

January 02, 2019

Victoria Real Estate Market responds as expected to the changing market conditions of 2018

A total of 375 properties sold in the Victoria Real Estate Board region this December, 18.8 per cent fewer than the 462 properties sold in December 2017 and a 24.7 per cent decrease from November 2018. Sales of condominiums were down 24.3 per cent from 2017 in December with 103 units sold. Sales of single family homes were down 26.6 per cent from December 2017 with 174 sold.

A grand total of 7,150 properties sold over the course of 2018, 20 per cent fewer than the 8,994 sold in 2017. 2018 sales came in very close to the ten-year average of 7,351 properties sold. Condominium sales totalled 2,162 in 2018, compared to 2,783 in 2017. Single family home sales were down from 4,069 in 2017 to 3,187 in 2018.

“The story arc in real estate this year has been the impact of government influence on a market which was showing signs of levelling out through the latter part of 2017,” says outgoing Victoria Real Estate Board President Kyle Kerr. “All levels of government turned their focus to try to make housing more affordable and attainable across the property spectrum. The federal government’s change to mortgage lending qualification rules this year meant many consumers lost 20 per cent of their purchasing power, which contributed to slowing down the pace of the market. On a municipal level, we saw many councils activating how they can influence affordable housing by leveraging current land assets, acquiring new land and creating partnerships to bring new affordable units to market - and that’s a very exciting thing for our market in the long term. The provincial government has also promised huge investments into new affordable developments. These developments are important to the long-term growth of our community, because the only way to make more affordable housing in our area is to build it.”

There were 1,988 active listings for sale on the Victoria Real Estate Board Multiple Listing Service® at the end of December 2018, a decrease of 15.2 per cent compared to the month of November but 43.6 per cent more than the 1,384 active listings for sale at the end of December 2017.

The Multiple Listing Service® Home Price Index benchmark value for a single family home in the Victoria Core in December 2017 was \$832,000. The benchmark value for the same home in December 2018 increased by 3.2 per cent to \$858,600, lower than November’s value of \$865,200. The MLS® HPI benchmark value for a condominium in the Victoria Core area in December 2017 was \$464,300, while the benchmark value for the same condominium in December 2018 increased by 8.2 per cent to \$502,400, slightly more than November’s value of \$500,500.

(cont’d)

“The market in 2019 will continue to be quieter than in previous years, as buyers and sellers adjust to new market conditions and government policies,” adds President Kerr. “Inventory is still quite low when you look at a longer range, which will continue to put pressure on pricing. Our overall economy is predicted to slow slightly, and that will likely mean a slower increase in interest rates but also slower growth. The good news is that savvy buyers will have more time to find their new homes, and that sellers will be under less pressure if they are planning to move within our market. Remember in evolving markets like ours, it’s important to enlist the services of a REALTOR® to help you navigate what may be your largest transaction ever.”

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 1,377 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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Previous Periods Comparison of Unit Sales, Average Prices and Median Prices

Sales by Property Type	This Month									Last Month			This Month Last Year		
	2018 - December									2018 - November			2017 - December		
	Units	LM%	LY%	Average\$	LM%	LY%	Median\$	LM%	LY%	Units	Average\$	Median\$	Units	Average\$	Median\$
Single Family Greater Victoria	153	-36.0%	-27.1%	\$901,387	5.9%	6.0%	\$775,000	0.6%	3.9%	239	\$851,481	\$770,000	210	\$850,562	\$746,000
Single Family Other Areas	21	-25.0%	-22.2%	\$652,363	5.6%	15.4%	\$527,500	-11.0%	13.4%	28	\$617,921	\$592,450	27	\$565,315	\$465,000
Single Family Total All Areas	174	-34.8%	-26.6%	\$871,333	5.4%	6.5%	\$760,000	0.7%	4.4%	267	\$826,988	\$755,000	237	\$818,066	\$727,850
Condos	103	-32.2%	-24.3%	\$472,612	-11.9%	5.2%	\$422,500	0.6%	8.8%	152	\$536,575	\$420,000	136	\$449,460	\$388,400
Townhouses	36	-16.3%	-12.2%	\$676,800	7.5%	18.1%	\$550,050	-4.3%	4.8%	43	\$629,291	\$575,000	41	\$572,858	\$525,000
Manufactured Homes	12	-7.7%	0.0%	\$128,646	-33.5%	-16.0%	\$140,000	-12.8%	-19.4%	13	\$193,415	\$160,500	12	\$153,208	\$173,750
Total Residential	325	-31.6%	-23.7%							475			426		
Total Sales	375	-24.7%	-18.8%							498			462		
Active Listings	1,988	-15.2%	43.6%							2,343			1,384		

