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June 1, 2018

Price Pressure Continues on Lower-Priced Housing in the Capital Regional District

A total of 755 properties sold in the Victoria Real Estate Board region this May, 25 per cent fewer than the 1,006 properties sold in May of last year, and a 2.5 per cent decrease from April 2018. The sales of condominiums were down 17.4 per cent from last year in May with 237 units sold. Sales of single family homes were down 23 per cent from 2017 with 406 sold this May.

“It’s no surprise that our current market is very different than it was last year,” says Victoria Real Estate Board President Kyle Kerr. “Due to recent changes in mortgage qualification rules, many buyers’ purchasing power has been reduced. Unfortunately, in our area we have one third fewer single family homes for sale under \$750,000 when compared to last year, so we’re seeing pressure from increased competition on a smaller number of homes, which is really pushing the under million dollar market. We have a much larger inventory of higher value homes this year. For listings priced at \$1.5 million and above, the number of active listings is almost 50% higher than last year at this time. Arguably, many of these properties may be listed due to new and incoming taxes from the provincial government. The Foreign Buyer Property Transfer Tax, the Speculation Tax, and the increased School Tax are putting pressure on those high value home owners. Unfortunately, these taxes are not resulting in what the government said it intends - to increase the availability of affordable housing.”

There were a total of 2,394 active listings for sale on the Victoria Real Estate Board Multiple Listing Service® at the end of May 2018, an increase of 19.6 per cent compared to the month of April and 26.3 per cent more than the 1,896 active listings for sale at the end of May 2017.

“We’re in an interesting time here – we are seeing different levels of price pressure and price relief in micro-climates of our area,” adds President Kerr. “You may find more flexibility if you are shopping for a multi-million dollar estate in certain areas. You may be in for a competition if you’re shopping for a lower priced home or condominium. If you’re thinking of buying or selling, it’s a good idea to meet with a local REALTOR® to understand how the current environment will affect you.”

The Multiple Listing Service® Home Price Index benchmark value for a single family home in the Victoria Core in May 2017 was \$820,800, while the benchmark value for the same home in May 2018 increased by 7 per cent to \$878,100, higher than April’s value of \$866,700. The MLS® HPI benchmark value for a condominium in the Victoria Core area in May 2017 was \$426,900, while the benchmark value for the same condominium in May 2018 increased by 15.7 per cent to \$493,900, slightly lower than April’s value of \$495,100.

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 1,362 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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May 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 - May										2018 - April			2017 - May		
	Units	LM%	LY%	Average\$	LM%	LY%	Median\$	LM%	LY%	Units	Average\$	Median\$	Units	Average\$	Median\$	
Single Family Greater Victoria	346	-8.0%	-25.9%	\$921,046	0.4%	5.0%	\$825,000	3.1%	7.1%	376	\$917,793	\$800,000	467	\$876,910	\$770,000	
Single Family Other Areas	60	36.4%	0.0%	\$758,411	28.9%	29.1%	\$704,444	25.8%	35.5%	44	\$588,189	\$560,000	60	\$587,301	\$520,000	
Single Family Total All Areas	406	-3.3%	-23.0%	\$897,011	1.6%	6.3%	\$806,500	3.4%	7.5%	420	\$883,263	\$780,000	527	\$843,938	\$749,950	
Condos	237	5.3%	-17.4%	\$464,506	6.0%	10.0%	\$407,000	1.8%	11.5%	225	\$438,347	\$400,000	287	\$422,402	\$365,000	
Townhouses	72	-2.7%	-40.0%	\$581,761	-2.1%	-0.1%	\$550,000	-4.6%	7.8%	74	\$594,204	\$576,418	120	\$582,527	\$510,000	
Manufactured Homes	12	-40.0%	-29.4%	\$211,858	-31.6%	14.6%	\$202,500	21.8%	23.4%	20	\$309,695	\$166,250	17	\$184,853	\$164,100	
Total Residential	727	-1.6%	-23.6%							739			951			
Total Sales	755	-2.5%	-25.0%							774			1,006			
Active Listings	2,394	19.6%	26.3%							2,002			1,896			

