



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

Fall 2011

PROFESSIONAL STANDARDS

PROFESSIONAL STANDARDS IN THE REAL ESTATE INDUSTRY

The purchase and/or sale of a property is probably the single largest financial transaction that most of us will make in our lifetime. Real estate sales through the Multiple Listing Service (MLS®) totalled \$159.506 billion in Canada in 2010. In British Columbia, there were 80,326 sales with a dollar value of \$39.491 billion. **It is important, indeed critical, that consumers have confidence and trust in the competency and integrity of those employed in the real estate industry.**

The Real Estate Council of British Columbia (The Council) is the provincial regulatory agency with the primary responsibility for protecting the public interest by enforcing the licensing and professional conduct requirements of the *Real Estate Services Act*. This includes responsibility for licensing individuals and brokerages engaged in real estate sales, rental and strata property management. The Council establishes entry qualifications, educational and training requirements, conducts audits and inspections, investigates complaints against licensees and imposes disciplinary sanctions under the Act.

Education and Training: The Council is responsible for establishing the educational requirements of persons licensed under the *Real Estate Services Act*. The administration of licensing courses and examinations is done by the University of British Columbia's Sauder School of Business, Real Estate Division, Vancouver. Since 2007, the Re-licensing Education Program requires licensees to complete a series of education courses on a two-year cycle as a condition of continued licensing. The Council also provides licensees with industry updates in a variety of forms including: the Professional Standards Manual, the Brokerage Standards Manual and the Report from the Council Newsletters.

Licensing: The Council is responsible for all licensing procedures including: determining the suitability of licensee applicants; ensuring that each brokerage has a licensed broker in place; and ensuring brokerages maintain a proper place of business.

Compliance: The Council conducts office audits and inspections (208 in 2009/10) to ensure that all licensed brokerages have proper controls in place, particularly with regard to trust monies.

Complaints, Hearings and Discipline: In the fiscal year 2009/10 the Council has received 562 written complaints against licensees. The vast majority of these complaints relate a failure to exercise reasonable care and skill. It issued some 124 discipline decisions (i.e., a finding that the licensee was in violation of the *Real Estate Services Act*). There were eight voluntary withdrawals (i.e., a situation where the licensee requests that the Council discontinue disciplinary proceedings with an agreement to a lifetime ban from real estate practice). Discipline decisions resulted in: reprimands coupled with remedial training, temporary license suspensions and fines. For more information on the Council, visit: www.recbc.ca/

Based on the figures available, it would appear that approximately .0008% real estate transactions result in a finding of a violation of professional standards under the *Real Estate Services Act*.

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

QUARTER-TO-QUARTER COMPARISONS			
	3 rd Qtr 10	3 rd Qtr 11	Change
New Listings	3,047	3,664	+641
Sales	1,268	1,450	+182
Avg Sale Price	\$484,446	\$495,716	+\$11,269
Median Sale Price	\$445,000	\$440,000	-\$5,000
Ratio Sales Listings	.42	.40	-.02
Avg Days to Sell	60	64	+4
Sale Price as % of Orig List Price	93.6%	93.5%	-0.1%
Mortgage Rates (Posted 3 yr Fixed)	4.20%	4.35%	+0.15%

THE VICTORIA MARKET

The real estate market in Victoria remained relatively weak in the 3rd Qtr of 2011. On a positive note, sales were up from the 3rd Qtr of 2010. However, it should be recalled that the 3rd Qtr of 2010 had one of the weakest sales figures in the past decade. In addition, sales haven't kept up with the supply of housing. As shown in Table 1, sales of residential properties through the Victoria Real Estate Board's MLS® increased in the 3rd Qtr of 2011. Sales of residential properties totalled 1,450, up 14% from 1,268 sales in the 3rd Qtr of 2010. The number of new listings in the 3rd Qtr totalled 3,664, up 20% from 3,047 new listings in the 3rd Qtr of 2010. The sales-to-new-listings ratio was .40 in the 3rd Qtr of 2011, compared to .42 in the 3rd Qtr of 2010. For all intents and purposes, the market favours buyers. The good news for sellers is that prices remain stable.

Both average and median sale prices showed little significant change in the 3rd Qtr. The average sale price of a residential property in Greater Victoria and other areas was \$495,716 in the 3rd Qtr of 2011, up slightly from \$484,446 last year, but down 3.5% from the market peak of \$513,556 in the 2nd Qtr of 2010. The median sale price was \$440,000, down slightly from \$445,000 last year. The figure of \$495,716 compares with average residential sale prices of \$778,545 in Vancouver, \$507,750 in the Fraser Valley, \$451,663 in Toronto and \$394,251 in Calgary for the month of August 2011.