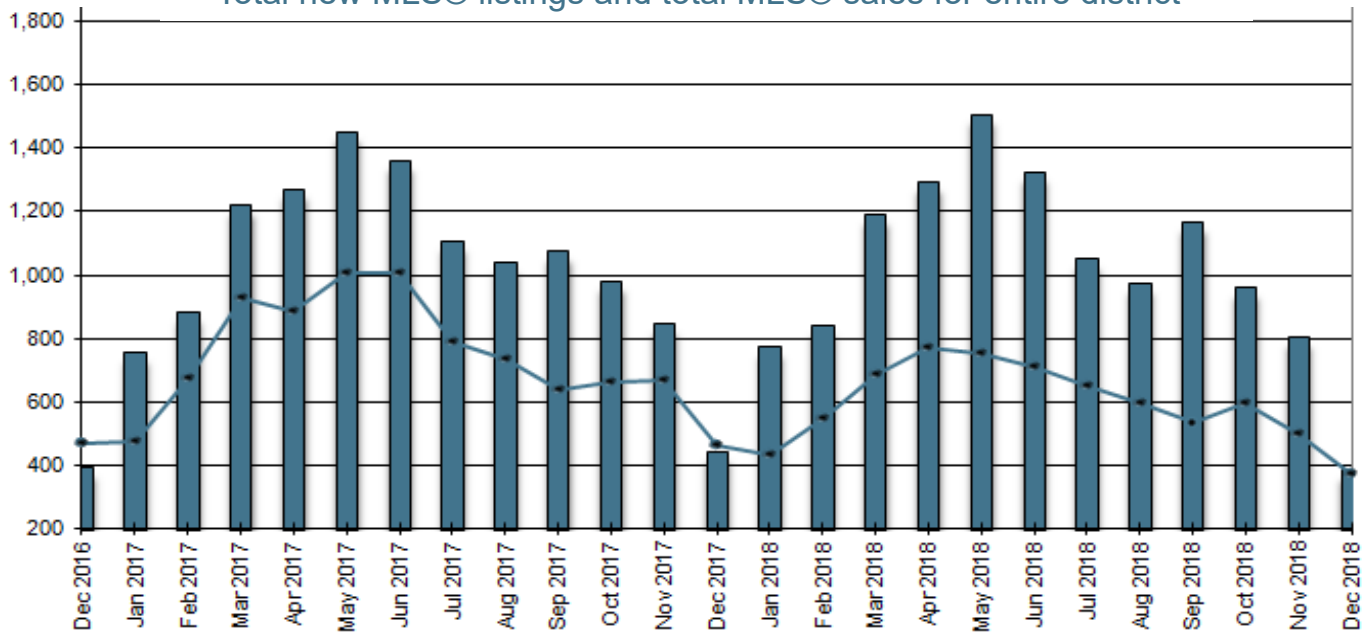
Legend
Units: net number of listings sold
LM%: percentage change since Last Month
LY%: percentage change since This Month Last Year
Average\$: average selling price
Median\$: median selling price
Active Listings: total listings on the market at midnight on the last day of the month

