

PAUL HOLLAND

HELPING YOU IS WHAT WE DO!

Cell: 250-884-9667

paulholland@royallepage.ca



COAST CAPITAL REALTY

110 - 4460 Chatterton Way,
Victoria, BC, V8X 5J2

Office: 250-477-5353 Toll Free: 1-800-461-5353

REAL ESTATE IN VICTORIA...Keeping You Informed

Winter 2017

WILL BOOM CONTINUE IN VICTORIA IN 2017?

THE GLOBAL AND NATIONAL PICTURE

A Scotiabank Group report entitled "Global Real Estate Trends," released in November 2016, reported the results of a survey of the housing markets in twenty-three countries. This survey found that seventeen countries enjoyed year-over-year "real house price increases" (i.e., inflation adjusted) to the end of 1st Qtr of 2016. Canada tied for fourth place with an average inflation adjusted price increase of 6.9%. The top five countries included: Sweden, Ireland, the United Kingdom, Canada and Colombia. Brazil, Russia, Italy, Indonesia and India experienced a decline in house prices.

In Canada, residential listings on the Multiple Listing Service (MLS®) in 2016 totalled 860,946, down -3.9% from 2015. Sales set a new record at 536,118, up +6.3%. The total value of MLS® residential sales in Canada was \$263 billion, up +17.7%. The sales-to-new-listings ratio (a measure of market strength) was .62, up +.06 from 2015. **The average sale price of residential properties in Canada was \$490,495 (a new high) in 2016, up +10.7% from \$443,111 in 2015.**

Table 1 provides a summary analysis of MLS® residential sales for selected cities/areas in 2016. Most Canadian cities enjoyed a year-over-year increase in average sale prices. The largest percentage increases were in the large metropolitan centres of Toronto and Vancouver, along with adjacent areas, for example, the Fraser Valley and Hamilton. Victoria also enjoyed a significant price increase.

Greater Vancouver, the Fraser Valley, Metropolitan Toronto, Hamilton and Victoria enjoyed very strong seller's markets. Most other areas experienced balanced market conditions with relatively modest increases in average prices and sales. Market conditions remained weak in Saskatoon and Newfoundland/Labrador.

The Canadian Real Estate Association (CREA) is forecasting that sales and prices will ease somewhat in 2017. Nationally, residential MLS® sales are expected to decline by about -3.3% to 518,900 units in 2017 and the average sale price will decrease by -2.8% to about \$479,900. The Canada Mortgage and Housing Corporation (CMHC) notes that there is a lot of uncertainty regarding the housing market outlook for 2017. It cites the following factors as affecting the market: continued low growth in the GDP; sustained household formation that would support ongoing demand for new housing; improved employment trends coupled with a modest increase in mortgage rates. The CMHC is forecasting a moderation in the market conditions with resulting residential MLS® sales of between 489,500 and 509,700 units in 2017 and an average sale price of between \$483,600 and \$507,800.

TABLE 1: AN ANALYSIS OF SELECTED AREAS - 2016

City/Area	Avg Sale Price	*Change	Sales-to-New Listings Ratio
Vancouver	\$1,017,228	+12.7%	.69
Toronto	\$729,591	+17.2%	.73
Fraser Valley	\$676,946	+17.3%	.73
Victoria	\$585,745	+12.3%	.84
Hamilton	\$490,560	+11.5%	.84
Calgary	\$463,047	+2.0%	.55
Ottawa	\$373,604	+1.1%	.53
Edmonton	\$369,365	0.0%	.48
Montreal**	\$348,321	+3.6%	.55
Saskatoon	\$338,768	-1.2%	.37
Regina	\$313,903	0.3%	.49
Halifax/Dart.	\$286,344	+1.3%	.53
Winnipeg	\$284,610	+2.3%	.60
Quebec City**	\$264,655	-0.2%	.49
Nfld/Labrador	\$257,589	-6.5%	.37
National	\$490,495	+10.7%	.62

* Percentage Change over 2015

** January to November 2016

TABLE 2: STATISTICAL TRENDS - ALL RESIDENTIAL (Greater Victoria and Other Areas)

QUARTER-TO-QUARTER COMPARISONS			
	4 th Qtr 15	4 th Qtr 16	Change
New Listings	1,951	1,815	-136
Sales	1,663	1,694	+31
Avg Sale Price	\$532,232	\$614,770	+\$82,538
Median Sale Price	\$470,000	\$525,000	+\$55,000
Ratio Sales-to-Listings	.85	.93	+0.08
Avg Days to Sell	64	35	-29
Sale Price as % of Org List Price	95.8%	98.0%	+2.2%
Mortgages Rates (BoC 3 yr Fixed)	3.39%	3.39%	n/c

REAL ESTATE ACTIVITY VICTORIA 2016

2016 was a record-setting year for the real estate market in Victoria. The number of listings of residential properties in Victoria was 11,986, up +1.5% from 11,814 in 2015. Residential sales through the VREB's MLS® totalled 10,028, up a strong +27.5% from 7,868 in 2015. The sales-to-new-listings ratio was .84, up from .67 in 2015. The value of residential sales through the VREB totalled \$5.874 billion in 2016, up from \$4.104 billion in 2015. **The average sale price of a residential property in 2016 was \$585,745, up \$64,129 or +12.3% from \$521,616 in 2015.** The market strength continued into the 4th Qtr of 2016 where the average sale price reached **\$614,770, up \$82,538, or +15.5% from \$532,232 in the 4th Qtr of 2015.** The median sale price had a more moderate increase of \$55,000, or +11.4%.