Some individuals have suggested that the HST is a drag on the market, particularly as it relates to new construction. However, there is little evidence to suggest that the HST is a major factor. The HST was introduced on 1 July 2010. Sales of new SFDs constituted 9.4% of MLS® sales of SFDs in the period 1 July 2009 to 1 July 2010, compared to 7.5% in the period 1 July 2010 to 1 July 2011. Perhaps the most straightforward explanation is that the current state of the market is simply part of the normal economic cycle, coupled with the rising concerns about the pace of the economic recovery.

THE MARKET INVENTORY

There were 3,551 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 Oct 1, 2011, up 18% from 3,019 on Oct 1, 2010 and up 54% from 2,305 on Oct 1, 2009.

SINGLE FAMILY DWELLINGS (SFDs)

Sales of SFDs in Greater Victoria in the 3rd Qtr of 2011 totalled 745, up 12% from 667 sales in the 3rd Qtr of 2010. As shown in Chart 2, the average sale and median sale prices continue to fluctuate in a fairly narrow range. The average sale price of SFDs in the 3rd Qtr of 2011 was \$619,723, up 2.9% from an average of \$602,018 in the 3rd Qtr of 2010. The median sale price was \$540,000, down from \$545,000 in the 3rd Qtr of 2010. SFDs that sold were on the market for an average of 53 days in the 3rd Qtr of 2011, compared to 52 days in the 3rd Qtr of last year. The sales-to-listings ratio was .41 in the 3rd Qtr of 2011, compared to .45 last year.

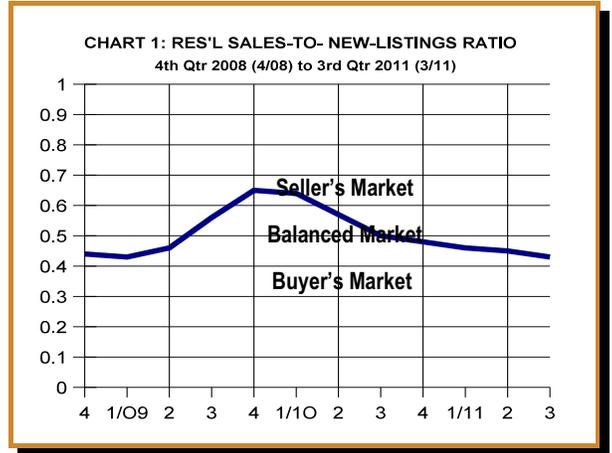
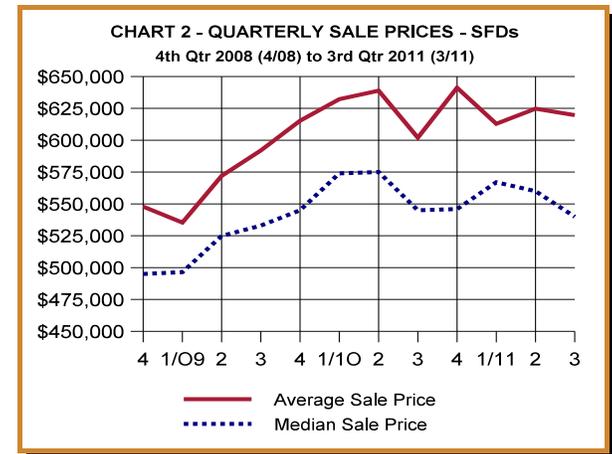


TABLE 2: INVENTORY - GREATER VICTORIA

Type of Property	Oct 10	Oct 11	Change
Single Family Dwellings	1,421	1,718	+297
Condominiums	905	1,047	+142
Townhouses	290	373	+83
Lots/Acreage	290	280	-10
Man Home/Rental Pad	91	105	+14
Duplexes (Revenue)	10	18	+8
Triplexes+ (Revenue)	12	10	-2
Totals	3,019	3,551	+532



CONDOMINIUMS

Condominium sales were up modestly in the 3rd Qtr of 2011 with sales of 400, up 15% from 348 sales in the 3rd Qtr of 2010. **The average sale price for a condo was \$328,779, up from \$314,713 in the 3rd Qtr of 2010.** The median sale price was \$280,000. Condos took an average of 65 days to sell in the 3rd Qtr of 2011, up from 59 days last year. The sales-to-listings ratio was .40 in the 3rd Qtr of 2011, compared to .48 last year.

