



## MARKET PRESSURES EASE

### DOWNSIZING YOUR HOME

To move or not to move? This is the question that many people will increasingly face. There are approximately ten million baby boomers in Canada who will reach the age of sixty over the next two decades. Eventually, these boomers will have to consider the prospect of downsizing, or perhaps more accurately put, “rightsizing” their residences.



There are many reasons why seniors may choose to downsize: their children have moved away; the family home now seems overly large for their needs; the stairs are becoming more difficult to negotiate; and the ongoing maintenance work never seems to end. Perhaps many can no longer afford the expenses associated with a large home. Many people may simply seek a change in lifestyle, greater freedom and the opportunity to travel.

For many, the decision to downsize is one of the most difficult that they will ever make. It often entails leaving behind family memories and cutting an emotional attachment that may have lasted decades. The development of a well thought-out plan which may involve discussion with one’s family and friends and consultation with professionals, can help with the decision, and smooth the transition.

Of course, the situation will vary considerably according to the individual’s circumstances. Typically, it will involve the sale of a home. It might also involve the purchase of a smaller home, or a move into rental accommodation, or into an assisted living residence, or a care facility. A realtor can be of considerable assistance in this regard. Depending on the individual’s circumstances, this could entail the following:

- assist in establishing the individual’s housing objectives (e.g., the type of housing and the location);
- identify the housing options available, if the decision is to purchase a smaller home;
- show examples of these housing options;
- provide an assessment of the local real estate market conditions;
- conduct an analysis of the “market value” of the home;
- assess what the individual could net financially from the sale of the home and the possible purchase of a smaller home;
- develop a marketing plan and provide advice on preparing the home for showings; and
- outline the processes of selling and possibly purchasing another property.

The decision to downsize and the development of an associated plan can be complex. A recently released book by Doug and Judy Robinson entitled, “*The Best of the Rest Downsizing for Boomers and Seniors*” can be of tremendous help. The Robinsons have been involved in assisting people to downsize in Ottawa for some eighteen years. Their book is an easy read, covering the whole range of issues connected to downsizing. It offers a lot of tips, checklists, and questions to address in making the decision and formulating a plan.

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

	QUARTER-TO-QUARTER COMPARISONS		
	2 <sup>nd</sup> Qtr 09	2 <sup>nd</sup> Qtr 10	Change
New Listings	3,701	4,537	+836
Sales	2,446	1,959	-487
Avg Sale Price	\$471,798	\$513,556	+\$41,758
Median Sale Price	\$429,500	\$474,900	+\$45,400
Ratio Sales Listings	.66	.43	-.23
Avg Days to Sell	58	45	-13
Sale Price as % of Org List Price	95.1%	92.3%	-2.8%
Mortgages Rates (Posted 3 yr Fixed)	4.68%	4.65%	-0.03%

**THE VICTORIA MARKET**

The momentum seen in the last half of 2009 and the 1<sup>st</sup> Qtr of 2010 has eased somewhat and the Victoria real estate market headed into “balanced” territory in the 2<sup>nd</sup> Qtr of 2010. Overall, sales of residential properties have slowed when compared to historical norms. Indeed, this was the slowest 2<sup>nd</sup> Qtr in terms of the number of sales over the past decade. At the same time, the number of new listings has risen, giving buyers a lot more options. While prices remained strong into the 2<sup>nd</sup> Qtr, the rate of the increase in average and medium sale prices has slowed.

Sales of “residential properties” (i.e., all types of housing excluding lots/acreage and commercial) through the Victoria Real Estate Board’s MLS® slowed in the 2<sup>nd</sup> Qtr of 2010. As shown in Table 1, sales of residential properties totalled 1,959, down 20% from 2,446 sales in the 2<sup>nd</sup> Qtr of 2009. The number of new listings rose to 4,537, up 23% from 3,701 new listings in the 2<sup>nd</sup> Qtr of 2009. **The sales-to-new-listings ratio (a measure of the market strength) fell to .43 in the 2<sup>nd</sup> Qtr of 2010, compared to .66 in the 2<sup>nd</sup> Qtr of 2009. Both average and median sale prices were up when compared to the 2<sup>nd</sup> Qtr of 2009. The average sale price of a residential property in Greater Victoria and other areas was \$513,556 (a new quarterly high) in the 2<sup>nd</sup> Qtr of 2010, up 8.9% from \$471,798 in the 2<sup>nd</sup> Qtr of 2009. The median sale price was also up 10.6% to \$479,900. The figure of \$513,892 compares to average sale prices of \$661,745 in Vancouver, \$446,593 in Toronto and \$417,978 in Calgary for the month of May.**

While sales slowed in the 2<sup>nd</sup> Qtr, it should be recalled that the 1<sup>st</sup> Qtr of 2010 was quite strong. Indeed, sales in the first half of 2010 were in line with the norms that have marked the past decade. The British Columbia Real Estate Association is forecasting that sales will edge lower for the remainder of the year. Prices are expected to stabilize around their current levels.

