger than the figure of .38 last year.



TABLE 2: INVENTORY - GREATER VICTORIA

Type of Property	Apr 13	Apr 14	Change
Single Family Dwelling	1,507	1,350	-157
Condominiums	900	830	-70
Townhouses	337	311	-26
Lots/Acreage	248	298	+50
Man Home/Rental Pad	91	74	-17
Duplexes (Revenue)	15	9	-6
Triplexes+ (Revenue)	6	11	+5
Totals	3,104	2,884	-220



CONDOMINIUMS

Condominium sales totalled 356 in the 1st Qtr of 2014, up from 313 in the 1st Qtr of 2013. As shown in Chart 4, **the average sale price for a condo was \$327,032 in the 1st Qtr of 2014, up +14.0% from \$286,622 in the 1st Qtr of 2013.** The median sale price was \$275,000, up +4.2% from \$264,000. *(The spike in the average sale price was largely attributable to the sale of a \$5.2 million condo property).* Condos that sold in the 1st Qtr of 2014 were on the market for an average of 76 days, compared to 80 days last year. The sales-to-listings ratio was .41 in the 1st Qtr of 2014, compared to .38 last year.

TOWNHOUSES

Townhouse sales totalled 136 in the 1st Qtr of 2014, up from 130 in the 1st Qtr of 2013. The average and median sale prices of townhouses have also remained flat over the past several quarters. **The average selling price was \$424,686 in the 1st Qtr of 2014, up +4.1% from \$408,140 in the 1st Qtr of 2013.** The median sale price was \$385,000, up from \$375,000 a year ago. Townhouses that sold in the 1st Qtr of 2014 were on the market for an average of 64 days, down markedly from 85 days last year. The sales-to-listings ratio was .41 compared to .39 last year.

LOTS/ACREAGE

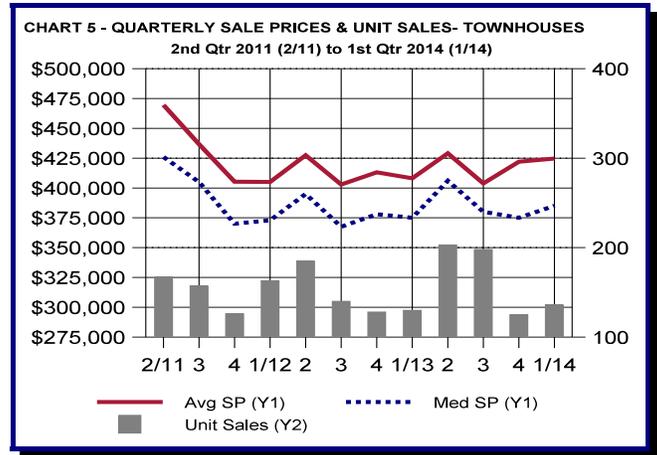
There were 24 lots/acreage sold in the 1st Qtr of 2014, up from 15 in the 1st Qtr of 2013. The average and median sale prices were **\$273,567** and **\$265,000** respectively.

MARK YOUR CALENDAR - UPCOMING EVENTS IN GREATER VICTORIA



It is that time of year to review forthcoming activities and events. Victoria hosts a range of events over the year that caters to the interests of just about everyone, many of which are free. The following are but a few of the events scheduled for 2014. For a complete list, check out the Tourism Victoria website at www.tourismvictoria.com.

- **Victoria Young Life's 24th Annual Home Design and Reno Tour** (Apr 12 - 13 www.younglife.ca/victoriahometour)
- **Times Colonist 10K Run and (new) Half Marathon** - (Apr 27)
- **150th Victoria Highland Games & Celtic Festival** - (May 17 - 18)
- **Victoria Day Parade** - three hour parade along Douglas Street downtown (May 19)
- **Swiftsure 2014 International Yacht Race** - Dallas Road (May 24 - 26)
- **50th Annual Oak Bay Tea Party and Parade** - Oak Bay and Willows Beach (Jun 7 - 8)
- **TD Victoria international JazzFest 2013** - various venues downtown (Jun 20 - 29)
- **Canada Day Celebrations** - various venues around Greater Victoria (July 1)
- **Saturday Night Fireworks at the Butchart Gardens** - (Jun 28 - Aug 30)
- **Pacific Tattoo 2013: Save-On-Foods Memorial Centre** (Jul 12 - 13)
- **TD Art Gallery Paint In** - Moss Street (July 19)
- **Victoria International Buskers Festival** - various sites in downtown (Jul 18 - 27)
- **Symphony Splash 2014** - Inner Harbour (Aug 3)
- **Victoria Dragon Boast Festival** - Inner Harbour (Aug 16 - 17)
- **2014 Victoria Fringe Festival** - various venues downtown (Aug 21 - 31)
- **Classic Boat Festival** - Inner Harbour (Aug 29 - 31)
- **Feast of Fields** - (Sep 14 www.farmfolkcityfolk.ca)
- **GoodLife Fitness Victoria Marathon, Half Marathon and 8K Road Race** (Oct 12)

