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REAL ESTATE IN VICTORIA...Keeping You Informed

Summer 2007

# REAL ESTATE MARKET STRENGTHENS

## HOME OWNERSHIP ON THE INCREASE

In 1971, the average sale price of a property through the Multiple Listing Service (MLS®) was \$24,581. By 2005, the average sale price had increased almost tenfold to \$246,365. During this period, the number of homeowner households in Canada has increased faster than the number of renter households. Almost 69% (68.8% to be more precise) of households were owner occupied in 2005 according to a Statistics Canada study released in May of this year.

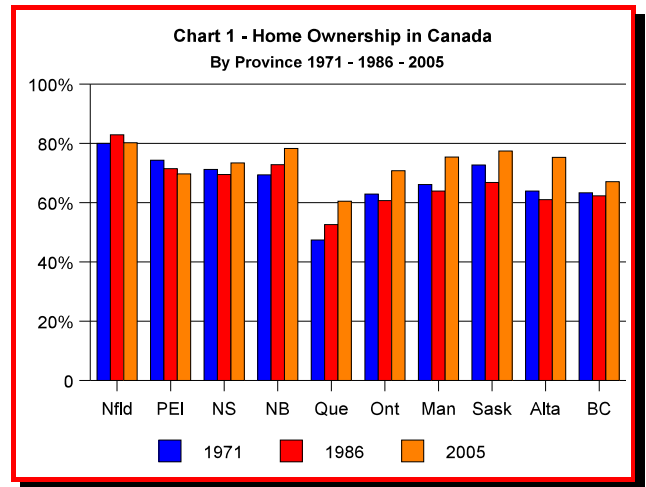
With the exception of PEI, all provinces experienced an increase in home ownership during this period. Provinces with the largest increase were: NB. (8.9%), Que. (13.1%), Man. (9.3%) and Alta. (11.4%). In 2005, home ownership was highest in the four Atlantic provinces, Ont., Man., Sask. and Alta., and lowest in Que. and BC.

Generally, good economic conditions in the past two decades, coupled with demographic trends and public policy initiatives, have facilitated home ownership. Since 1986, mortgage rates have generally trended lower. Lower mortgage payments along with rising employment rates have mitigated the effect of rising house prices to some extent. As a consequence, a higher proportion of households have been able to opt for home ownership.

Public policies have also encouraged home ownership. For example, in 1992 CMHC introduced a mortgage insurance program to help home buyers qualify for an insured mortgage loan with as little as 5% down. In addition, the RRSP Home Buyer's Plan, also created in 1992, allows buyers to withdraw amounts tax-free from their RRSP to help with the down payment on a home. And recently, the federal government decreased the down-payment required for a conventional mortgage from 25% to 20%.

Demographic trends have also contributed to increased home ownership. Home ownership tends to increase with age. In the 1970s, the first of the baby boomers began to buy their own homes and this trend has carried through to the end of the 1990s.

With homeowner households at nearly 69%, Canada compares favourably with the United States (69%), Australia (71.5%) and the United Kingdom (70%). However, Canada lags behind such countries as Spain (81%), Ireland (79%) and Belgium (74%) but is well ahead of such countries as Germany (43%), Denmark (51%) and the Netherlands (52%).



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TABLE 1: STATISTICAL TRENDS - ALL RESIDENTIAL (Greater Victoria and Other Areas)

QUARTER-TO-QUARTER COMPARISONS			
	2 <sup>nd</sup> . Qtr 06	2 <sup>nd</sup> . Qtr 07	Change
Properties Listed	4073	4259	+186
Sales	2324	2643	+319
Avg. Sale Price	\$428,147	\$476,428	+\$48,281
Median Sale Price	\$380,000	\$425,000	+\$45,000
Ratio Sales Listings	.57	.62	+ .05
Avg. Days to Sell*	38	43	+5
Sale Price as % of List Price*	98.3%	98.0%	-0.3%
Mortgage Rates (Posted 3 yr Fixed)	6.54%	7.43%	+0.89%

**THE VICTORIA MARKET**

As shown in Table 1, sales of "residential properties" (i.e., all types of housing excluding lots/acreage and commercial) through the Victoria Real Estate Board's MLS® strengthened in the 2<sup>nd</sup>. Qtr. of 2007. (It appears many buyers expedited their decision to buy before the anticipated hike in mortgage rates). Sales of residential properties totalled 2643 compared to 2324 in the 2<sup>nd</sup>. Qtr. of 2006. Indicative of the current strength of the market, the figure of 2642 is 89% higher than the 1398 sales in the 2<sup>nd</sup>. Qtr. of 2000. **The sales to new listings ratio rose to .62 in the 2<sup>nd</sup>. Qtr compared to .57 in the 2<sup>nd</sup>. Qtr. of 2006.**

**Both average and median sale prices continue to increase. The average sale price of a residential property in Greater Victoria and other areas was \$476,428 in the 2<sup>nd</sup>. Qtr of 2007 up 11.3% from \$428,147 in the 2<sup>nd</sup>. Qtr. of 2006.** The median sale price was up a comparable percentage to \$425,000. The figure of \$476,428 compares with average residential sale prices of \$591,722 in Vancouver, \$429,298 in Calgary and \$382,689 in Toronto for the month of May.

