



Geoff McLean



Heather Wilde

Jodi Baker



MARKET FAVOURS BUYERS

IMPORTANT CHANGES TO THE STRATA PROPERTY ACT

The majority of new housing starts in British Columbia in the past few years have been strata properties. In December 2011, the provincial government announced new regulations under the *Strata Property Act* including: the requirement for a Depreciation Report, changes to the management of Contingency Reserve Funds and the information to be included in the Information Certificate (Form B). The requirement for a Depreciation Report will likely have a significant impact on the purchase and sale of a strata property in the future. Ostensibly, the purpose of the Depreciation Report is to assist Strata Corporations to plan and to budget for future repair and maintenance costs of the strata property. In addition, it will provide prospective buyers with a better understanding of the financial obligations that they will incur over the long term when deciding whether or not to proceed with the purchase of a particular strata property. **As a result, the Depreciation Report will become a requisite document for all prospective buyers of strata properties.** The depreciation report will contain:

- a physical inventory of the common property including the building's systems,
- the anticipated maintenance, repair and replacement costs for common expenses projected over 30 years, and
- a financial forecasting section that contains at least three cash-flow funding models for the contingency reserve fund.

More specifically, the Depreciation Report will include a description and estimated service life over 30 years for those items that the Strata Corporation is legally responsible to maintain and repair. Depending on the particular circumstances, this might include such items as:

- the building's structure,
- the building's exterior, including: roofs, decks, doors, windows and skylights,
- the electrical, heating, plumbing, fire protection and security systems,
- landscaping, including: paths, sidewalks fencing and irrigation,
- common amenities and facilities,
- parking facilities and roadways,
- utilities, including water and sewage,
- floor coverings and furnishings in the common areas,
- green building components, and
- balconies and patios.

In addition, the Depreciation Report will identify those common property items that the individual strata property owner, not the strata corporation, is responsible to maintain and repair.

The Depreciation Report will be mandatory by December 2013 for Strata Corporations with five or more units, *unless an exemption is passed by a three-quarters vote of the Strata Corporation*. For more detailed information visit the Condominium Home Owners' Association website at: www.choa.bc.ca.

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

QUARTER-TO-QUARTER COMPARISONS			
	1 st Qtr 11	1 st Qtr 12	Change
New Listings	3,710	3,551	-159
Sales	1,393	1,377	-16
Avg Sale Price	\$490,512	\$481,094	-\$9,418
Median Sale Price	\$445,000	\$435,000	-\$10,000
Ratio Sales Listings	.38	.39	+.01
Avg Days to Sell	62	68	+6
Sale Price as %			
of Org List Price	94.8%	95.0%	-0.2%
Mortgages Rates			
(Posted 3 yr Fixed)	4.35%	3.95%	-0.40%

THE VICTORIA MARKET

The Victoria real estate market remains in balanced territory, although for all intents and purposes, it favours buyers. The short term outlook remains uncertain. On one hand, sales seem to have hit their bottom. Prices have drifted lower and housing is somewhat more affordable. Interest rates remain very attractive. And, it is anticipated that measures to mitigate the HST, coupled with the first-time home buyers bonus towards the purchase of new homes, will spur the new construction market. On the other hand, the inventory remains high and properties are taking longer to sell. According to the Conference Board, Victoria's economy will grow by only 1.6% in 2012, well below the average of 3.4% that marked the period 2000 to 2007 when the real estate market flourished.

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 2012 was 3,551, down 4.3% from 3,710 in the 1st Qtr of 2011. Residential sales totalled 1,377, little changed from 1,393 in the 1st Qtr of 2011. The sales-to-new-listings ratio (a measure of market strength) was .39 in the 1st Qtr of 2012, again little changed from .38 last year. Properties that sold in the 1st Qtr of 2012 were on the market for an average of 68 days, up from 62 days in the 1st Qtr of 2011.

Both average and median sale prices have drifted lower. The average sale price of a residential property in Greater Victoria and other areas was \$481,094 in the 1st Qtr of 2012, -1.9% lower than \$490,512 in the 1st Qtr of 2011. The median sale price was \$435,000 in the 1st Qtr of 2012, down -2.2% from \$445,000 last year. In terms of the year-to-date change from 2011, the figure of \$481,094 is down -3.5% from the 2011 average sale price of \$498,300. By way of comparison, the average sale price in Vancouver was \$785,439 in the first two months of 2012, up +0.1% from the average sale price in 2011, \$491,031 in the Fraser Valley, down -2.3%, \$487,162 in Toronto, up 4.5% and \$396,809 in Calgary, down -1.5%.

