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March 1, 2018

Victoria Real Estate Market Adapts to Changing Policy Landscape

A total of 545 properties sold in the Victoria Real Estate Board region this February, 19.3 per cent fewer than the 675 properties sold in February last year. The sales of condominiums were down 15.5 per cent from last year in February with 174 units sold. Single family homes were 24.4 per cent down from the year previous, with 260 sold this February.

“We certainly anticipated that we would see some lower numbers this year compared to last,” says Victoria Real Estate Board President Kyle Kerr. “Right now prospective home buyers are met with many hurdles as they start shopping for their new home. They’re in a market that’s experienced long-term low inventory, which means more price pressure and competition on homes. Buyers are navigating increasing interest rates and the new mortgage stress test. These factors all combine to constrain our market. Like any changes to consumer experience, there is a period of response before consumers adapt to the new rules. We saw an increase in buyers in November and December who bought early to avoid the mortgage stress test, and this likely means less buyers in the current market. However, with continued historical low inventory levels, demand is still outpacing supply.”

There were a total of 1,545 active listings for sale on the Victoria Real Estate Board Multiple Listing Service® at the end of February 2018, an increase of 3.6 per cent compared to the month of January and 0.5 per cent more than the 1,537 active listings for sale at the end of February 2017.

“The provincial government recently rolled out its budget, which includes an admirable commitment to spend six billion dollars to build 114,000 units in ten years,” adds President Kerr. “These units will take years to come to market, and it is difficult to predict how many we will see in Victoria. The government needs a long-term approach to supply needs in our area, and that initial commitment is a good start. A reasonable way to bolster their commitment and improve current conditions is for the province to work with our municipalities to reduce the timelines and costs associated with bringing new housing to our market.”

The Multiple Listing Service® Home Price Index benchmark value for a single family home in the Victoria Core in February 2017 was \$771,100, while the benchmark value for the same home in February 2018 increased by 9 per cent to \$840,300, slightly higher than January’s value of \$831,900. The MLS® HPI benchmark value for a condominium in the Victoria Core area in February 2017 was \$394,400, while the benchmark value for the same condominium in February 2018 increased by 19.85 per cent to \$472,600, which is slightly higher than January’s value of \$460,500.

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 1,371 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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February 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 - February									2018 - January			2017 - February		
	Units	LM%	LY%	Average\$	LM%	LY%	Median\$	LM%	LY%	Units	Average\$	Median\$	Units	Average\$	Median\$
Single Family Greater Victoria	236	22.3%	-22.4%	\$876,397	-5.3%	2.9%	\$800,000	1.9%	6.0%	193	\$925,715	\$785,000	304	\$852,111	\$755,000
Single Family Other Areas	24	9.1%	-40.0%	\$482,687	-21.4%	-40.1%	\$473,500	-22.9%	-19.5%	22	\$614,332	\$614,000	40	\$805,510	\$588,500
Single Family Total All Areas	260	20.9%	-24.4%	\$840,055	-6.0%	-0.8%	\$760,000	1.3%	3.4%	215	\$893,852	\$750,000	344	\$846,692	\$735,000
Condos	174	47.5%	-15.5%	\$434,295	-12.4%	10.3%	\$399,400	-3.8%	11.0%	118	\$495,718	\$415,000	206	\$393,855	\$359,900
Townhouses	77	24.2%	8.5%	\$636,429	19.1%	35.5%	\$555,500	7.3%	23.5%	62	\$534,162	\$517,500	71	\$469,650	\$449,900
Manufactured Homes	8	-27.3%	-42.9%	\$194,775	-12.5%	32.5%	\$173,600	-11.0%	43.2%	11	\$222,682	\$195,000	14	\$147,021	\$121,200
Total Residential	519	27.8%	-18.3%							406			635		
Total Sales	545	26.5%	-19.3%							431			675		
Active Listings	1,545	3.6%	0.5%							1,491			1,537		

