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REAL ESTATE IN VICTORIA...Keeping You Informed

Summer 2017

PRICES CONTINUE STEADY RISE

FOREIGN BUYERS - SOME CONTEXT

There has been a lot of media coverage on the impact of foreign buyers on the real estate market in Canada. Last summer the BC government implemented a 15% property transfer tax on foreign buyers in Metro Vancouver. More recently, the Ontario government introduced a number of measures to cool the real estate market in the "Greater Golden Horseshoe" area. Included in the measures was a 15% non-resident speculation tax. Closer to home, Victoria City Council narrowly missed passing a resolution that would have called on the BC government to implement a foreign buyers tax of 15% in Victoria.

Amid concerns with escalating home prices in Metro Vancouver, the BC government began to gather data on the number of property transfers involving foreign buyers. It released the initial figures for the period Jun 10-29, 2016. In Metro Vancouver, the figure was 5.1%. The next set of figures released by the BC government included the period Jun 30 to Jul 14. The number of property transfers involving foreign nationals jumped to 14.9% in Metro Vancouver. These figures appear to have prompted the BC government to implement the 15% property transfer tax on foreign buyers in Metro Vancouver effective Aug 2, 2016. Following the implementation of the foreign buyers tax, the percentage of foreign involvement fell dramatically to 1.3% for the period Aug 2 to Sep 30. However, it seems clear that many foreign buyers were able to move the completion date of their purchase from the Aug - Sep period to the Jun - Jul period.

Foreign buyers appear to have been involved in perhaps as much as 8% of the property transfers between Jun and Sep 2016 in Metro Vancouver. Between Oct 2016 and Feb 2017, foreign involvement has averaged 3.9%. While sales fell in Metro Vancouver after the implementation of the foreign buyers tax, many involved in the real estate market in Vancouver argue that sales were in fact slowing well before the government acted, largely because of a lack of supply. **What seems clear is that the implementation of the foreign buyers tax has not had a significant impact on home prices.** The average sale price fell a modest -2.2% from \$953,293 in the period Jun to Sep 2016 to \$932,685 in the period Oct 2016 to Feb 2017. Prices have since recovered. Metro Vancouver recorded an average sale price for a residential property of \$1,110,376 in May 2017, a record high. **There are many factors that affect the real estate market. The influence of foreign buyers seems negligible.**

In the Capital Regional District, foreign buyers were involved in 3.7% of the property transfers between Jun and Sep 2016. Since then, there has been a small, and very likely inconsequential, up-tick in foreign involvement. Foreign buyers were involved in 5.7% of the property transfers between Oct 2016 and Feb 2017.

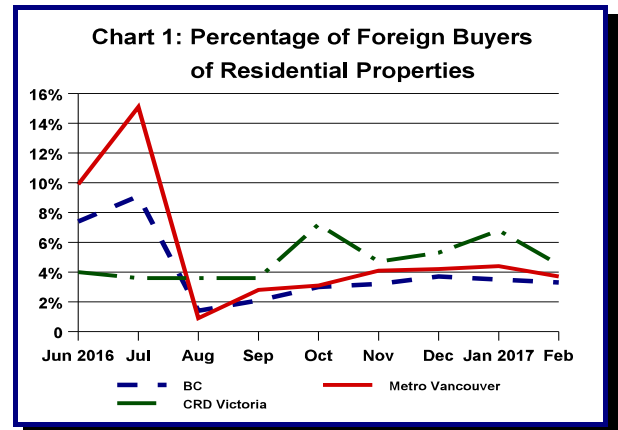


TABLE 1: STATISTICAL TRENDS - ALL RESIDENTIAL (Greater Victoria and Other Areas)

QUARTER-TO-QUARTER COMPARISONS			
	2 nd Qtr 16	2 nd Qtr 17	Change
New Listings	3,959	3,781	-178
Sales	3,543	2,756	-787
Avg Sale Price	\$592,712	\$658,003	+\$65,291
Median Sale Price	\$510,000	\$575,000	+\$65,000
Ratio Sales Listings	.90	.73	-.17
Avg Days to Sell	36	23	-13
Sale Price as % of Org List Price	100.3%	100.6%	+0.3%
Mortgage Rates (Posted 3 yr Fixed BoC)	3.39%	3.39%	n/c