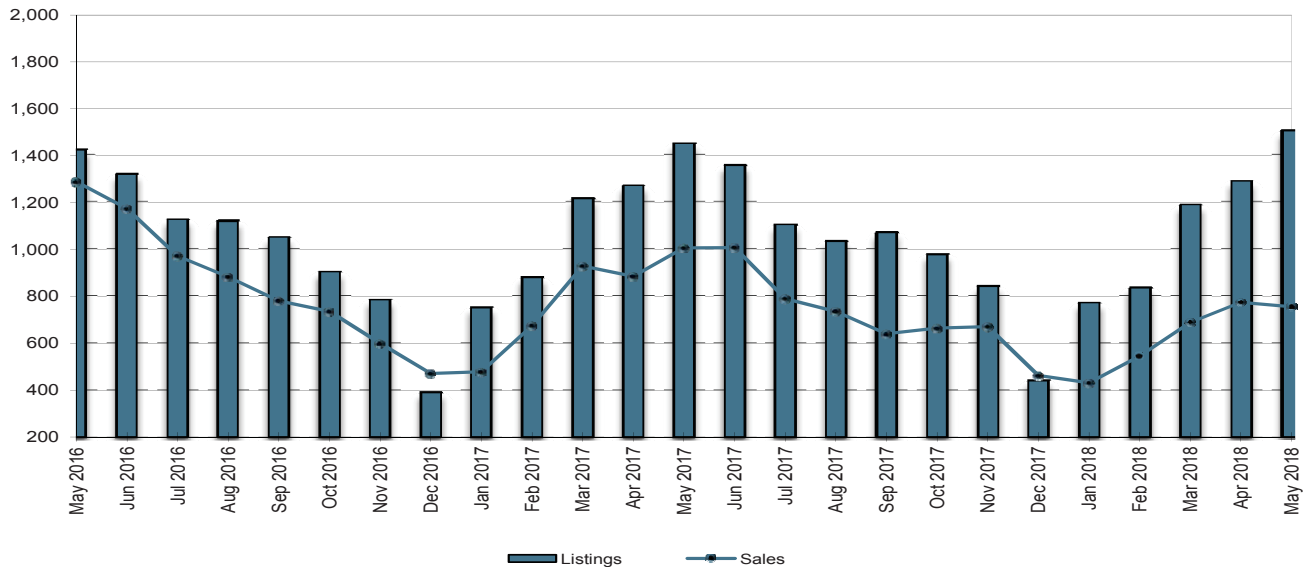
Legend
 Units: net number of listings sold
 LM%: percentage change since Last Month
 LY%: percentage change since This Month Last Year
 Average\$: average selling price
 Median\$: median selling price
 Active Listings: total listings on the market at midnight on the last day of the month

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

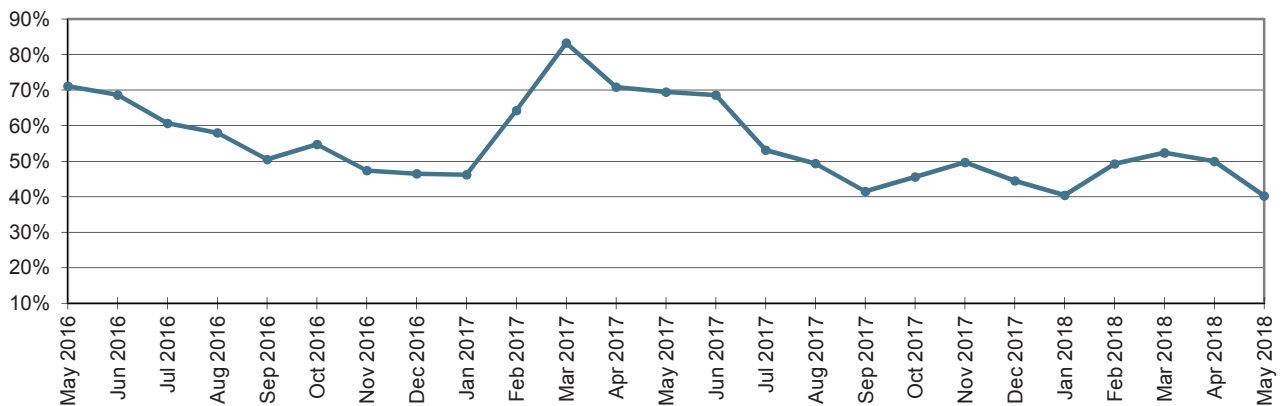
Commonly Quoted Benchmark Home	May 2018 Benchmark Price	April 2018 Benchmark Price	May 2017 Benchmark Price	May 2018 Index Value	April 2018 Index Value	May 2017 Index Value	LM%	LY%
Single Family Benchmark Home: Greater Victoria	\$738,500	\$732,600	\$677,900	213.2	211.5	195.7	0.8%	8.9%
Single Family Benchmark Home: Core	\$878,100	\$866,700	\$820,800	229.7	226.7	214.7	1.3%	7.0%
Single Family Benchmark Home: Westshore	\$630,300	\$625,300	\$566,200	202.7	201.1	182.1	0.8%	11.3%
Single Family Benchmark Home: Peninsula	\$807,000	\$813,200	\$728,000	208.5	210.1	188.1	-0.8%	10.9%
Condo Benchmark Home: Greater Victoria	\$485,600	\$485,000	\$416,900	241.4	241.1	207.2	0.1%	16.5%
Townhouse Benchmark Home: Greater Victoria	\$592,300	\$575,600	\$548,700	209.2	203.3	193.8	2.9%	7.9%

