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February 1, 2018

Victoria Real Estate market begins the new year with low inventory and high demand

A total of 431 properties sold in the Victoria Real Estate Board region this January, 9.8 per cent fewer than the 478 properties sold in January last year. The sales of condominiums were down 30.6 per cent from last year in January – with 118 sold. Single family homes were 4 per cent down from the previous year, with 215 selling in the first month of 2018.

“We expected January to be a bit slower after the increase in activity we saw in November and December, which was likely due in part to buyers entering the market early to avoid the new mortgage stress test,” says 2018 Victoria Real Estate Board President Kyle Kerr. “We have yet to see the full effect of the stress test, as many people attained a 90 -120 day pre-approval before the test became required January 1. We won’t know how much that stress test will affect the spring market until we see the numbers, and spring is also the time when sales traditionally pick up.”

There were a total of 1,491 active listings for sale on the Victoria Real Estate Board Multiple Listing Service® at the end of January 2018, an increase of 7.7 per cent compared to the month of December and 1.6 per cent fewer than the 1,516 active listings for sale at the end of January 2017.

“2017 concluded with very constrained inventory levels, which hit record lows early in January. The lack of inventory in our market is maintaining pressure on pricing, especially as high demand continues in many areas of Victoria,” adds President Kerr. “We can also see the effects of headwinds influencing our market in 2018, including attempts to curb demand at all levels of government. The mortgage stress test is the latest to be introduced, and we may learn of further measures later this month when the provincial budget is released. We hope the government takes a balanced approach to our housing market in their budget and offsets any further demand-side measures with initiatives aimed at addressing the ongoing supply shortages for both home buyers and renters. We also encourage our local governments to take some time to assess the effects of demand-side measures like the mortgage stress test and recent interest rate hikes before introducing further restraints on our market.”

The Multiple Listing Service® Home Price Index benchmark value for a single family home in the Victoria Core in January 2017 was \$761,100. The benchmark value for the same home in January 2018 increased by 9.3 per cent to \$831,900, slightly higher than December’s value of \$823,800. HPI benchmark value for a condominium in the Victoria area in January 2017 was \$375,300. The benchmark value for the same condo in January 2018 increased by 20.1 per cent to \$450,600, which is slightly higher than December’s value of \$445,000.

About the Victoria Real Estate Board – Founded in 1921, the Victoria Real Estate Board is a key player in the development of standards and innovative programs to enhance the professionalism of Realtors. The Victoria Real Estate Board represents 1,357 local REALTORS®. If you are thinking about buying or selling a home, connect with your local Realtor for detailed information on the Victoria and area housing market.

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January 2018 Statistics Package for Media

Previous Periods Comparison of Unit Sales, Average Prices and Median Prices

Sales by Property Type	This Month										Last Month			This Month Last Year		
	2018 - January										2017 - December			2017 - January		
	Units	LM%	LY%	Average\$	LM%	LY%	Median\$	LM%	LY%	Units	Average\$	Median\$	Units	Average\$	Median\$	
Single Family Greater Victoria	193	-8.1%	-5.4%	\$925,715	8.8%	15.1%	\$785,000	5.2%	15.4%	210	\$850,562	\$746,000	204	\$804,558	\$680,000	
Single Family Other Areas	22	-18.5%	10.0%	\$614,332	8.7%	-1.3%	\$614,000	32.0%	8.3%	27	\$565,315	\$465,000	20	\$622,720	\$566,750	
Single Family Total All Areas	215	-9.3%	-4.0%	\$893,852	9.3%	13.4%	\$750,000	3.0%	11.5%	237	\$818,066	\$727,850	224	\$788,323	\$672,450	
Condos	118	-13.2%	-30.6%	\$495,718	10.3%	33.7%	\$415,000	6.8%	34.0%	136	\$449,460	\$388,400	170	\$370,869	\$309,750	
Townhouses	62	51.2%	44.2%	\$534,162	-6.8%	11.3%	\$517,500	-1.4%	16.2%	41	\$572,858	\$525,000	43	\$479,721	\$445,500	
Manufactured Homes	11	-8.3%	0.0%	\$222,682	45.3%	21.1%	\$195,000	12.2%	11.4%	12	\$153,208	\$173,750	11	\$183,882	\$175,000	
Total Residential	406	-4.7%	-9.4%							426			448			
Total Sales	431	-6.7%	-9.8%							462			478			
Active Listings	1,491	7.7%	-1.6%							1,384			1,516			