THE VICTORIA MARKET

After a record-breaking year in 2016, it is not surprising that we are witnessing a slowdown in sales in Victoria this year. The extraordinary demand of last year has eased. However, it still remained a strong seller's market in the 2nd Qtr of 2017. Although sales are down from last year, prices are up significantly from the 2nd Qtr of 2016. The ratio of sales-to-listings (a measure of market strength) remained strong. Properties took less time to sell and they sold for an average of about +0.6% above the original list price. Indeed, multiple offer situations are not uncommon, more than half of the homes sold at, or above, their list price.

As shown in Table 1, the number of new listings was 3,781, in the 2nd Qtr of 2017, down -4.5% from 3,959 a year ago. Sales of residential properties (i.e., all types of housing, excluding lots/acreage and commercial) through the Victoria Real Estate Board's MLS® totalled 2,756 in the 2nd Qtr of 2017, down -22.2% from 3,543 in the 2nd Qtr of 2016. The sales-to-new-listings ratio was .73 in the 2nd Qtr of 2017, down from .90 a year ago but still in seller's market territory. Homes that sold in the 2nd Qtr of 2017 were on the market for an average of 23 days, down from 36 days last year. Both average and median sale prices continue to trend upward. **The average sale price of a residential property in Greater Victoria and other areas was \$658,003 in the 2nd Qtr of 2017, up +11.0% from \$592,712 in the 2nd Qtr of 2016.** The median sale price was \$575,000, up +12.8% from \$510,000 last year.

The figures for Victoria compare with average residential sale prices and year-over-year percentage changes of \$1,110,376 (+5.2%) in Vancouver, \$740,438 (+2.2%) in the Fraser Valley, \$863,910 (+14.9%) in Greater Toronto and \$485,444 (+1.8%) in Calgary for the month of May 2017.

THE MARKET INVENTORY

There were 1,271 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, 2017, down -7.5% from 1,374 a year ago. It should be noted that the inventory was 2,796 two years ago.

SINGLE FAMILY DWELLINGS (SFDs)

Sales of SFDs in Greater Victoria totalled 1,400 in the 2nd Qtr of 2017, down -27.5% from 1,931 sales in the 2nd Qtr of 2016. **The average sale price of SFDs in the 2nd Qtr of 2017 was \$856,939, up +12.9% from an average of \$759,197 in the 2nd Qtr of 2016.** Moreover, the median sale price was \$755,000, up +16.2% from \$650,000 in the 2nd Qtr of 2016. As shown in Chart 3, sale prices have shown sizeable and steady increases since the 4th Qtr of 2014. SFDs that sold in the 2nd Qtr of 2017 were on the market for an average of 18 days, down from 28 days last year. The sales-to-listings ratio eased to .71 in the 2nd Qtr of 2017, still in seller's market territory, but down from .94 last year.

CHART 2: RES'L SALES-TO- NEW-LISTINGS RATIO
3rd Qtr 2012 (3/12) to 2nd Qtr 2017 (2/17)



TABLE 2: INVENTORY - GREATER VICTORIA

Type of Property	Jul 16	Jul 17	Change
Single Family Dwelling	678	738	+60
Condominiums	389	278	-111
Townhouses	99	87	-12
Lots/Acreage	149	125	-24
Man. Home/Rental Pad	40	27	-13
Duplexes (Revenue)	8	10	+2
Triplexes+ (Revenue)	11	6	-5
Totals	1,374	1,271	-103

CHART 3: QUARTERLY SALE PRICES - SFDs
3rd Qtr 2014 (3/14) to 2nd Qtr 2017 (2/17)