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

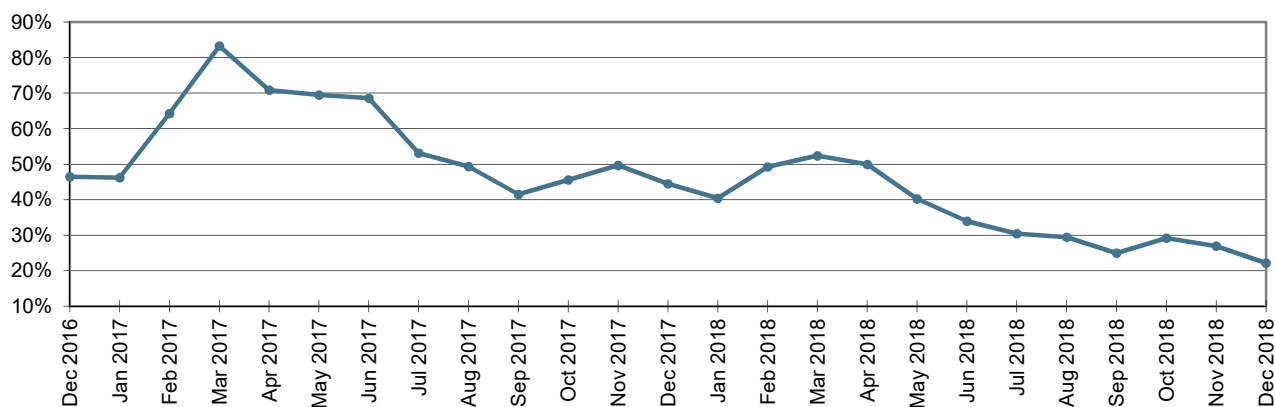
Commonly Quoted Benchmark Home	December 2018 Benchmark Price	November 2018 Benchmark Price	December 2017 Benchmark Price	December 2018 Index Value	November 2018 Index Value	December 2017 Index Value	LM%	LY%
Single Family Benchmark Home: Greater Victoria	\$751,700	\$754,600	\$715,200	210.1	210.9	199.9	-0.4%	5.1%
Single Family Benchmark Home: Core	\$858,600	\$865,200	\$832,000	222.5	224.2	215.6	-0.8%	3.2%
Single Family Benchmark Home: Westshore	\$630,700	\$623,300	\$585,400	203.5	201.1	188.9	1.2%	7.7%
Single Family Benchmark Home: Peninsula	\$775,900	\$778,600	\$754,500	199.8	200.5	194.3	-0.3%	2.8%
Condo Benchmark Home: Greater Victoria	\$495,400	\$493,400	\$456,500	240.3	239.3	221.4	0.4%	8.5%
Townhouse Benchmark Home: Greater Victoria	\$584,600	\$583,200	\$561,900	205.6	205.1	197.6	0.2%	4.0%

Legend	Current Month:	December 2018
	Last Month:	November 2018
	Last Year:	December 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.