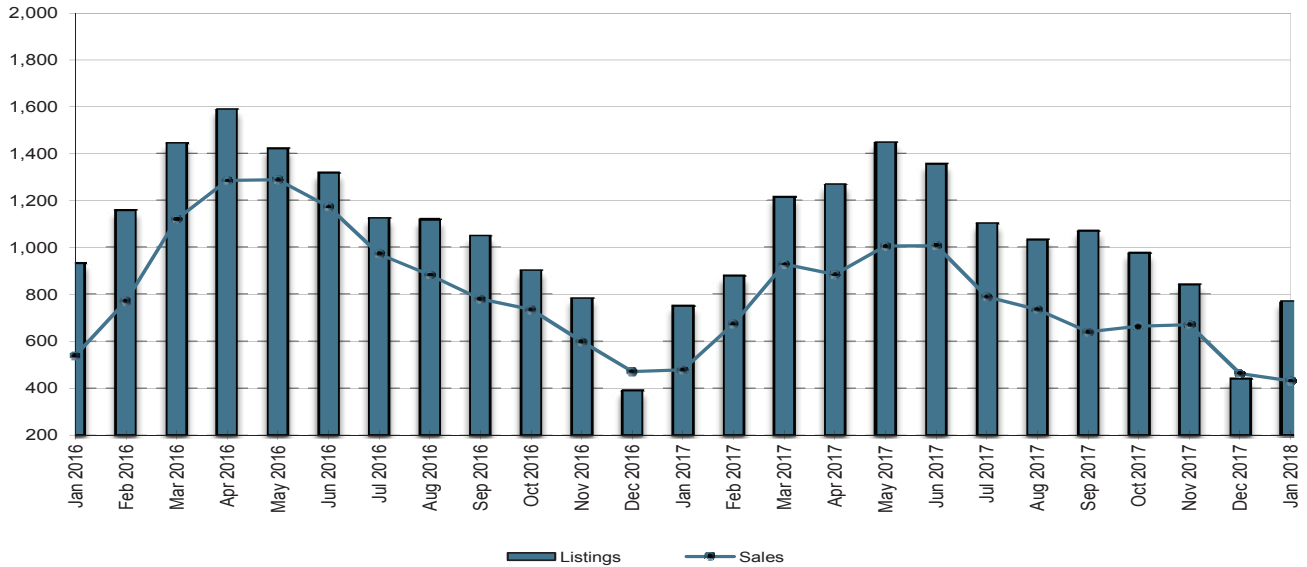
Legend
 Units: net number of listings sold
 LM%: percentage change since Last Month
 LY%: percentage change since This Month Last Year
 Average\$: average selling price
 Median\$: median selling price
 Active Listings: total listings on the market at midnight on the last day of the month

Previous Periods Comparison of MLS® HPI Benchmark Prices and MLS® HPI Index Values

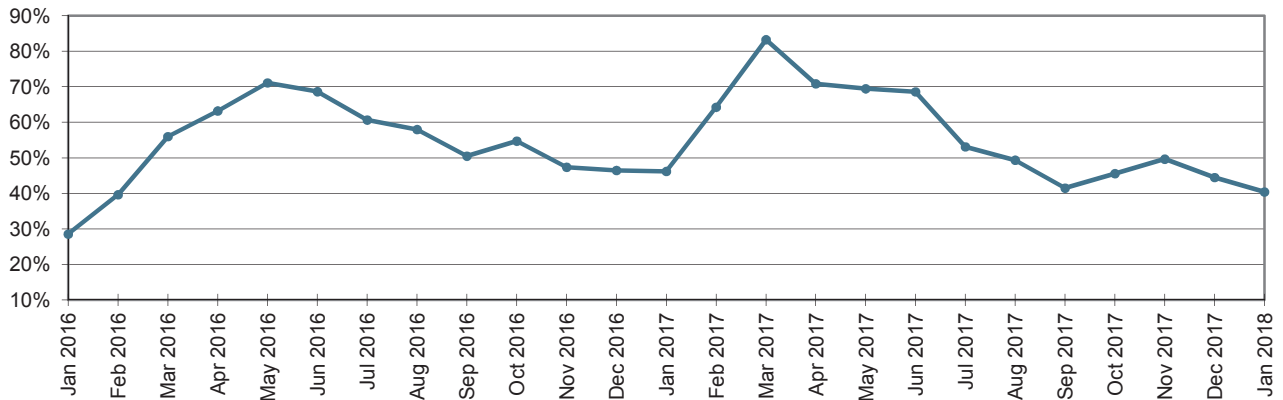
Commonly Quoted Benchmark Home	January 2018 Benchmark Price	December 2017 Benchmark Price	January 2017 Benchmark Price	January 2018 Index Value	December 2017 Index Value	January 2017 Index Value	LM%	LY%
Single Family Benchmark Home: Greater Victoria	\$702,200	\$692,800	\$632,900	202.7	200.0	182.7	1.4%	10.9%
Single Family Benchmark Home: Core	\$831,900	\$823,800	\$761,100	217.6	215.5	199.1	1.0%	9.3%
Single Family Benchmark Home: Westshore	\$601,700	\$587,700	\$523,900	193.5	189.0	168.5	2.4%	14.9%
Single Family Benchmark Home: Peninsula	\$762,900	\$752,400	\$696,300	197.1	194.4	179.9	1.4%	9.6%
Condo Benchmark Home: Greater Victoria	\$450,600	\$445,000	\$375,300	224.0	221.2	186.5	1.3%	20.1%
Townhouse Benchmark Home: Greater Victoria	\$567,400	\$565,400	\$490,400	200.4	199.7	173.2	0.4%	15.7%

Legend	Current Month:	January 2018
	Last Month:	December 2017
	Last Year:	January 2017
	LM%:	Percentage change between current month and last month
	LY%:	Percentage change between current month and same month last year

Total new MLS® listings and total MLS® sales for entire district



Sales to Active Listings Ratio



This chart tracks the ratio of total residential sales over total active residential listings at month-end for each of the last 25 months.