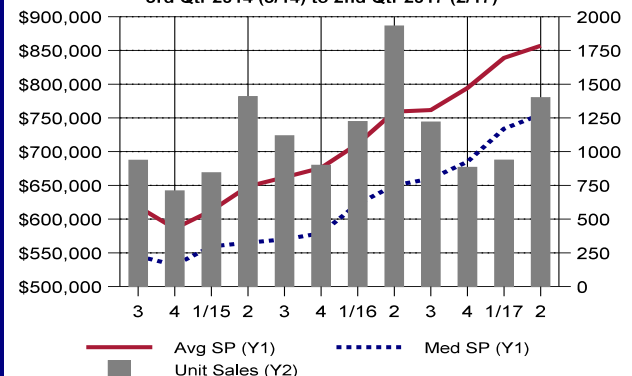
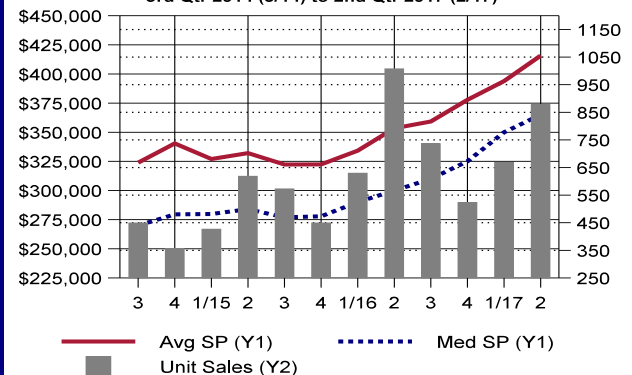
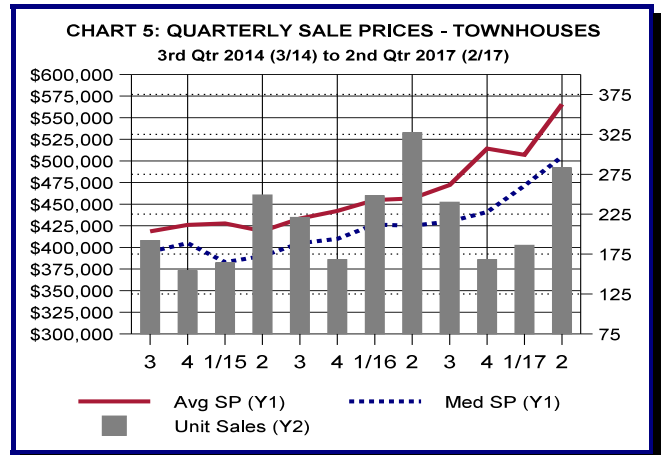


CHART 4: QUARTERLY SALE PRICES - CONDOS
3rd Qtr 2014 (3/14) to 2nd Qtr 2017 (2/17)



CONDOMINIUMS

Condominium sales totalled 877 in the 2nd Qtr of 2017. This was down -12.9% from 1,007 sales in the 2nd Qtr of 2016. **The average sale price for a condo was \$415,713 in the 2nd Qtr of 2017, up +17.6% from \$353,456 in the 2nd Qtr of 2016.** The median sale price was \$365,000, up +17.0% from \$312,000 last year. As shown in Chart 4, the average and median sale prices have shown a steady upward trend since the 3rd Qtr of 2015. Condos took an average of 18 days to sell in the 2nd Qtr of 2017, down from 34 days last year. The sales-to-listings ratio was .86, down slightly from .88 last year.



TOWNHOUSES

There were 283 townhouse sales in the 2nd Qtr of 2017. This was down -13.7% from 328 sales in the 2nd Qtr of 2016. **The average selling price in the 2nd Qtr of 2017 was \$565,630, up +23.8% from \$456,829 in the 2nd Qtr of 2016.** The median sale price was \$497,500, up +17.1% from \$425,000 last year. Townhouses took an average of 16 days to sell in the 2nd Qtr of 2017, down from 38 days last year. The sales-to-listings ratio was .85. This ratio was 1.02 last year.

LOTS/ACREAGE

There were 61 lots/acreage sold in the 2nd Qtr of 2017, down from 112 sales in the 2nd Qtr of 2016. The average and median sale prices were **\$608,122** and **\$435,750** respectively, compared to \$519,491 and \$402,900 last year.

