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REAL ESTATE IN VICTORIA... *Keeping You Informed*

Summer 2008

SALES DIP... INVENTORY SPIKES

REAL ESTATE OVER THE YEARS

2008 marks the 150th Anniversary of the founding of British Columbia. We thought it would be interesting to take a retrospective look at real estate in Victoria through the classified advertisements that appeared in the Victoria Daily Times. The following re-produces a few of the advertisements that appeared between 1900 and 1940.

Victoria Times July 14, 1900

FOR SALE - On easy terms, several houses on Stanley avenue, \$2,500 to \$2,800; cottage James Bay, \$1,500; two cottages on Speed avenue, \$1,000 each; 9 houses, Victoria West for \$6,000; 2 cottages off Oak Bay avenue, \$700 each; cottage and 7 lots, off Esquimalt road, \$2000; 3 lots and four houses at Esquimalt, \$2,600; cottage off Oak Bay avenue, \$1,200; house and lot, Victoria West, \$1,000; 4 lots near Cedar Hill church, for \$300; valuable water frontage on the Gorge, near Point Ellice bridge, 3.96 acres for \$8,000, or open to an offer.

A.W. More & Co., 86 Government St.

Victoria Times July 2, 1910

\$1,000

For a nice lot on Oscar street.

\$750

For fine lots on Moss street.

\$600

For nice lots on Olive street.

\$300

For nice lots on Alder street.

See Me for Bargains

C. R. MacFadden

Mahon Bldg. Government St.

Victoria Times July 2, 1920

\$5,500 53 WELLINGTON AVENUE

situated ½ block from sea and close to cars. Surrounded by good homes, this semi-bungalow of 8 rooms, comprising vestibule hall, large reception room with ornamental brick fireplace, den with built-in bookcases, dining room with panels and beams, breakfast or sun room, Dutch kitchen, bedroom with bath and toilet downstairs; 3 bedrooms upstairs, hot and cold water; cement basement, furnace and tubs; full size lot with roses, etc. This home is built along bungalow lines and has been newly kalsomined and painted throughout the interior, hardwood floors in main rooms. Terms arranged.

Brett & Ker Ltd. 623 Fort Street

Victoria Times August 30, 1930

A BUNGALOW TO BE PROUD OF Large panelled hall, unusually attractive living-room, dining-room with built-in buffet, two artistically decorated bedrooms, kitchen, pantry, tiled bathroom, cement basement with furnace, and an unfinished attic. Of exceptionally substantial construction and attractive design.

Price only..... \$2750

NEAR THE HIGH SCHOOL ON FERNWOOD Road, we offer a good six room bungalow on a nice corner.

Easy terms at.....\$3000

PACIFIC UNDERWRITERS & BROKERAGE LIMITED
1002 Broad Street Phone 1779

Victoria Times August 30, 1940

REAL SATISFACTION We know you will get it if you purchase this cozy little bungalow home. Five attractive rooms; two bedrooms, each with pedestal wash basin; hardwood floors in hallway, open fireplace, many built-in features, full basement and HOT-WATER HEATING SYSTEM. Large room finished in basement, extra toilet, etc. Quiet and secluded location. Taxes \$50.00

Price\$2750

Consideration for all Cash.

Swinerton & Co. Limited
630 Broughton Street

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

QUARTER-TO-QUARTER COMPARISONS

	<u>2nd Qtr 07</u>	<u>2nd Qtr 08</u>	<u>Change</u>
Properties Listed	4259	4737	+478
Sales	2643	2143	-500
Avg Sale Price	\$479,428	\$494,347	+\$14,919
Median Sale Price	\$425,000	\$450,000	+\$25,000
Ratio Sales Listings	.62	.47	-15
Avg Days to Sell*	43	44	+1
Sale Price as %			
of List Price*	98.0%	97.8%	-0.2%
Mortgage Rates			
(Posted 3 yr Fixed)	7.43%	6.77%	-0.66%

VICTORIA MARKET

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 2nd Qtr of 2008. As shown in Table 1, sales of residential properties totalled 2,143, down 19% from 2,643 sales in the 2nd Qtr of 2007. At the same time, the number of new listings rose to 4,737, up 11.2% from 4,259 listings in the 2nd Qtr of 2007. **The sales to new listings ratio (a measure of the market strength) fell to .47 in the 2nd Qtr of 2008, compared to .62 in the 2nd Qtr of 2007.**

Both average and median sale prices continue to inch up but at a greatly reduced rate from the recent past. The average sale price of a residential property in Greater Victoria and other areas was \$494,347 in the 2nd Qtr of 2008, up a modest 3.1% from \$479,428 in the 2nd Qtr of 2007. The median sale price was up 5.9% to \$450,000. The figure of \$494,347 compares with average residential sale prices of \$624,639 in Vancouver, \$418,881 in Calgary and \$398,148 in Toronto for the month of May.