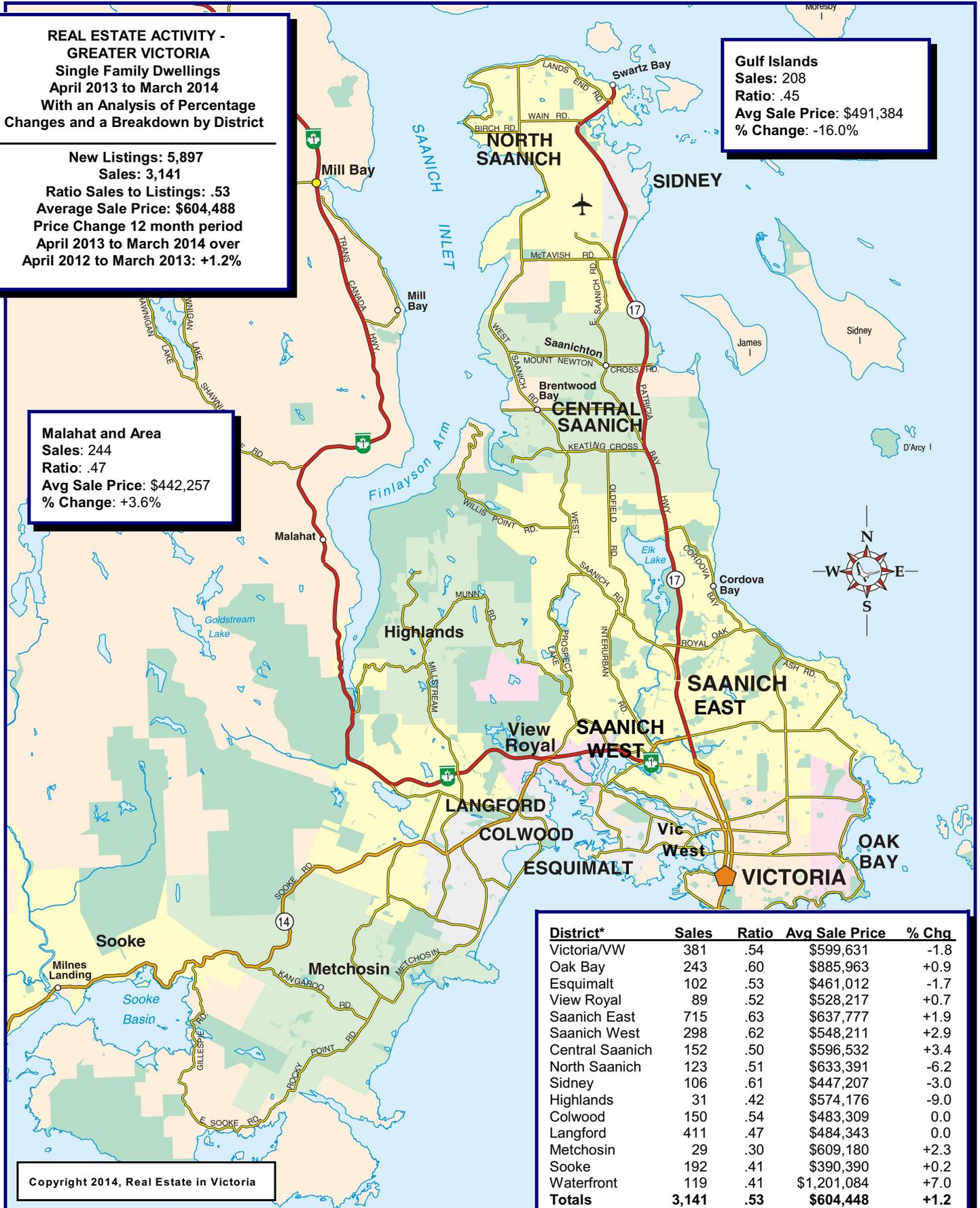


**REAL ESTATE ACTIVITY -
GREATER VICTORIA**
Single Family Dwellings
April 2013 to March 2014
With an Analysis of Percentage
Changes and a Breakdown by District

New Listings: 5,897
Sales: 3,141
Ratio Sales to Listings: .53
Average Sale Price: \$604,488
Price Change 12 month period
April 2013 to March 2014 over
April 2012 to March 2013: +1.2%

Gulf Islands
Sales: 208
Ratio: .45
Avg Sale Price: \$491,384
% Change: -16.0%

Malahat and Area
Sales: 244
Ratio: .47
Avg Sale Price: \$442,257
% Change: +3.6%



District*	Sales	Ratio	Avg Sale Price	% Chg
Victoria/VW	381	.54	\$599,631	-1.8
Oak Bay	243	.60	\$885,963	+0.9
Esquimalt	102	.53	\$461,012	-1.7
View Royal	89	.52	\$528,217	+0.7
Saanich East	715	.63	\$637,777	+1.9
Saanich West	298	.62	\$548,211	+2.9
Central Saanich	152	.50	\$596,532	+3.4
North Saanich	123	.51	\$633,391	-6.2
Sidney	106	.61	\$447,207	-3.0
Highlands	31	.42	\$574,176	-9.0
Colwood	150	.54	\$483,309	0.0
Langford	411	.47	\$484,343	0.0
Metchosin	29	.30	\$609,180	+2.3
Sooke	192	.41	\$390,390	+0.2
Waterfront	119	.41	\$1,201,084	+7.0
Totals	3,141	.53	\$604,448	+1.2

*District Avg. Sales Prices exclude sales of "Waterfront"