THE TOP RESTAURANTS IN VICTORIA

The following is a list of the current 20 top-rated restaurants in the Capital Regional District based on reviews posted on Trip Advisor. Many local favourites were on the list last year, however, there are a number of new additions.

1. **Saveur Restaurant** <http://saveurrestaurant.ca/> (French, contemporary, European)
2. **Nubo Japanese Tapas** <http://www.nubotapas.com/> (Japanese, sushi, Asian)
3. **Ithaka Greek Restaurant** <http://ithakagreek.ca> (Family-run Greek cuisine)
4. **Il Terrazzo** <http://www.ilterrazzo.com> (Italian cuisine)
5. **Fishhook** <http://www.fishhookvic.com/> (Indian, seafood, Canadian, soups, vegetarian)
6. **Cafe Brio** <http://www.cafe-brio.com> (Italian and continental fare)
7. **Blue Fox Cafe** <http://www.thebluefoxcafe.com/> (a favourite with Victorians for breakfast and lunch)
8. **The Dining Room Restaurant - Butchart Gardens** <http://www.butchartgardens.com/dining> (Canadian)
9. **John's Place Restaurant** <http://www.johnsplace.ca> (another favourite with locals for breakfast and lunch)
10. **The Fish Store at Fisherman's Wharf** www.floatingfishstore.com/ (seafood from a dockside counter)
11. **Red Fish Blue Fish** <http://www.redfish-bluefish.com> (an outdoor waterfront eatery featuring seafood)
12. **Olo** <http://www.olorestaurant.com> (formerly Ulla, featuring a modern take on classic dishes)
13. **Point no Point** <http://www.pointnointresort.com/restaurant/> (Seafood, Canadian, soups)
14. **Sea Glass Waterfront Grill** <http://www.sgwg.ca/> (seafood, Canadian, American)
15. **Il Covo Trattoria** <http://ilcovotrattoria.ca/> (Italian, Mediterranean, international)
16. **Bard & Banker** <http://bardandbanker.com/> (Scottish-style pub fare)
17. **Pagliacci's** www.pagliaccis.ca/ (One of Victoria's favourite restaurants for classic Italian cuisine)
18. **Ferris' Upstairs Seafood & Oyster Bar** <http://www.ferrisoysterbar.com/> (Bar, seafood, Canadian)
19. **Sabhai Thai Restaurant** <http://sabhai.ca/> (featuring Thai and Asian cuisine)
20. **Cora** <http://www.chezcora.com/en/restaurants/british-columbia/Cora-Victoria> (for breakfast and lunch)

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**REAL ESTATE ACTIVITY -
GREATER VICTORIA**
Single Family Dwellings
July 2016 to June 2017
With an Analysis of Percentage
Changes and a Breakdown by District