**THE MARKET INVENTORY**

As shown in Table 2, there were 3,380 properties (including lots and acreage) active on the VREB’s MLS® database for the Greater Victoria area (i.e., excluding the Malahat, Up-Island and the Gulf Islands) on July 1, 2010, up 28% from the inventory level of 2,639 on July 1, 2009.

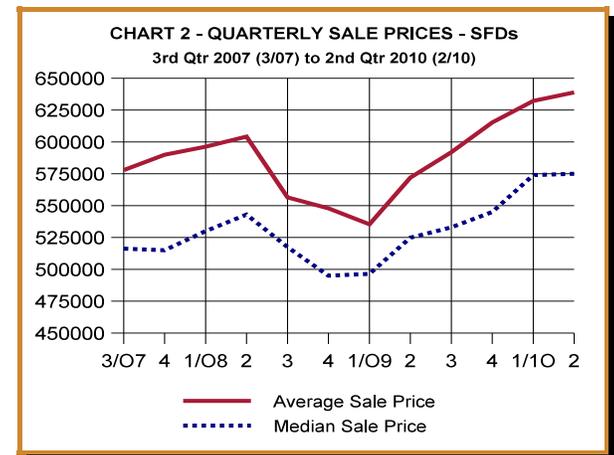
**SINGLE FAMILY DWELLINGS (SFDS)**

Sales of SFDs in Greater Victoria in the 2<sup>nd</sup> Qtr of 2010 totalled 1,064, down 21.7% from 1,359 sales in the 2<sup>nd</sup> Qtr of 2009. **The average sale price of SFDs in the 2<sup>nd</sup> Qtr of 2010 was \$638,951 (a new quarterly high), up 11.7% from an average of \$572,010 in the 2<sup>nd</sup> Qtr of 2009.** Moreover, the median sale price was \$575,000, up 9.6% from \$524,900 in the 2<sup>nd</sup> Qtr of 2009. As shown in Chart 2, sale prices have increased steadily from the lows in the 1<sup>st</sup> Qtr of 2009. SFDs that sold in the 2<sup>nd</sup> Qtr of 2010 were on the market for an average of 36 days, versus 46 days last year. The sales-to-listings ratio was .45 in the 2<sup>nd</sup> Qtr of 2010, compared to a very strong .73 last year.



**TABLE 2: INVENTORY - GREATER VICTORIA**

Type of Property	Jul 09	Jul 10	Change
Single Family Dwelling	1,143	1,667	+524
Condominiums	813	981	+168
Townhouses	252	297	+45
Lots/Acreage	345	316	-29
Man Home/Rental Pad	71	92	+21
Duplexes (Revenue)	11	12	+1
Triplexes+ (Revenue)	4	15	+11
<b>Totals</b>	<b>2,639</b>	<b>3,380</b>	<b>+741</b>



## CONDOMINIUMS

Condominium sales also slowed in the 2<sup>nd</sup> Qtr of 2010 with sales of 560, down from 669 sales in the 2<sup>nd</sup> Qtr of 2009. **The average sale price for a condo was \$331,929 in the 2<sup>nd</sup> Qtr of 2010, up 10.9% from \$299,310 in the 2<sup>nd</sup> Qtr of 2009.** The median sale price was \$295,500, compared to \$275,000 last year. As shown in Chart 3, the average and median sale prices have increased from the lows of the 1<sup>st</sup> Qtr of 2009 but remain slightly below the peak in the 1<sup>st</sup> Qtr of 2008. Condos took an average of 52 days to sell in the 2<sup>nd</sup> Qtr of 2010, compared to 66 days last year. The sales-to-listings ratio was .48, compared to .65 last year.