All areas and sectors of the Victoria housing market were strong in the 2<sup>nd</sup>. Qtr. of 2007. The market was particularly strong for more moderately priced housing. For example, the sales to listings ratio for SFDs priced less than \$450,000 was a very strong .81. Sales activity for single family dwellings (as measured by the ratio of sales to listings - see page 4) was particularly strong in the Districts of Esquimalt, View Royal, Saanich East and West, Colwood and Langford.

**THE MARKET INVENTORY**

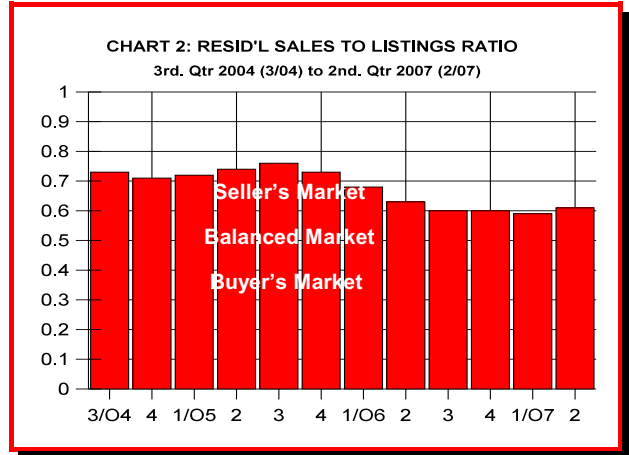
As shown on Table 2, there were 2600 properties (including lots and acreage) active on the Victoria Real Estate Board's MLS® database for the Greater Victoria area (i.e., excluding the Malahat, Up-Island and the Gulf Islands) on July 1, 2007, up some 13% from 2294 on July 1, 2006. There have been fairly substantial increases in the number of condominiums, townhouses and lots/acreage available.

**SINGLE FAMILY DWELLINGS (SFDs)**

Sales of SFDs in Greater Victoria in the 2<sup>nd</sup>. Qtr. of 2007 totalled 1470 up significantly from 991 in the 2<sup>nd</sup>. Qtr. of 2006. As shown in Chart 3, the average sale and median sale prices surged in the 2<sup>nd</sup>. Qtr. **The average sale price of SFDs in the 2<sup>nd</sup>. Qtr. of 2007 was \$567,369 up 8.6% from an average of \$522,260 in the 2<sup>nd</sup>. Qtr. of 2006.** Moreover, the median sale price was \$490,000 up 9.6% from \$447,000 in the 2<sup>nd</sup>. Qtr. of 2006. SFDs took an average of 34 days to sell in the 2<sup>nd</sup>. Qtr. of 2007, up slightly from 33 in the 2<sup>nd</sup>. Qtr. of last year. The sales to listings ratio was a strong .68 in the 2<sup>nd</sup>. Qtr. compared to .57 last year.

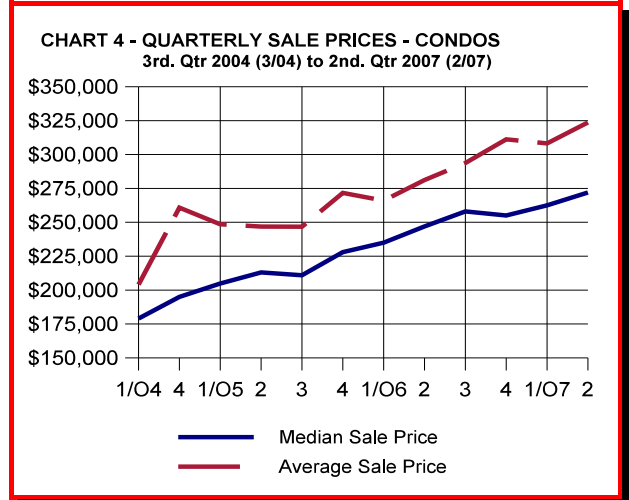
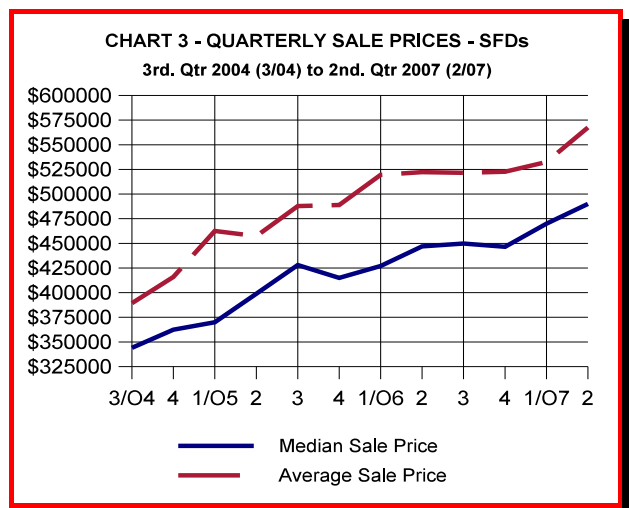
**CONDOMINIUMS**

