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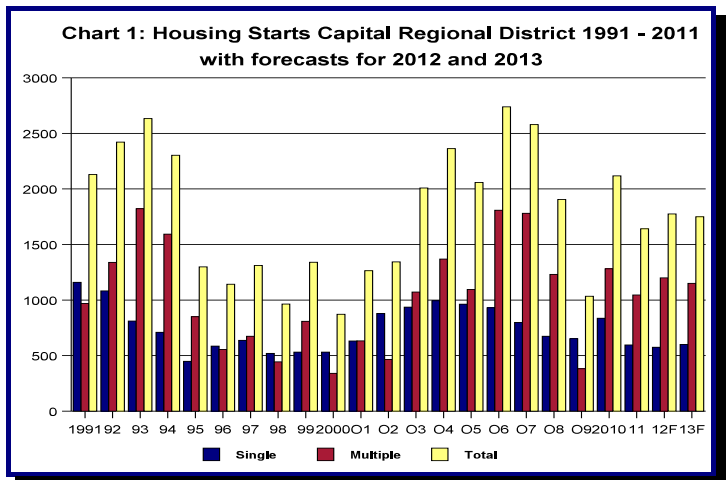


SALES SLOW... PRICES DIP

GROWTH IN GREATER VICTORIA

As most Victorians know, the Capital Regional District (CRD) is the regional government for the 13 municipalities and three electoral areas in the greater Victoria area. The CRD Regional Growth Strategy (RGS) was designed to address regional issues such as: transportation, population growth and settlement patterns. The RGS is being updated and revised as the Regional Sustainability Strategy (RSS). For details visit: www.crd.bc.ca/regionalplanning/growth.

Among the range of matters to be addressed in the RSS is "housing" to meet projected population growth. Chart 1 shows housing starts in the CRD between 1991 and 2011. There was a total of 37,999 new housing units created in the CRD in the period 1991 to 2011 according to Canada Mortgage and Housing Corporation figures. These included 15,907 single units and 22,092 units in multiple family dwellings. This represents average annual housing starts of 1,900. Building activity peaked in the periods: 1991 to 1994 and 2003 to 2008. These periods coincided with the two most recent boom periods in the real estate market in greater Victoria. There has been a marked shift in the pattern of new construction. First, the proportion of units in "multiple dwellings" has almost doubled that of "single" units in the past decade. Second, the proportion of new construction in the West Shore has moved from approximately 30% in the 1990s to 45% in the 2000s.



According to census figures, the population of the CRD increased by 60,441 between 1991 and 2011 for an average annual increase of 0.92%. This amounted to 21,160 between 1991 and 2001 and 39,281 between 2001 and 2011. In the period 2001 to 2011 population growth was 6.4% in the "core communities," 5.3% in the "peninsula" and 31.5% in the West Shore.

The rate of population growth is fairly modest compared to many areas of the country. This is due to the fact that migration is the only source of population growth in the region, as the natural increase (i.e., the number of births minus the number of deaths) is negative. Moreover, in the past fifteen years the majority of migrants to the CRD have come from other parts of BC. Those from other parts of Canada made up the second largest portion and migrants from out-of-country constituted the smallest portion.

The rate of population growth is forecast to decline over the next two decades. The CRD population and household projections indicate that the population will increase by an estimated 51,291 persons and some 36,881 new household units by the year 2031.

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

QUARTER-TO-QUARTER COMPARISONS

	1 st Qtr 12	1 st Qtr 13	Change
New Listings	3,551	3,120	-431
Sales	1,377	1,126	-251
Avg Sale Price	\$481,094	\$457,274	-\$23,820
Median Sale Price	\$435,000	\$419,900	-\$15,100
Ratio Sales Listings	.39	.36	-.03
Avg Days to Sell	68	80	+12
Sale Price as % of Org List Price	95.0%	94.1%	-0.9%
Mortgages Rates (Posted 3 yr Fixed)	3.95%	3.65%	-0.30%

THE VICTORIA MARKET

The real estate market in Canada weakened in the 1st Qtr of 2013 and the same holds true for the Victoria market. 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 2013 was 3,120, down -12.1% from 3,551 in the 1st Qtr of 2012. Residential sales totalled 1,126, down -18.8% from 1,377 in the 1st Qtr of 2012. The sales-to-new-listings ratio (a measure of market strength) was .36 in the 1st Qtr of 2013, down from .39 last year. Properties that sold in the 1st Qtr of 2013 were on the market for an average of 80 days, up from 68 days in the 1st Qtr of 2012. Both average and median sale prices dipped in the 1st Qtr of 2013. **The average sale price of a residential property in Greater Victoria and other areas was \$457,274 in the 1st Qtr of 2013, -5.0% lower than \$481,094 in the 1st Qtr of 2012.** The median sale price was \$419,900 in the 1st Qtr of 2013, down -3.5% from \$435,000 last year.