## TOWNHOUSES

Townhouse sales totalled 215 in the 2<sup>nd</sup> Qtr of 2010, down from 262 sales in the 2<sup>nd</sup> Qtr of 2009. **The average selling price in the 2<sup>nd</sup> Qtr of 2010 was \$438,310, up 7.6% from \$407,185 in the 2<sup>nd</sup> Qtr of 2009.** The median sale price was \$417,000. As shown in Chart 4, prices have leveled off. Townhouses took an average of 41 days to sell in the 2<sup>nd</sup> Qtr of 2010, down from 56 days last year. The sales-to-listings ratio was .56, compared to .77 last year.

## LOTS/ACREAGE

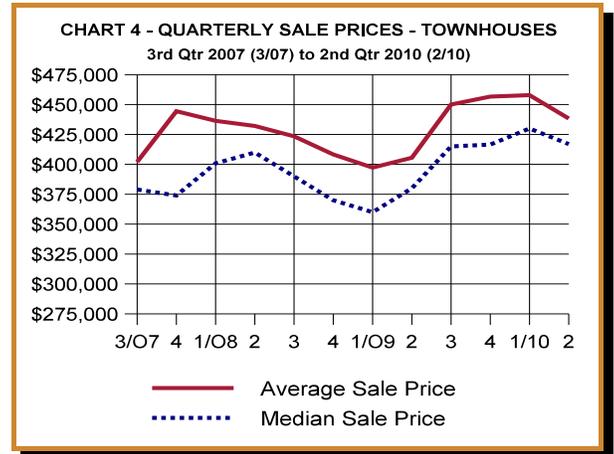
There were 50 lots/acreage sold in the 2<sup>nd</sup> Qtr of 2010, down from 69 in the 2<sup>nd</sup> Qtr of 2009. The average and median sale prices were **\$332,553** and **\$279,900** respectively.

## CRAIGDARROCH CASTLE

Those people who travel Fort Street may have noticed the new stone structures at the junction of Joan Crescent. In the ongoing effort to conserve Craigdarroch Castle and bring its history back to life, a plan is being implemented to complete the restoration of the grounds surrounding the Castle. The plan includes the recently installed replica sandstone gateposts on the boulevards of Joan Crescent at Fort Street. These are similar to the ones that greeted visitors at the entrance to the Dunsmuir estate in the 1890s. The society will also install many historic plants around the property to reflect the types enjoyed by the Dunsmuir family during their residency at the Castle and walking paths on the south lawn.

Craigdarroch Castle is an iconic Victorian stone mansion which occupies one of the highest points in Victoria proper. It was completed in the late 1890s for Robert Dunsmuir and his wife Joan. Dunsmuir built an empire in the coal mining business. Eventually, he became one of the wealthiest and most influential men in British Columbia.

No expense was spared in the construction and finishing of Craigdarroch Castle. Every piece of the finest wood, stone and glass works were meticulously crafted. The Castle is currently owned by the Craigdarroch Castle Historical Museum Society, which is a private non-profit society. It is open to the public. Indeed, it is a major tourist attraction that receives some 150,000 visitors a year. The castle is now a national historic museum featuring an extensive collection of stained and leaded glass windows, magnificent woodwork, Victorian furnishings and decorative arts.



