



Royal LePage: Victoria home prices post healthy gains during the second quarter

First-time home buyers drive market as out-of-province buyers pull back during pandemic

VICTORIA, July 9, 2020 – The Royal LePage House Price Survey¹ released today showed the aggregate price of a home in Victoria increased 4.4 per cent year-over-year to \$784,790, in the second quarter.

Broken out by housing type, the median price of a standard two-storey home posted the highest price gain, rising 6.1 per cent year-over-year to \$912,220 in the second quarter. During the same period, the median price of a bungalow rose 2.8 per cent year-over-year to \$768,236 and the median price of a condominium increased 2.3 per cent year-over-year to \$501,041.

“Once business activity was allowed to resume, the market picked up quickly. There has been considerable pent-up demand that should last through the summer,” said Neil Bosdet, sales representative, Royal LePage Coast Capital Realty. “First-time home buyers drove the market during the second quarter. Those who were confident in their employment and who were ready with a downpayment didn’t want to delay any longer.”

Bosdet added that first-time home buyers were particularly active in the downtown condominium market while others were attracted to the west shore, which provided high value opportunities. Notably absent during the quarter were out-of-province retiree buyers, who are an important buyer demographic in the region.

Nationally, the aggregate price of a home in Canada increased 6.8 per cent year-over-year to \$673,072, in the second quarter. Once provinces allowed regular real estate activity to resume, demand surged in many markets. Inventory levels, already constrained pre-pandemic, have failed to keep pace.

“Home prices shot up in the second quarter as a crush of buyers entered the market, attracted by extremely low interest rates and the perception of bargains to-be-had,” said Phil Soper, President and CEO of Royal LePage. “Across Ontario, Quebec and British Columbia in particular, the demand for housing outpaced the growth in supply, particularly in the early weeks

¹ Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

post-lockdown. The surge in the number of first-time buyers was felt acutely, as these housing consumers soaked up supply without contributing to it.”

The Royal LePage National House Price Composite is compiled from proprietary property data in 64 of the nation’s largest real estate markets. When broken out by housing type, the median price of a two-storey home rose 8.0 per cent year-over-year to \$794,392, while the median price of a bungalow increased 3.9 per cent to \$550,289. The median price of a condominium increased 5.3 per cent year-over-year to \$503,983.

As home sellers return to the market, inventory levels are expected to rise, relieving the acute upward pressure on home prices that characterized the supply-constrained second quarter of 2020. Uncertainty clouds Canada’s real estate outlook as a lengthy recovery for the Canadian and world economies is expected. The negative impact on home prices should be muted by the balanced nature of Canadian housing, as chronic housing supply shortages offset dampened medium-term demand.

Royal LePage has revised its forecast slightly upward, with national aggregate prices expected to end 2020 up 2.3 per cent in the fourth quarter compared to the same period in 2019.

Royal LePage Home Price Data and Forecasts:

- Royal LePage House Price Survey Chart (Canada’s largest 64 housing markets): rlp.ca/q2-2020-house-prices
- Royal LePage Market Survey Forecast Chart: rlp.ca/q2-2020-market-forecast

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About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 64 of the nation’s largest real estate markets. Housing values in the Royal LePage House Price Survey are based on the Royal LePage Canadian Real Estate Market Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, RPS Real Property Solutions, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

About Royal LePage

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 18,000 real estate professionals in over 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Bridgemarq Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit www.royallepage.ca.

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