The active listing count and the sales count can be viewed as indicators of housing supply and demand respectively. Observing the ratio between them can thus help indicate a "buyers' market", where there is downward pressure on prices, and a "sellers' market", where there is upward pressure on prices.

- below 10%, there is downward pressure on prices (buyers' market)
- above 25%, there is upward pressure on prices (sellers' market)
- in the 15-20% range, there is little pressure on prices either way (balanced market)

MLS® HPI benchmark and value - Single Family Homes

The Victoria Real Estate Board uses the MLS® Home Price Index (MLS® HPI) to report on market trends. The MLS® HPI uses the concept of a benchmark home, a notional home with common attributes of typical homes in a defined area.

Through the analysis of over ten years of Victoria Real Estate Board MLS® sales data, the MLS® HPI defined benchmark homes for Victoria in each category (single family homes, townhouses, condos) and for each neighbourhood. The benchmark starting point was 2005, where each type of property and neighbourhood was assigned an index value of 100.

MLS® Home Price Index  **HPI or Benchmark**
(Applies to all tabs)

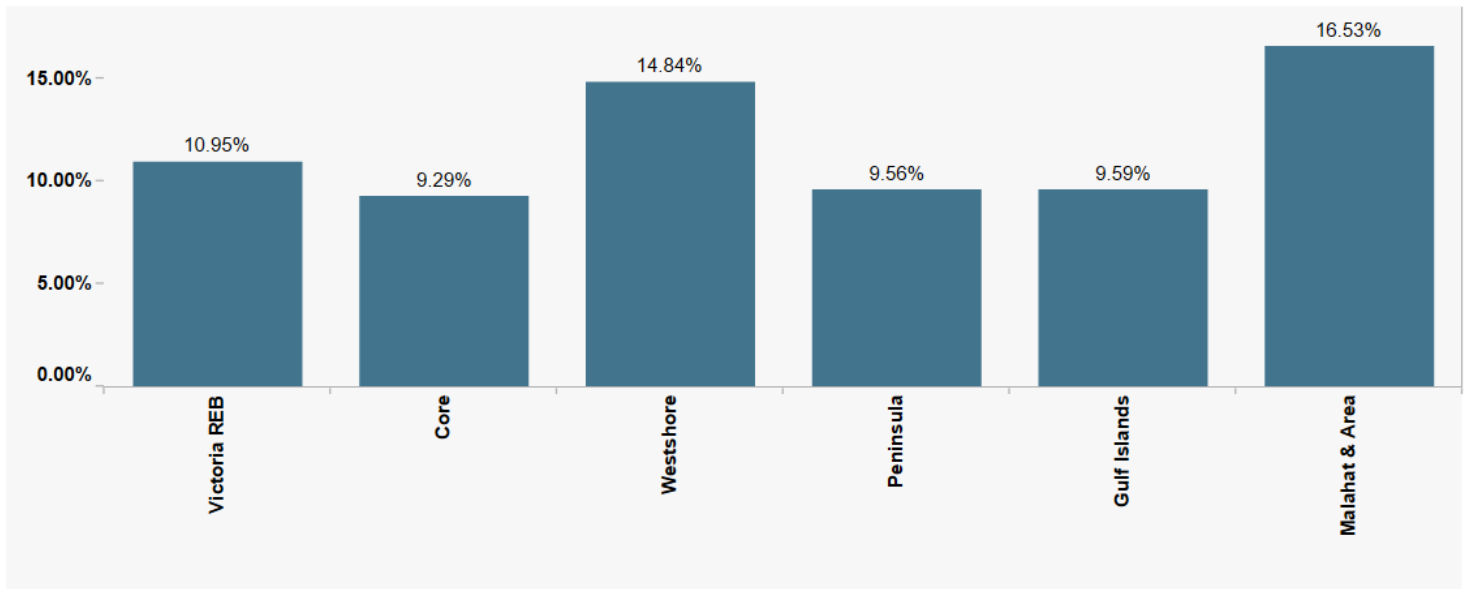
- HPI
- Benchmark

Area
VREB Area Summary


Property Type
Single Family - All

% Difference of Benchmark from 12 Months Ago (Jan '17 to Jan '18): Single Family - All

Select Timeframe: 12 Months Ago



MLS® HPI benchmark and value - Condominium / Apartments

MLS® Home Price Index  **HPI or Benchmark**
(Applies to all tabs)

- HPI
- Benchmark

Area
VREB Area Summary

Property Type
Condo Apartment

% Difference of HPI from 12 Months Ago (Jan '17 to Jan '18): Condo Apartment

Select Timeframe: 12 Months Ago