From another perspective, the average sale price of a residential property in Victoria, year-to-date (y-t-d), is down -5.6% from the average sale price for 2012. By way of comparison, Vancouver is up +3.5% to \$755,678 from the average sale price in 2012, the Fraser Valley is down -5.7% to \$456,340, Toronto is down a modest -0.1% to \$498,521 and Calgary is up +4.3% to \$430,203.

The Chief Economist with the BCREA has forecast that 2013 will be a transitional year in BC with flat sales and stable prices in the first half of the year, followed by increased strength in the second half, due to improving economic conditions. However, there remains a lot of uncertainty with regard to the Canadian economy. Tighter mortgage credit policy appears to have taken much of the steam out of the real estate market, particularly for first-time home buyers and purchasers of individual investment properties and it seems unlikely that there will be a change in policy direction in the near term.

THE MARKET INVENTORY

The number of properties on the market remains at a very high level. Table 2 shows there were 3,104 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, 2013, virtually unchanged from 3,134 on April 1, 2012.

SINGLE FAMILY DWELLINGS (SFDs)

There were 588 sales of SFDs in Greater Victoria in the 1st Qtr of 2013, down -18.0% from 717 sales in the 1st Qtr of 2012. As shown in Chart 3, the average and median sale prices have trended lower from their peaks in 2010. **The average sale price of SFDs in the 1st Qtr of 2013 was \$577,221 down -4.6% from \$605,277 in the 1st Qtr of 2012.** The median sale price was \$510,000, down -6.4% from \$545,000 last year. SFDs that sold in the 1st Qtr of 2013 were on the market for an average of 66 days, up from 56 days last year. The sales-to-listings ratio was .38 in the 1st Qtr of 2013, compared to .41 last year.

CHART 2: RES'L SALES-TO- NEW-LISTINGS RATIO
2nd Qtr 2010 (2/10) to 1st Qtr 2013 (1/13)



TABLE 2: INVENTORY - GREATER VICTORIA

Type of Property	Apr 12	Apr 13	Change
Single Family Dwelling	1,497	1,507	+10
Condominiums	948	900	-48
Townhouses	322	337	+15
Lots/Acreage	258	248	-10
Man Home/Rental Pad	85	91	+6
Duplexes (Revenue)	14	15	+1
Triplexes+ (Revenue)	9	6	-3
Totals	3,134	3,104	-30

CHART 3 - QUARTERLY SALE PRICES - SFDs
2nd Qtr 2010 (2/10) to 1st Qtr 2013 (1/13)



CHART 4 - QUARTERLY SALE PRICES - CONDOS
2nd Qtr 2010 (2/10) to 1st Qtr 2013 (1/13)



CONDOMINIUMS

Condominium sales totalled 313 in the 1st Qtr of 2013, down -19.3% from 388 in the 1st Qtr of 2012. As shown in Chart 4, the average and median sale prices of condominiums have also trended lower. **The average sale price for a condo was \$286,622 in the 1st Qtr of 2013, down -10.0% from \$318,510 in the 1st Qtr of 2012.** The median sale price was \$264,000. Condos that sold in the 1st Qtr of 2013 were on the market for an average of 80 days, the same as last year. The sales-to-listings ratio was .38 in the 1st Qtr of 2013, unchanged from last year.

TOWNHOUSES

Townhouse sales totalled 130 in the 1st Qtr of 2013, down 20.3% from 163 in the 1st Qtr of 2012. 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 \$408,140 in the 1st Qtr of 2013, up slightly from \$405,016 in the 1st Qtr of 2012.** The median sale price was \$375,000. Townhouses that sold in the 1st Qtr of 2013 were on the market for an average of 85 days, unchanged from last year. The sales-to-listings ratio was .39, down from .47 last year.