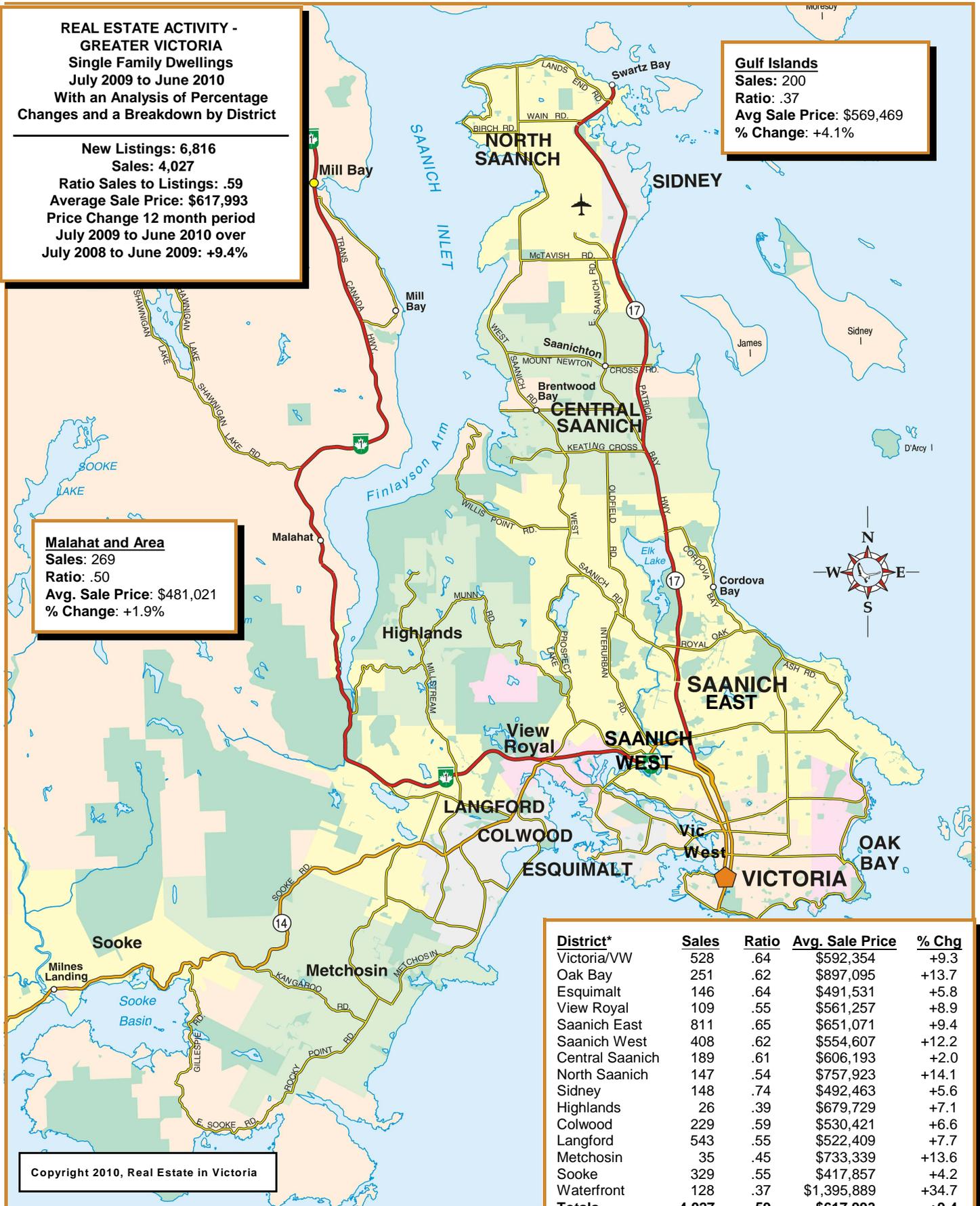
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**REAL ESTATE ACTIVITY -  
GREATER VICTORIA  
Single Family Dwellings  
July 2009 to June 2010  
With an Analysis of Percentage  
Changes and a Breakdown by District**

**New Listings: 6,816  
Sales: 4,027  
Ratio Sales to Listings: .59  
Average Sale Price: \$617,993  
Price Change 12 month period  
July 2009 to June 2010 over  
July 2008 to June 2009: +9.4%**

**Gulf Islands  
Sales: 200  
Ratio: .37  
Avg Sale Price: \$569,469  
% Change: +4.1%**

**Malahat and Area  
Sales: 269  
Ratio: .50  
Avg. Sale Price: \$481,021  
% Change: +1.9%**



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District*	Sales	Ratio	Avg. Sale Price	% Chg
Victoria/VW	528	.64	\$592,354	+9.3
Oak Bay	251	.62	\$897,095	+13.7
Esquimalt	146	.64	\$491,531	+5.8
View Royal	109	.55	\$561,257	+8.9
Saanich East	811	.65	\$651,071	+9.4
Saanich West	408	.62	\$554,607	+12.2
Central Saanich	189	.61	\$606,193	+2.0
North Saanich	147	.54	\$757,923	+14.1
Sidney	148	.74	\$492,463	+5.6
Highlands	26	.39	\$679,729	+7.1
Colwood	229	.59	\$530,421	+6.6
Langford	543	.55	\$522,409	+7.7
Metchosin	35	.45	\$733,339	+13.6
Sooke	329	.55	\$417,857	+4.2
Waterfront	128	.37	\$1,395,889	+34.7
<b>Totals</b>	<b>4,027</b>	<b>.59</b>	<b>\$617,993</b>	<b>+9.4</b>

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