There has been a general weakening in the market for all price categories and for all types of housing. **Overall, we have clearly moved into a balanced market.** Arguably, some types of housing are in a buyer's market. Even the usually strong market for moderately priced SFDs has weakened significantly. For example, the sales to listings ratio for SFDs priced less than \$450,000 was a rather weak .54 in the 2nd Qtr of 2008, compared to .84 in the 2nd Qtr of 2007.

THE MARKET INVENTORY

Table 2 illustrates one of the significant changes that has taken place in the market in the 2nd Qtr. There were 3,296 properties (including lots and acreage) active on the Victoria Real Estate Board's MLS® database for the Greater Victoria area (i.e., excluding the Malahat, Up-Island and the Gulf Islands) on July 1, 2008, up some 27% from 2,600 on July 1, 2007. There has been major increases in the number of single family dwellings and condominiums on the market. **We have not seen the inventory at this level since July of 1998. This is, of course, good news for buyers as they have a lot more choices available and much more negotiating room.**

SINGLE FAMILY DWELLINGS (SFDs)

Sales of SFDs in Greater Victoria in the 2nd Qtr of 2008 totalled 1,167, down significantly from 1,470 in the 2nd Qtr of 2007. As shown in Chart 2, the increase in the sale prices eased in the 2nd Qtr. **The average sale price of SFDs in the 2nd Qtr of 2008 was \$604,166, up 6.5% from an average of \$567,369 in the 2nd Qtr of 2007.** Moreover, the median sale price was \$543,000, up 10.8% from \$490,000 in the 2nd Qtr of 2007. SFDs sold in the 2nd Qtr of 2008 were on the market for an average of 34 days, versus 33 days last year. The sales to listings ratio was .50 in the 2nd Qtr of 2008, compared to .68 last year.

CONDOMINIUMS

Condominium sales also slowed in the 2nd Qtr of 2008 with sales of 581, down from 706 sales in the 2nd Qtr of 2007. As shown in Chart 3, the average and median sale prices of condominiums have levelled

CHART 1: RES'L SALES TO LISTINGS RATIO
3rd Qtr 2005 (3/05) to 2nd Qtr 2008 (2/08)



TABLE 2: INVENTORY - GREATER VICTORIA

Type of Property	Jul 07	Jul 08	Change
Single Family Dwellings	1112	1479	+367
Condominiums	830	1179	+349
Townhouses	278	287	+9
Lots/Acreage	299	286	-13
Man Home/Rental Pad	60	36	-24
Duplexes (Revenue)	17	14	-3
Triplexes+ (Revenue)	4	11	+11
Totals	2600	3296	+696

CHART 2 - QUARTERLY SALE PRICES - SFDs
3rd Qtr 2005 (1/05) to 2nd Qtr 2008 (2/08)

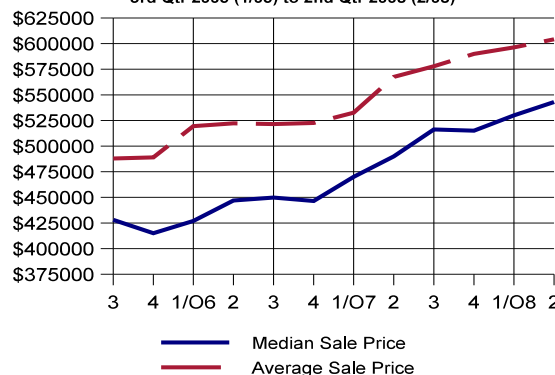


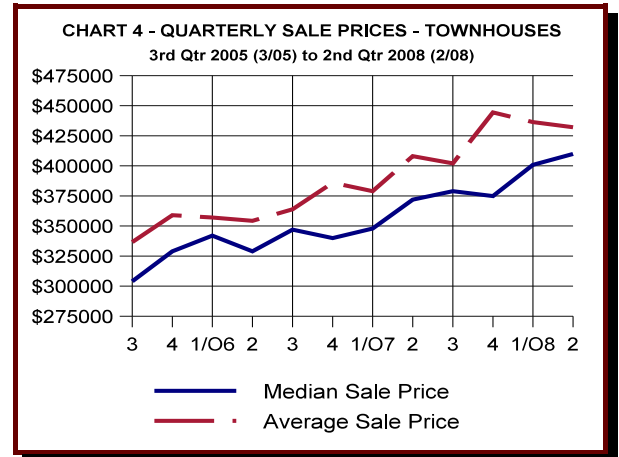
CHART 3 - QUARTERLY SALE PRICES - CONDOS
3rd Qtr 2005 (3/05) to 2nd Qtr 2008 (2/08)