TOWNHOUSES

Townhouse sales totalled 157 in the 3rd Qtr of 2011, up 31% from 120 sales in the 3rd Qtr of 2010. **The average selling price in the 3rd Qtr of 2011 was \$436,725, up slightly from \$433,470 in the 3rd Qtr of 2010.** The median sale price was \$405,000. Townhouses took an average of 60 days to sell in the 3rd Qtr of 2011, up from 51 days last year. The sales-to-listings ratio was .42, compared to .52 last year.

LOTS/ACREAGE

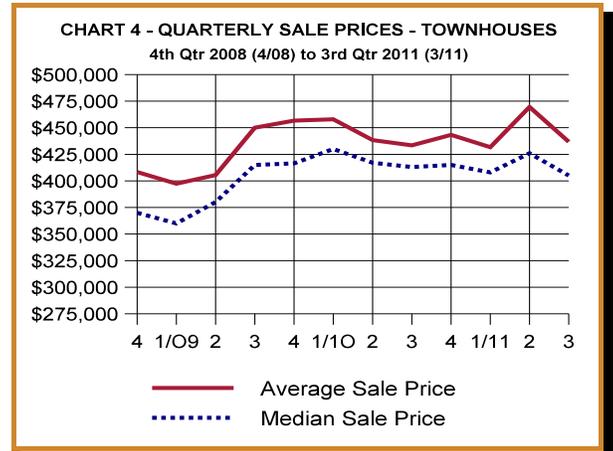
There were 20 lots/acres sold in the 3rd Qtr of 2011. The average and median sale prices were **\$414,070** and **\$399,000** respectively.

THE WOODLANDS TRAIL AT GOVERNMENT HOUSE

The Government House Gardens at 1401 Rockland Avenue is a popular attraction for Victoria residents, visitors, and tourists alike. Most Victorians are familiar with the 5.7 hectares (14 acres) of formal gardens that surround Government House.

Each Lieutenant Governor made his or her own unique contribution to the gardens. Perhaps the most influential was the Honourable David Lam, Lieutenant Governor of British Columbia (1988–1995). In the face of an austerity drive, his Honour initiated the Garden Volunteer Program to enhance the existing gardens, create new gardens, and improve the maintenance of the Government House grounds for public use and enjoyment. The Friends of Government House Gardens Society (The Friends), maintain the gardens, raise funds and ensure the continuation of interest and support of the Government House grounds.

Perhaps less well known is the "Woodlands," the 8.9 hectares (22 acres) of a rare Garry Oak ecosystem to the south of Government House. The Woodlands are a unique example of a Garry oak ecosystem in an urban setting. Along with Garry oaks, the Woodlands feature a tapestry of wildflowers, Camas, western buttercup, white fawn lilies, snow berries, ferns, douglas fir and poplar groves. The aim of the Friends is to protect, preserve and restore this Garry oak habitat while providing the public with opportunities for appreciation and education. There is now open access to the Woodlands through the relatively recent installation with the Woodlands Trail which provides visitors a view of this native British Columbia area. The Woodlands Trail takes about twenty minutes to complete and is something you might wish to consider the next time you visit Government House. For more information visit: <http://www.lt.gov.bc.ca/gardens/default.htm>.



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
October 2010 to September 2011
With an Analysis of Percentage
Changes and a Breakdown by District