Legend	Current Month:	May 2018
	Last Month:	April 2018
	Last Year:	May 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)

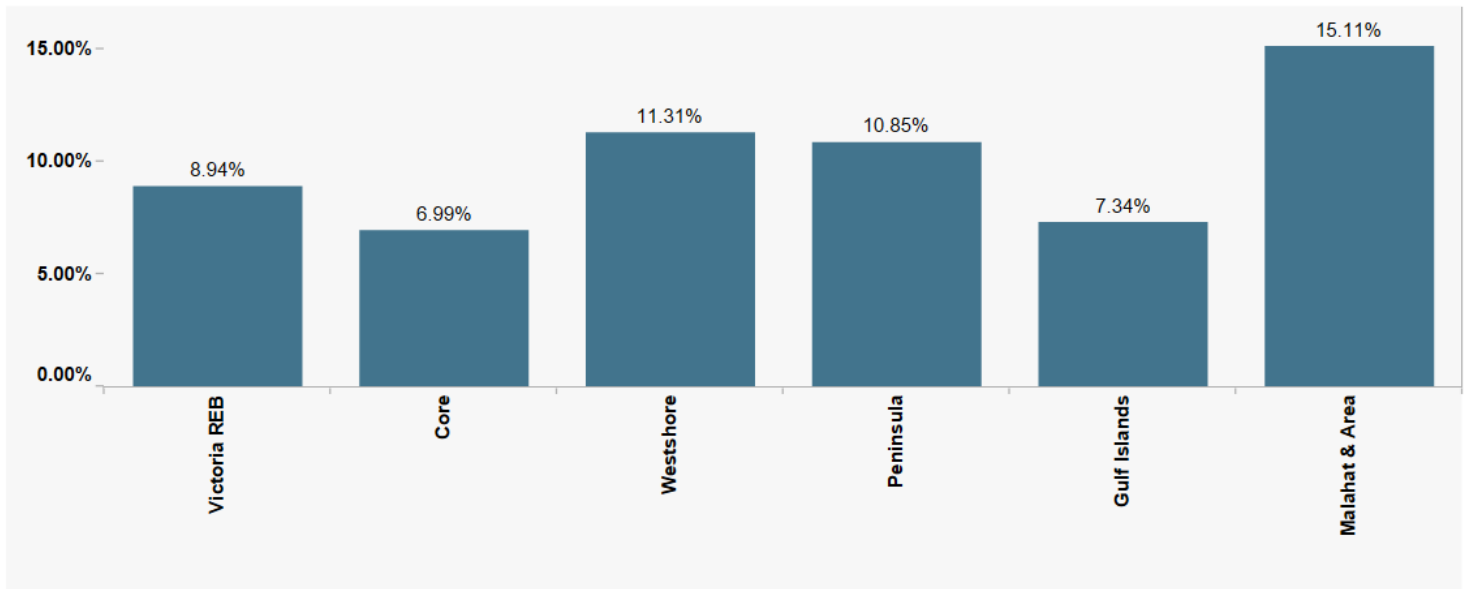
- HPI
- Benchmark

Area
VREB Area Summary


Property Type
Single Family - All

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

Select Timeframe: 12 Months Ago