THE MARKET INVENTORY

There were 3,134 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 April 1, 2012, up slightly from 3,060 on April 1, 2011.

SINGLE FAMILY DWELLINGS (SFDs)

There were 717 sales of SFDs in Greater Victoria in the 1st Qtr of 2012, about the same as 721 in the 1st Qtr of 2011. As shown in Chart 2, the average and median sale prices have drifted lower from their peaks in 2010. **The average sale price of SFDs in the 1st Qtr of 2012 was \$605,277 down -1.2% from \$612,897 in the 1st Qtr of 2011, and down -4.3% from \$632,243 in the 1st Qtr of 2010.** The median sale price was \$545,000, down -3.9% from \$567,000 last year. SFDs that sold in the 1st Qtr of 2012 were on the market for an average of 56 days, up from 53 days last year. The sales-to-listings ratio was .41 in the 1st Qtr of 2012, the same as last year.

CHART 1: RES'L SALES-TO- NEW-LISTINGS RATIO
2nd Qtr 2009 (2/09) to 1st Qtr 2012 (1/12)

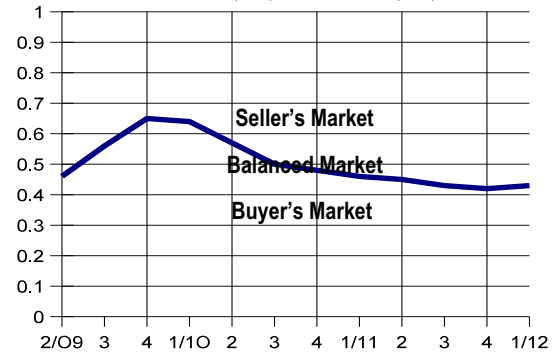


TABLE 2: INVENTORY - GREATER VICTORIA

Type of Property	Apr 11	Apr 12	Change
Single Family Dwelling	1,427	1,497	+70
Condominiums	958	949	-9
Townhouses	311	322	-11
Lots/Acreage	254	258	+4
Man Home/Rental Pad	97	85	-12
Duplexes (Revenue)	8	14	+6
Triplexes+ (Revenue)	5	9	+4
Totals	3,060	3,134	+74

CHART 2 - QUARTERLY SALE PRICES - SFDs
2nd Qtr 2009 (2/09) to 1st Qtr 2012 (1/12)



CHART 3 - QUARTERLY SALE PRICES - CONDOS
2nd Qtr 2009 (2/09) to 1st Qtr 2012 (1/12)



CONDOMINIUMS

Condominium sales totalled 388 in the 1st Qtr of 2012, little changed from 392 in the 1st Qtr of 2011. As shown in Chart 3, the average and median sale prices of condominiums have also trended lower. **The average sale price for a condo was \$318,510 in the 1st Qtr of 2012, down -2.7% from \$327,427 in the 1st Qtr of 2011.** The median sale price was \$273,500. Condos that sold in the 1st Qtr of 2012 were on the market for an average of 73 days, up from 58 days last year. The sales-to-listings ratio was .40 in the 1st Qtr of 2012, up from .38 last year.

TOWNHOUSES

Townhouse sales totalled 163 in the 1st Qtr of 2012, little changed from 166 in the 1st Qtr of 2011. The average and median sale prices of townhouses have trended down since they peaked in the 2nd Qtr of 2011. **The average selling price was \$405,016 in the 1st Qtr of 2012 down -6.2% from \$431,690 in the 1st Qtr of 2011.** The median sale price was \$372,900. Townhouses that sold in the 1st Qtr of 2012 were on the market for an average of 67 days, up from 61 days last year. The sales-to-listings ratio was .47, compared to .44 last year.