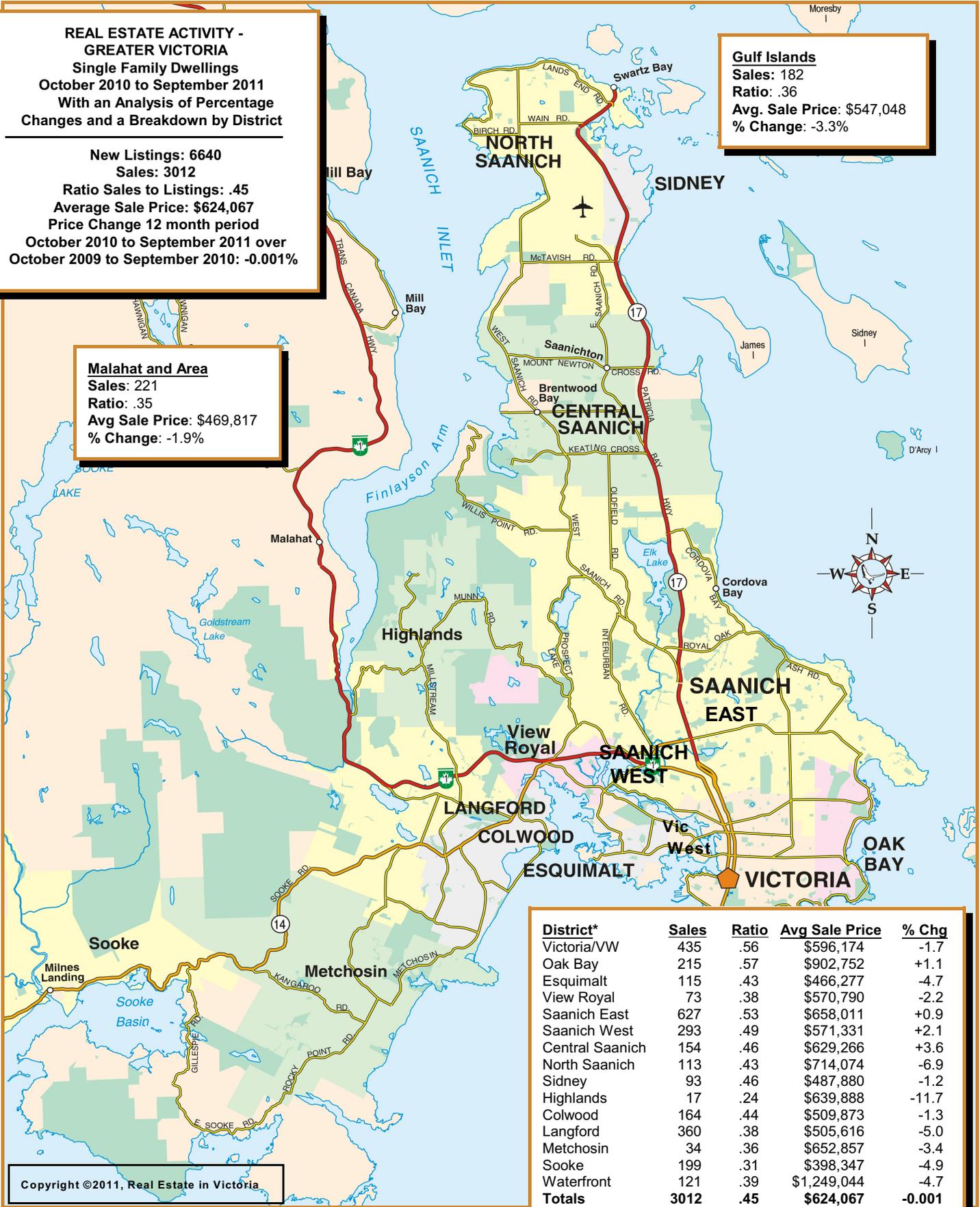
New Listings: 6640
Sales: 3012
Ratio Sales to Listings: .45
Average Sale Price: \$624,067
Price Change 12 month period
October 2010 to September 2011 over
October 2009 to September 2010: -0.001%

Gulf Islands

Sales: 182
Ratio: .36
Avg. Sale Price: \$547,048
% Change: -3.3%

Malahat and Area

Sales: 221
Ratio: .35
Avg Sale Price: \$469,817
% Change: -1.9%



District*	Sales	Ratio	Avg Sale Price	% Chg
Victoria/VW	435	.56	\$596,174	-1.7
Oak Bay	215	.57	\$902,752	+1.1
Esquimalt	115	.43	\$466,277	-4.7
View Royal	73	.38	\$570,790	-2.2
Saanich East	627	.53	\$658,011	+0.9
Saanich West	293	.49	\$571,331	+2.1
Central Saanich	154	.46	\$629,266	+3.6
North Saanich	113	.43	\$714,074	-6.9
Sidney	93	.46	\$487,880	-1.2
Highlands	17	.24	\$639,888	-11.7
Colwood	164	.44	\$509,873	-1.3
Langford	360	.38	\$505,616	-5.0
Metchosin	34	.36	\$652,857	-3.4
Sooke	199	.31	\$398,347	-4.9
Waterfront	121	.39	\$1,249,044	-4.7
Totals	3012	.45	\$624,067	-0.001

*District Avg Sale Prices exclude sales of "Waterfront"

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