LOTS/ACREAGE

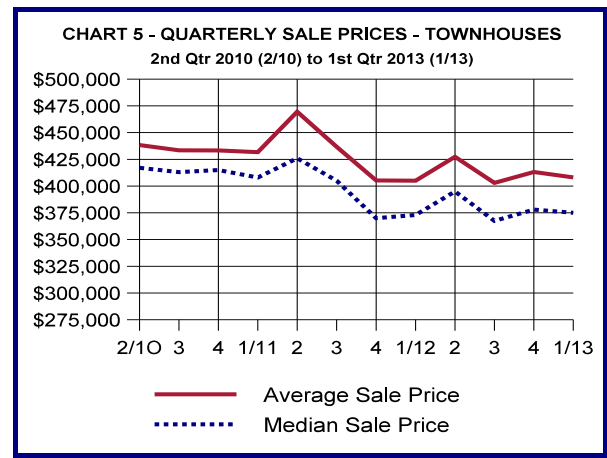
There were 15 lots/acreage sold in the 1st Qtr of 2013, down from 22 in the 1st Qtr of 2012. The average and median sale prices were **\$314,866** and **\$345,000** respectively.

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 2013. For a complete list, check out the Tourism Victoria website at www.tourismvictoria.com.

- **Koshashin: The Hall Collection of 19th century Photographs of Japan** - Victoria Art Gallery (until June 9)
- **Times Colonist 10K Run** - (Apr 28)
- **150th Victoria Highland Games & Celtic Festival** - (May 18 - 19)
- **Victoria Day Parade** - three hour parade along Douglas Street downtown (May 20)
- **Swiftsure 2013 International Yacht Race** - Dallas Road (May 23 - 26)
- **49th Annual Oak Bay Tea Party and Parade** - Oak Bay and Willows Beach (Jun 1 - 2)
- **TD Victoria international JazzFest 2013** - various venues downtown (Jun 21 - 30)
- **Canada Day Celebrations** - various venues around Greater Victoria (July 1)
- **Saturday Night Fireworks at the Butchart Gardens** - (Jun 29 - Aug 31)
- **Pacific Tattoo 2013: Save-On-Foods Memorial Centre** (Jul 13 - 14)
- **Art Gallery Paint In** - Moss Street (July 20)
- **Victoria International Buskers Festival** - various sites in downtown (Jul 19 - 28)
- **Symphony Splash 2013** - Inner Harbour (Aug 4)
- **Victoria Dragon Boast Festival** - Inner Harbour (Aug 16 - 18)
- **2011 Victoria Fringe Festival** - various venues downtown (Aug 22 - Sep 1)
- **Classic Boat Festival** - Inner Harbour (Aug 30 - Sep 1)
- **Feast of Fields** - Alderlea Farm and Cafe in Duncan (Sep 22)
- **GoodLife Fitness Victoria Marathon, Half Marathon and 8K Road Race** (Oct 13)