Sales of SFDs totalled 5,240 in 2016, up +22.8% from 4,266 in 2015. **The average sale price of SFDs in 2016 was \$754,250, up \$103,860 or +16.0% from \$650,390 in 2015.** The median sale price was \$655,000, up \$88,000 or +15.5% from \$567,000 in 2015. The sales-to-new-listings ratio rose to .80, up from .69 in 2015. SFDs that sold in 2016 were on the market for an average of 31 days, down from 48 days in 2015. The average sale price in the 4th Qtr of 2016 was \$794,255, up \$118,534, or +17.5% from \$675,721 in the 4th Qtr of 2015.

Condominium sales were also strong in 2016 with total sales of 2,895, up +38.3% from 2,094 in 2015. **The average sale price for a condo was \$355,133 in 2016, up \$28,608 or 8.8% from \$326,525 in 2015.** The median sale price was \$310,000. The sales-to-new-listings ratio was .89, up from .65 in 2015. Condos that sold in 2016 were on the market for an average of 37 days, down from 61 days in 2015. The average sale price in the 4th Qtr of 2016 was \$377,803, up \$55,430, or +17.2% from \$322,373 in the 4th Qtr of 2015.

Townhouse sales totalled 984 in 2016, up +22.1% from 806 in 2015. **The average selling price was \$469,910 in 2016, up \$41,130 or +9.6% from \$428,780 in 2015.** The median sale price was \$429,500. The sales-to-new-listings ratio was .91, compared to .67 in 2015. Townhouses that sold in 2016 were on the market for an average of 37 days, down from 53 days in 2015. The average sale price in the 4th Qtr of 2016 was \$514,291, up \$72,151 or +16.3% from \$442,140 in the 4th Qtr of 2015.

MARKET OUTLOOK - VICTORIA

The British Columbia Real Estate Association (BCREA) is forecasting that residential sales will fall to about 9,250 in 2017 and that the average price for a residential property will increase +2.1% to about \$590,500. The CMHC is forecasting that Victoria will experience a stable real estate market in 2017. The CMHC is forecasting that sales will range between 9,200 and 9,600 units. The CMHC is forecasting that price growth will slow and that average sale price for a residential property will range between \$605,600 and \$614,400. *(As noted in previous issues of this newsletter, the Victoria real estate market has not kept pace with the price appreciation in the other expensive markets in Canada in recent years and it could be playing catch-up. As well, if the historic pattern that has marked the Victoria real estate market in the past holds in the future, Victoria may well be poised for a continued growth in prices beyond that which is forecast by the CMHC and the BCREA).*

TABLE 3 REAL ESTATE ACTIVITY - Greater Victoria
January 2016 to December 2016
Single Family Dwellings

District*	Sales	Ratio	Avg. Sale Price	% Chg**
Victoria/VW	623	.82	\$788,429	+25.05
Oak Bay	285	.76	\$1,298,644	+26.3
Esquimalt	168	.88	\$601,619	+22.2
View Royal	150	.90	\$609,475	+7.4
Saanich East	1,040	.83	\$847,792	+22.2
Saanich West	491	.83	\$671,035	+19.0
Central Saanich	228	.85	\$747,469	+12.2
North Saanich	187	.71	\$862,588	+20.2
Sidney	178	.82	\$588,986	+16.0
Highlands	50	.68	\$825,308	+21.7
Colwood	266	.87	\$588,163	+13.5
Langford	878	.85	\$579,486	+13.9
Metchosin	68	.73	\$705,661	+0.7
Sooke	453	.80	\$446,497	+13.8
Waterfront	175	.59	\$1,685,435	+22.2
Totals	5,240	.81	\$754,250	+16.0
Gulf Islands	361	.81	\$578,513	+0.2
Malahat & Area	417	.74	\$525,221	+6.5
*District Avg. Sales Prices exclude sales of "Waterfront"				
Condominiums	2,895	.89	\$355,133	+8.8
Townhouses	984	.91	\$469,910	+9.6
** Percentage Change over period Jan 2015 to Dec 2015				

CHART 1: QUARTERLY SALE PRICES
1st Qtr 2014 (1/14) to 4th Qtr 2016 (4/16)