off. The average sale price for a condo was \$327,455 in the 2nd Qtr of 2008, virtually unchanged from \$323,260 in the 2nd Qtr of 2007. However, the median sale price was \$295,000, up from \$272,000 last year. Condos took an average of 51 days to sell in the 2nd Qtr of 2008, compared to 45 days last year. The sales to listings ratio was .44, compared to .61 last year.

TOWNHOUSES

Townhouse sales totalled 221 in the 2nd Qtr of 2008, down from 249 in the 2nd Qtr of 2007. The average selling price in the 2nd Qtr of 2008 was \$432,101, up 6.9% from \$404,240 in the 2nd Qtr of 2007. Townhouses took an average of 42 days to sell in the 2nd Qtr of 2008, up from 38 days last year. The sales to listings ratio was .54.



LOTS/ACREAGE

Sales of lots/acreage continue to slow. There were 51 lots/acreage sold in the 2nd Qtr. of 2008 compared to 70 last year. The average and median sale prices were \$400,720 and \$325,000 respectively.

TEST YOUR KNOWLEDGE OF REAL ESTATE TRIVIA

1. What was the approximate value of "residential" MLS® sales in Canada in 2007?
a) \$150 billion, b) \$160 billion, c) \$170 billion, or d) \$180 billion.
2. What was the approximate value of "residential" MLS® sales in British Columbia in 2007?
a) \$25 billion, b) \$35 billion, c) \$45 billion, or d) \$55 billion.
3. What was the approximate value of "residential" MLS® sales in Greater Victoria (including the Gulf Island and Malahat area) in 2007? a) \$2 billion, b) \$3 billion, c) \$4 billion, or d) \$5 billion.
4. What percentage of land in British Columbia is privately owned in terms of geographic area?
a) 8%, b) 10%, c) 12%, or d) 14%.
5. How many privately-owned dwellings exist in British Columbia according to the 2006 Statistics Canada Census?
a) 1.59 million, b) 1.79 million, c) 1.99 million, d) 2.19 million.
6. What is the total value of privately-owned property in British Columbia in 2007.
a) \$640 billion, \$740 billion, c) \$840 billion or d) \$940 billion.
7. What proportion of owner households was free of a mortgage in British Columbia in 2006?
a) 32.4%, b) 42.4%, c) 52.4% or d) 62.4%?
8. What percentage of households in British Columbia was owner-occupied in 2006?
a) 66.7%, b) 69.7%, c) 72.7%, or d) 75.7%.
9. How much revenue does the province of British Columbia forecast from the Property Purchase Tax in the fiscal year 2007/08? a) \$600 million b) \$800 million, c) \$900 million, or d) \$1 billion.

Answers: 1 b) CREA; 2 c) CREA; 3 c) CREA; 4 a) BC Assessment Authority; 5 b) Statistics Canada, 2006 Census; 6 d) BC Assessment Authority; 7 b) Statistics Canada, 2006 Census; 8 b) Statistics Canada, 2006 Census; 9 c) BC Ministry of Finance, Budget Estimates.

Real Estate in Victoria... 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. 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 Victoria Real Estate Board and the Canadian Real Estate Association.

**REAL ESTATE ACTIVITY -
GREATER VICTORIA
Single Family Dwellings
July 2007 to June 2008
With an Analysis of Year-Over-Year
Changes and a Breakdown by District**