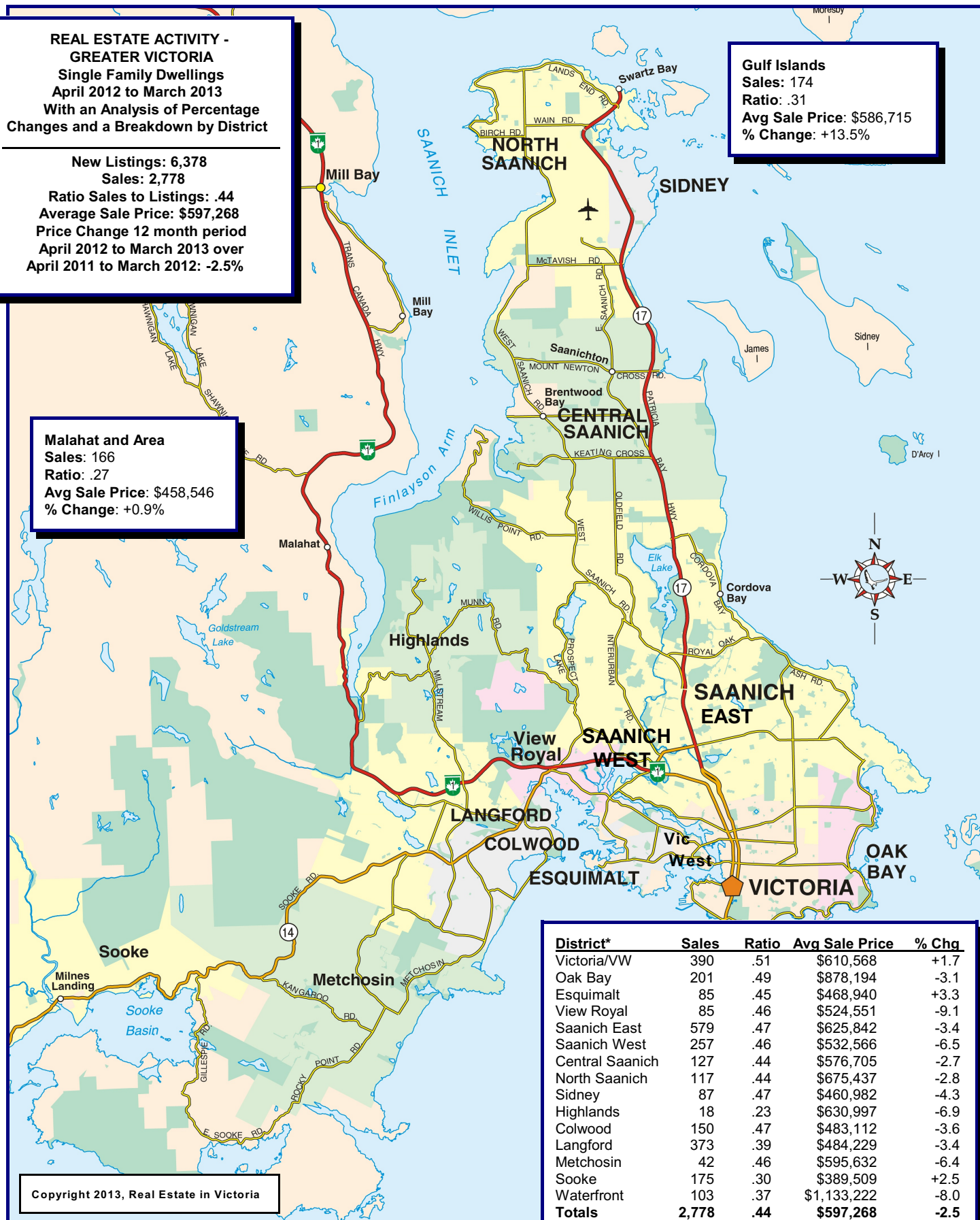


**REAL ESTATE ACTIVITY -
GREATER VICTORIA**
Single Family Dwellings
April 2012 to March 2013
With an Analysis of Percentage
Changes and a Breakdown by District

New Listings: 6,378
Sales: 2,778
Ratio Sales to Listings: .44
Average Sale Price: \$597,268
Price Change 12 month period
April 2012 to March 2013 over
April 2011 to March 2012: -2.5%

Gulf Islands
Sales: 174
Ratio: .31
Avg Sale Price: \$586,715
% Change: +13.5%

Malahat and Area
Sales: 166
Ratio: .27
Avg Sale Price: \$458,546
% Change: +0.9%



District*	Sales	Ratio	Avg Sale Price	% Chg
Victoria/VW	390	.51	\$610,568	+1.7
Oak Bay	201	.49	\$878,194	-3.1
Esquimalt	85	.45	\$468,940	+3.3
View Royal	85	.46	\$524,551	-9.1
Saanich East	579	.47	\$625,842	-3.4
Saanich West	257	.46	\$532,566	-6.5
Central Saanich	127	.44	\$576,705	-2.7
North Saanich	117	.44	\$675,437	-2.8
Sidney	87	.47	\$460,982	-4.3
Highlands	18	.23	\$630,997	-6.9
Colwood	150	.47	\$483,112	-3.6
Langford	373	.39	\$484,229	-3.4
Metchosin	42	.46	\$595,632	-6.4
Sooke	175	.30	\$389,509	+2.5
Waterfront	103	.37	\$1,133,222	-8.0
Totals	2,778	.44	\$597,268	-2.5

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