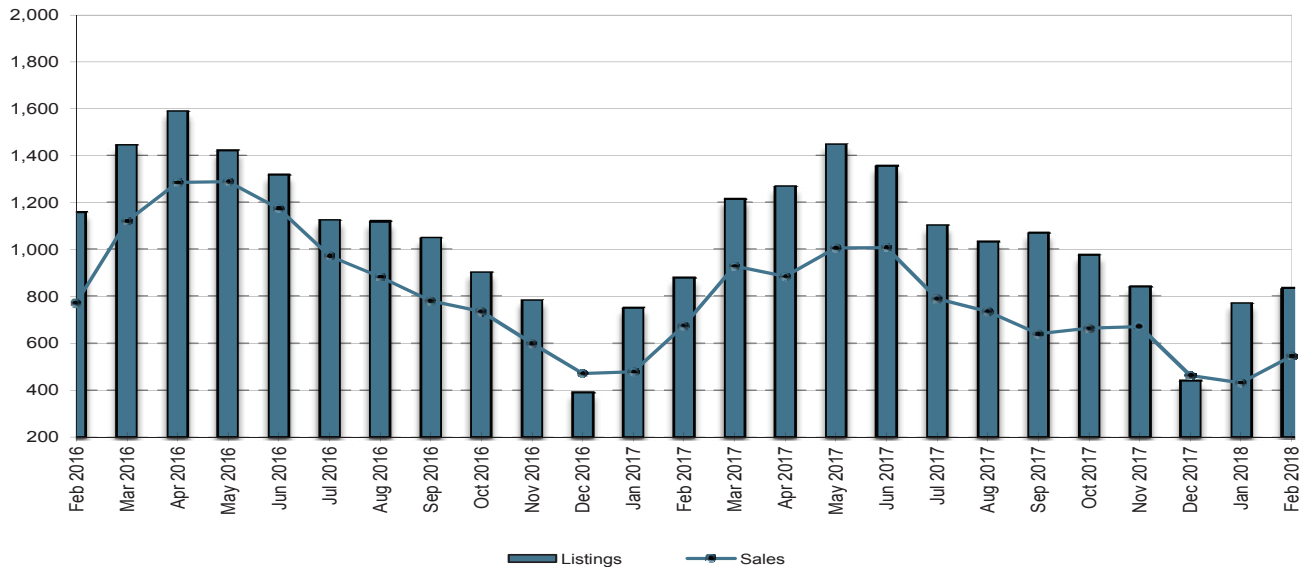
Legend
 Units: net number of listings sold
 LM%: percentage change since Last Month
 LY%: percentage change since This Month Last Year
 Average\$: average selling price
 Median\$: median selling price
 Active Listings: total listings on the market at midnight on the last day of the month

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

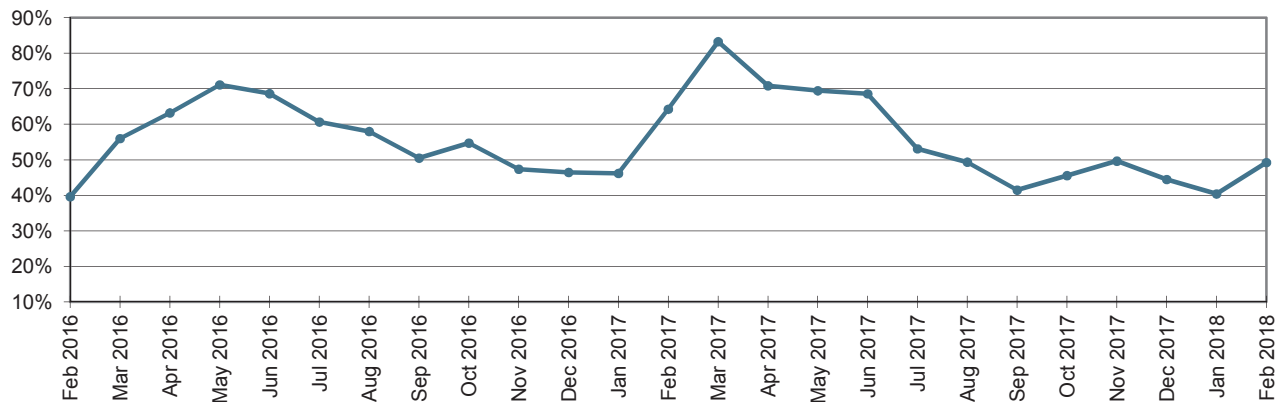
Commonly Quoted Benchmark Home	February 2018 Benchmark Price	January 2018 Benchmark Price	February 2017 Benchmark Price	February 2018 Index Value	January 2018 Index Value	February 2017 Index Value	LM%	LY%
Single Family Benchmark Home: Greater Victoria	\$710,500	\$702,200	\$642,600	205.1	202.7	185.5	1.2%	10.6%
Single Family Benchmark Home: Core	\$840,300	\$831,900	\$771,100	219.8	217.6	201.7	1.0%	9.0%
Single Family Benchmark Home: Westshore	\$605,100	\$601,700	\$540,100	194.6	193.5	173.7	0.6%	12.0%
Single Family Benchmark Home: Peninsula	\$777,200	\$762,900	\$707,900	200.8	197.1	182.9	1.9%	9.8%
Condo Benchmark Home: Greater Victoria	\$463,100	\$450,600	\$384,900	230.2	224.0	191.3	2.8%	20.3%
Townhouse Benchmark Home: Greater Victoria	\$557,200	\$567,400	\$498,300	196.8	200.4	176.0	-1.8%	11.8%