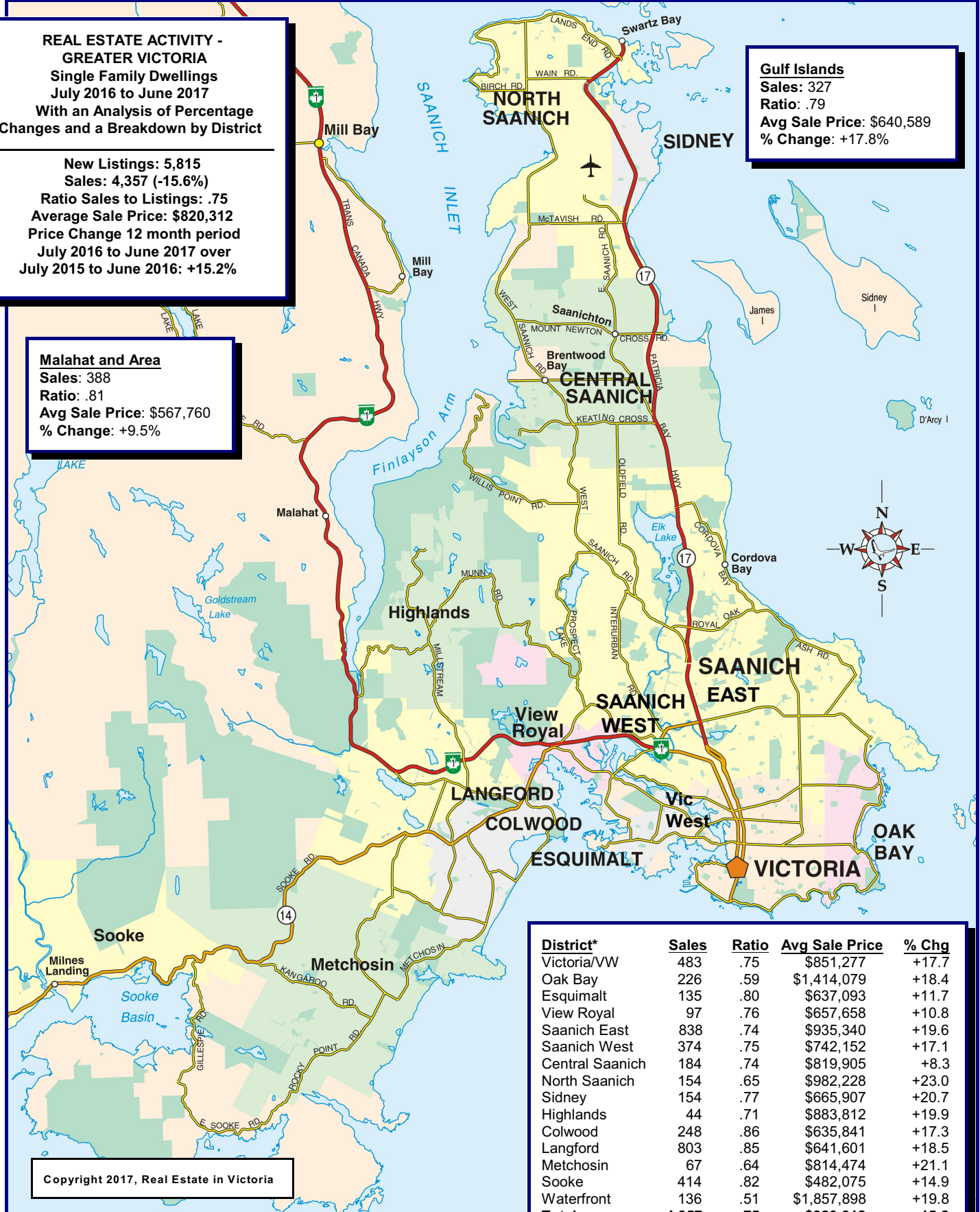
New Listings: 5,815
Sales: 4,357 (-15.6%)
Ratio Sales to Listings: .75
Average Sale Price: \$820,312
Price Change 12 month period
July 2016 to June 2017 over
July 2015 to June 2016: +15.2%

Malahat and Area

Sales: 388
Ratio: .81
Avg Sale Price: \$567,760
% Change: +9.5%

Gulf Islands

Sales: 327
Ratio: .79
Avg Sale Price: \$640,589
% Change: +17.8%



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District*	Sales	Ratio	Avg Sale Price	% Chg
Victoria/VW	483	.75	\$851,277	+17.7
Oak Bay	226	.59	\$1,414,079	+18.4
Esquimalt	135	.80	\$637,093	+11.7
View Royal	97	.76	\$657,658	+10.8
Saanich East	838	.74	\$935,340	+19.6
Saanich West	374	.75	\$742,152	+17.1
Central Saanich	184	.74	\$819,905	+8.3
North Saanich	154	.65	\$982,228	+23.0
Sidney	154	.77	\$665,907	+20.7
Highlands	44	.71	\$883,812	+19.9
Colwood	248	.86	\$635,841	+17.3
Langford	803	.85	\$641,601	+18.5
Metchosin	67	.64	\$814,474	+21.1
Sooke	414	.82	\$482,075	+14.9
Waterfront	136	.51	\$1,857,898	+19.8
Totals	4,357	.75	\$820,312	+15.2

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