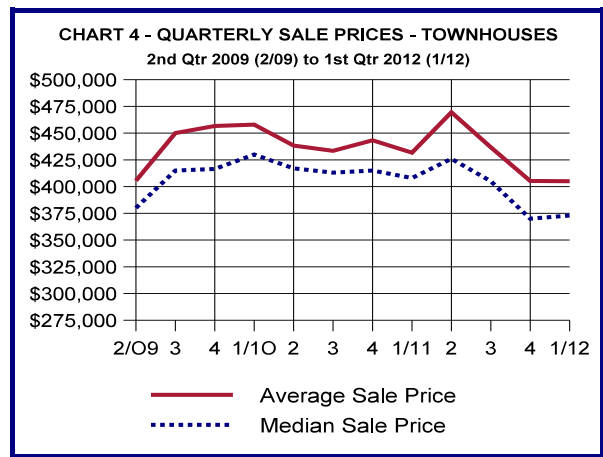
LOTS/ACREAGE

There were 22 lots/acreage sold in the 1st Qtr of 2012, down from 62 in the 1st Qtr of 2011. The average and median sale prices were **\$321,186** and **\$235,000** respectively.

MARK YOUR CALENDAR - UPCOMING EVENTS IN GREATER VICTORIA

Victoria has a vibrant arts and culture scene and a host 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 2012. For a complete list, check out the Tourism Victoria website at www.tourismvictoria.com.

- **Victoria Collects: The Salish Weave Collection** - Art Gallery of Greater Victoria (until May 6)
- **Times Colonist 10K Run** - (Apr 29)
- **Royal BC Museum Dinosaurs: Ancient Fossils, New Discoveries** - (May 17 - Sep 16)
- **Victoria Day Parade** - three hour parade along Douglas Street downtown (May 21)
- **Swiftsure 2012 International Yacht Race** - Dallas Road (May 26 - 27)
- **48th Annual Oak Bay Tea Party and Parade** - Oak Bay and Willows Beach (Jun 2 - 3)
- **TD Victoria international JazzFest 2010** - various venues downtown (Jun 22 - Jul 1)
- **Canada Day Celebrations - Victoria and Westshore** (July 1)
- **Saturday Night Fireworks at the Butchart Gardens** - (July 7 - Sep 1)
- **The Pacific Tattoo: Western Canada's Musical Extravaganza** - Bear Mountain Arena (Jul 14 - 15)
- **Art Gallery Paint In** - Moss Street (July 21)
- **Victoria International Buskers Festival** - various sites in downtown (Jul 20 - 29)
- **Symphony Splash 2011** - Inner Harbour (Aug 5)
- **Victoria Dragon Boast Festival** - Inner Harbour (Aug 17 - 19)
- **2011 Victoria Fringe Festival** - various venues downtown (Aug 27 - Sep 6)
- **Classic Boat Festival** - Inner Harbour (Sep 2 - 4)
- **Victoria Marathon, Half Marathon and 8K** (Oct 5 - 7)