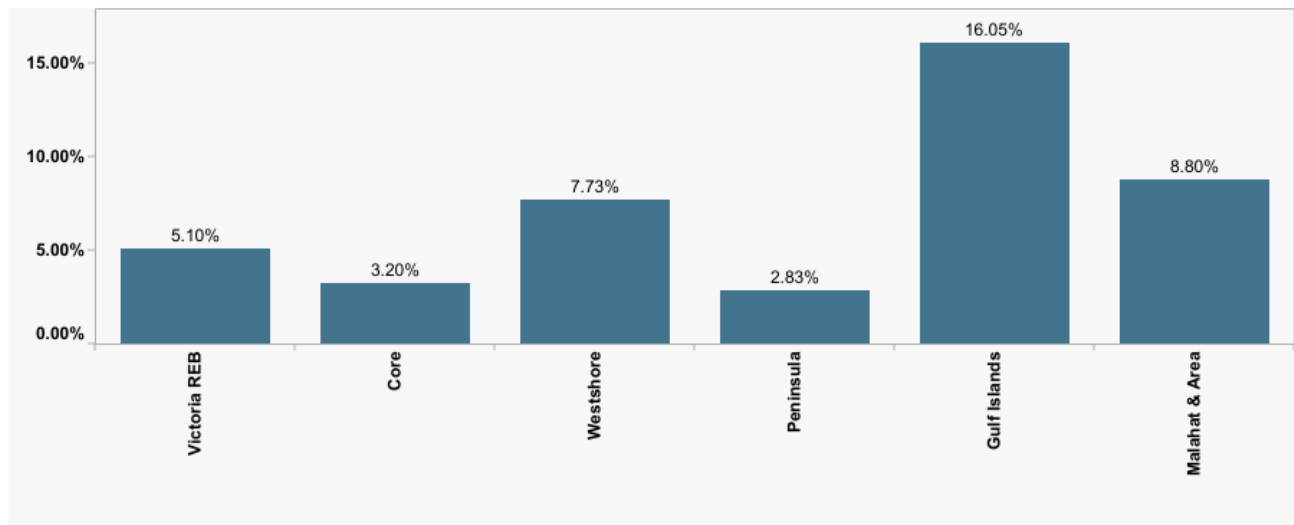
MLS® Home Price Index  **HPI or Benchmark**
(Applies to all tabs)
 HPI
 Benchmark

Area
VREB Area Summary

Property Type
Single Family - All


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

Select Timeframe: 12 Months Ago



Source: Victoria Real Estate Board

MLS® HPI benchmark and value - Condominium / Apartments

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

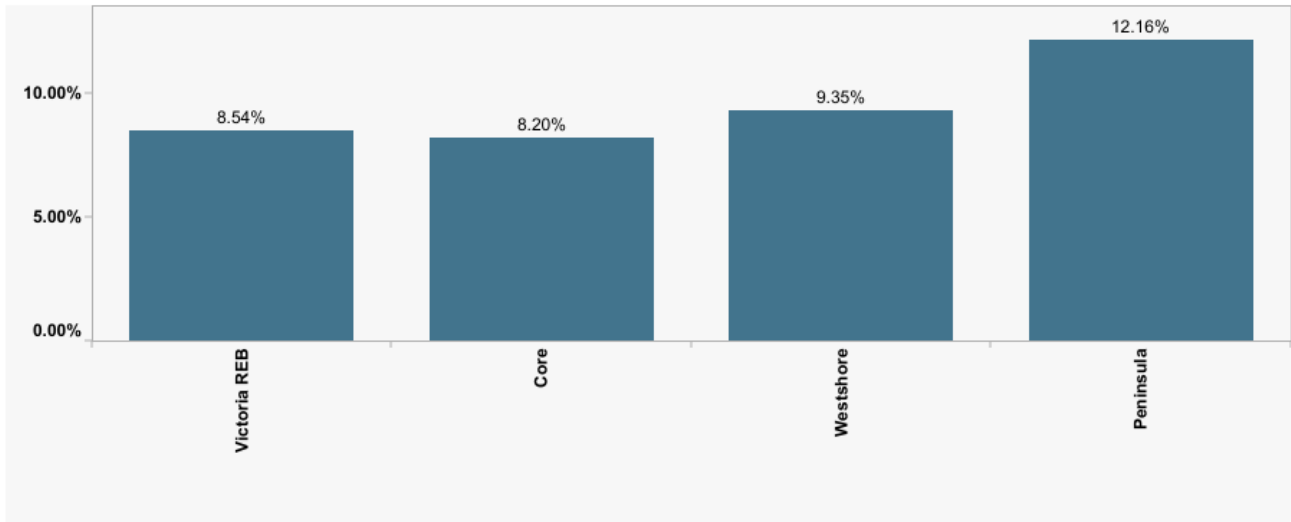
- HPI
- Benchmark

Area
VREB Area Summary

Property Type
Condo Apartment

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

Select Timeframe: 12 Months Ago



Source: Victoria Real Estate Board