Legend	Current Month:	February 2018
	Last Month:	January 2018
	Last Year:	February 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)

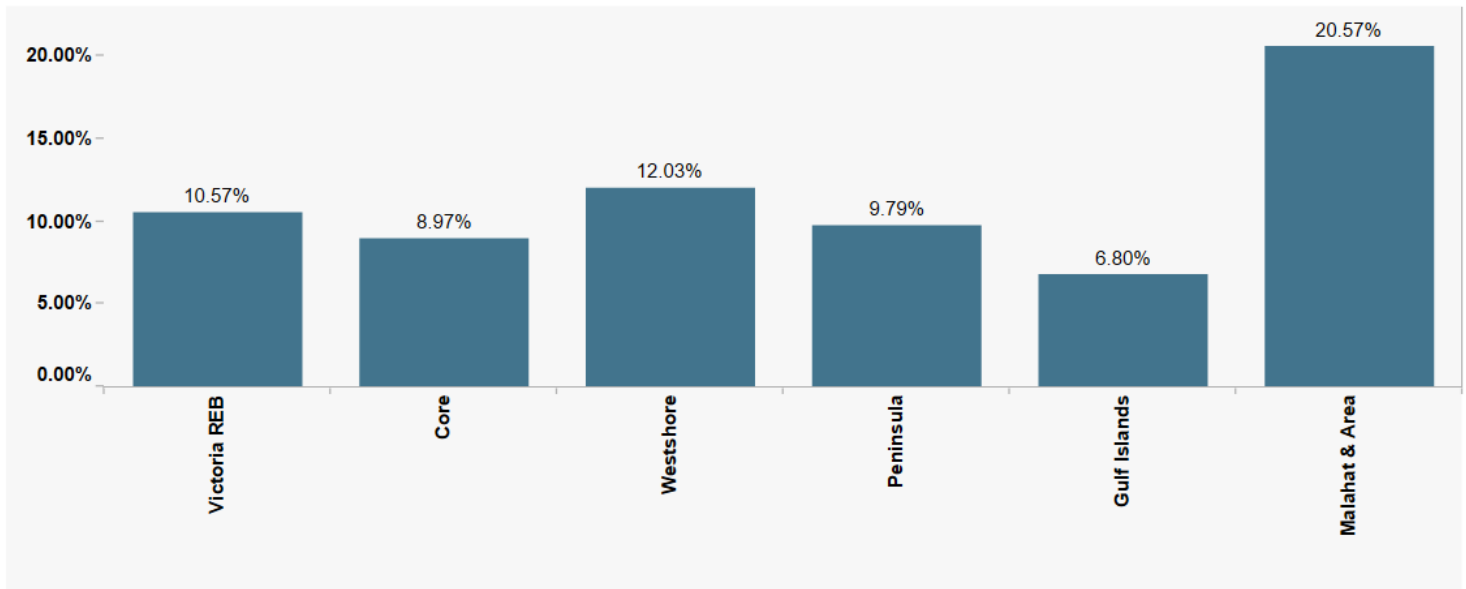
- HPI
- Benchmark

Area
VREB Area Summary


Property Type
Single Family - All

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

Select Timeframe: 12 Months Ago