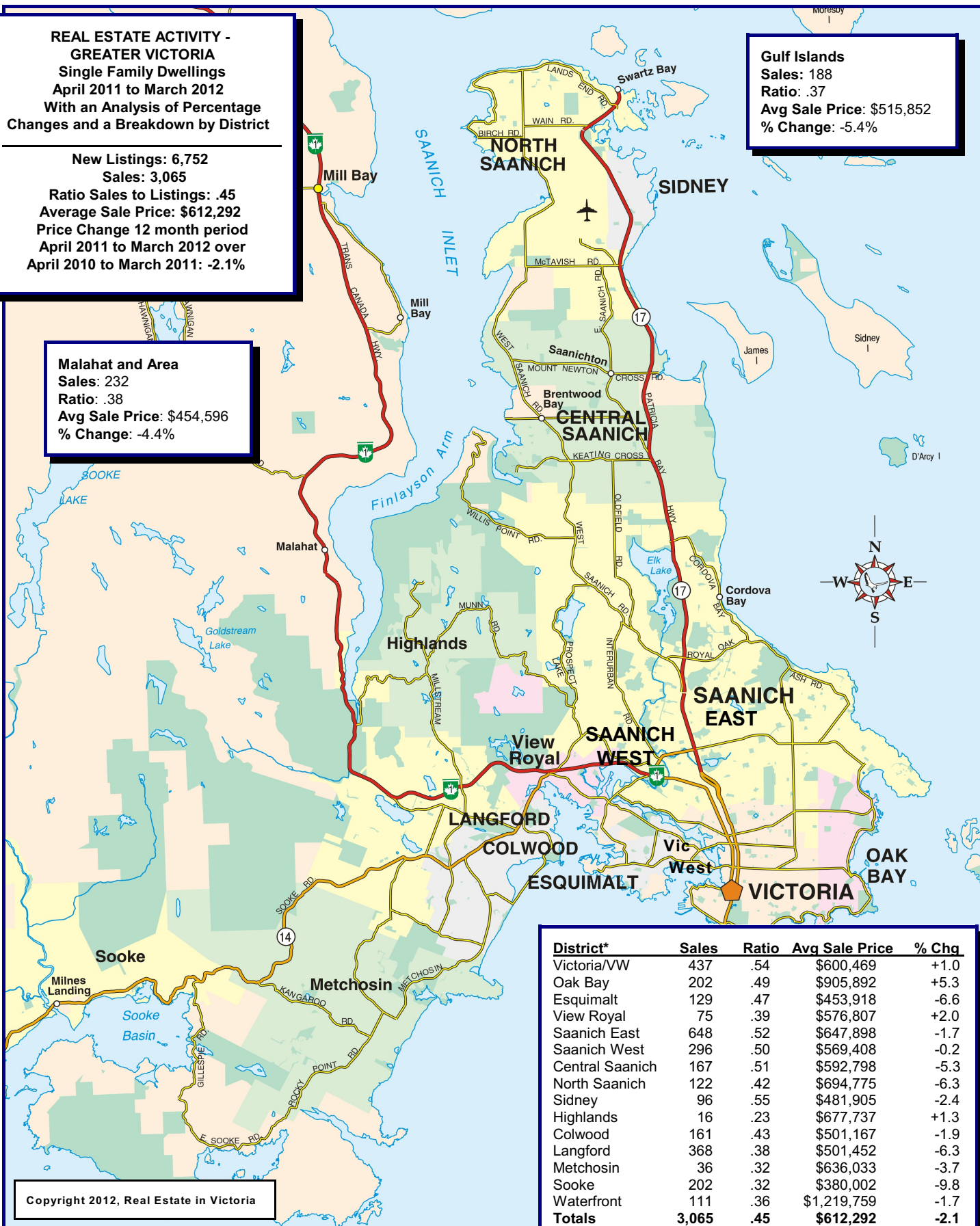
Real Estate in Victoria ...Keeping You Informed: I provide this newsletter to clients, customers and friends to help them keep informed of developments in the real estate market in the Victoria area. If you do not want to receive this newsletter in the future, please let me know. It is not intended to solicit or interfere with existing listings or Agency relationships. The information contained herein is based on sources which are believed to be reliable, but it is not guaranteed. The content of this newsletter is copyright©. The data and information outlined herein was derived from a number of sources including: the VREB, the BCREA and the CREA. The Publisher is responsible for the analysis of the data and any opinions expressed herein.

**REAL ESTATE ACTIVITY -
GREATER VICTORIA**
Single Family Dwellings
April 2011 to March 2012
With an Analysis of Percentage
Changes and a Breakdown by District

New Listings: 6,752
Sales: 3,065
Ratio Sales to Listings: .45
Average Sale Price: \$612,292
Price Change 12 month period
April 2011 to March 2012 over
April 2010 to March 2011: -2.1%

Malahat and Area
Sales: 232
Ratio: .38
Avg Sale Price: \$454,596
% Change: -4.4%

Gulf Islands
Sales: 188
Ratio: .37
Avg Sale Price: \$515,852
% Change: -5.4%



District*	Sales	Ratio	Avg Sale Price	% Chg
Victoria/VW	437	.54	\$600,469	+1.0
Oak Bay	202	.49	\$905,892	+5.3
Esquimalt	129	.47	\$453,918	-6.6
View Royal	75	.39	\$576,807	+2.0
Saanich East	648	.52	\$647,898	-1.7
Saanich West	296	.50	\$569,408	-0.2
Central Saanich	167	.51	\$592,798	-5.3
North Saanich	122	.42	\$694,775	-6.3
Sidney	96	.55	\$481,905	-2.4
Highlands	16	.23	\$677,737	+1.3
Colwood	161	.43	\$501,167	-1.9
Langford	368	.38	\$501,452	-6.3
Metchosin	36	.32	\$636,033	-3.7
Sooke	202	.32	\$380,002	-9.8
Waterfront	111	.36	\$1,219,759	-1.7
Totals	3,065	.45	\$612,292	-2.1

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