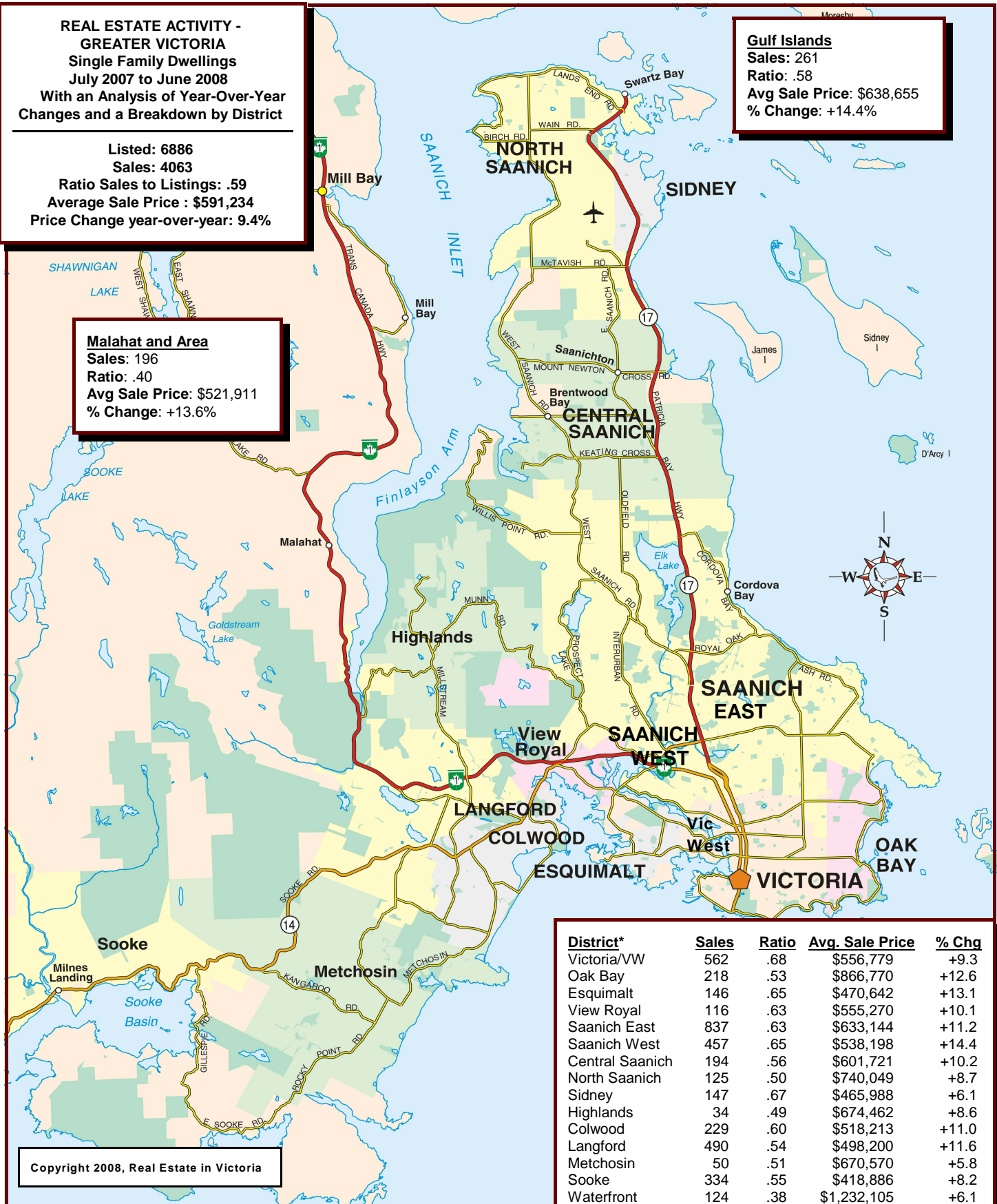
Listed: 6886
Sales: 4063
Ratio Sales to Listings: .59
Average Sale Price : \$591,234
Price Change year-over-year: 9.4%

Malahat and Area

Sales: 196
Ratio: .40
Avg Sale Price: \$521,911
% Change: +13.6%

Gulf Islands

Sales: 261
Ratio: .58
Avg Sale Price: \$638,655
% Change: +14.4%



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District*	Sales	Ratio	Avg. Sale Price	% Chg
Victoria/VW	562	.68	\$556,779	+9.3
Oak Bay	218	.53	\$866,770	+12.6
Esquimalt	146	.65	\$470,642	+13.1
View Royal	116	.63	\$555,270	+10.1
Saanich East	837	.63	\$633,144	+11.2
Saanich West	457	.65	\$538,198	+14.4
Central Saanich	194	.56	\$601,721	+10.2
North Saanich	125	.50	\$740,049	+8.7
Sidney	147	.67	\$465,988	+6.1
Highlands	34	.49	\$674,462	+8.6
Colwood	229	.60	\$518,213	+11.0
Langford	490	.54	\$498,200	+11.6
Metchosin	50	.51	\$670,570	+5.8
Sooke	334	.55	\$418,886	+8.2
Waterfront	124	.38	\$1,232,105	+6.1
Totals	4063	.59	\$591,234	+9.4

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