Condominium sales were strong in the 2<sup>nd</sup>. Qtr. of 2007 with sales of 706 - up from 635 sales in the 2<sup>nd</sup>. Qtr of 2006. As shown in Chart 4, the average and median sale prices of condominiums continue to rise. **The average sale price for a condo was \$323,260 in the 2<sup>nd</sup>.**



**TABLE 2: INVENTORY - GREATER VICTORIA**

Type of Property	July 06	July 07	Change
Single Family Dwellings	1175	1112	-63
Condominiums	775	830	+55
Townhouses	153	278	+125
Lots/Acreage	113	299	+186
Man Home/Rental Pad	53	60	+7
Duplexes (Revenue)	15	17	+2
Triplexes+ (Revenue)	10	4	-6
<b>Totals</b>	<b>2294</b>	<b>2600</b>	<b>+306</b>



**Qtr. Of 2007, up 15% from \$281,217 in the 2<sup>nd</sup>. Qtr. of 2006.** The median sale price was \$272,000. Condos took an average of 45 days to sell in the 2<sup>nd</sup>. Qtr. of 2007, compared to 37 days last year. The sales to listings ratio was .61, the same as last year.

**TOWNHOUSES**

Townhouse sales totalled 249 in the 2<sup>nd</sup>. Qtr. of 2007 up from 218 in the 2<sup>nd</sup>. Qtr. of 2006. **The average selling price in the 2<sup>nd</sup>. Qtr. of 2007 was \$404,240 up 14.1% from \$354,339 in the 2<sup>nd</sup>. Qtr. of 2006.** Townhouses took an average of 38 days to sell in the 2<sup>nd</sup>. Qtr. Of 2007, up from 31 days last year. The sales to listings ratio was .58.

**LOTS/ACREAGE**

Sales of lots/acreage have slowed somewhat. There were 70 lots/acreage sold in the 2<sup>nd</sup>. Qtr. of 2007. The average and median sale prices were **\$516,209** and **\$325,000** respectively.

**30<sup>TH</sup> ANNUAL VICTORIA CLASSIC BOAT FESTIVAL®**

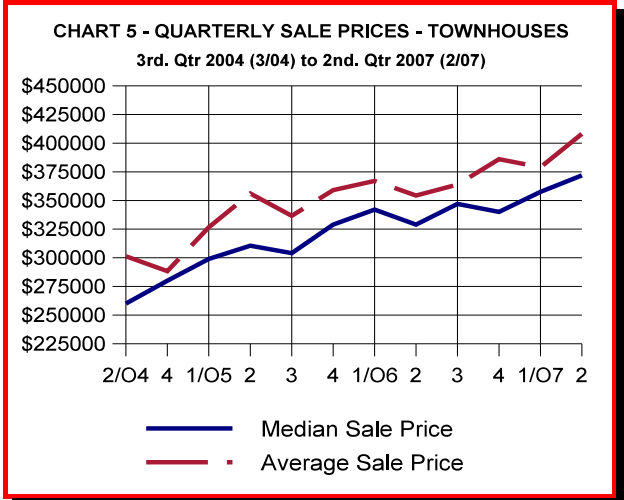
The 30<sup>th</sup> annual Victoria Classic Boat Festival® celebrates the maritime heritage of Victoria. It takes place in Victoria’s beautiful Inner Harbour over the Labour Day weekend August 31 to September 2. It is a community presentation by the Realtors® of Greater Victoria through the Victoria Real Estate Board and Black Press publisher of Real Estate in Victoria.

The festival is open to vessels of traditional plank-on-frame or riveted steel construction built to a pre-1956 design. Typically, this event draws about 100 vessels from all around the west coast and as far away as California. These wonderful vessels range from small skiffs, to runabouts, to mid-sized cruisers, to working boats and to yachts in excess of 100 feet.

You will marvel at the work that the owners of these vessels have taken to restore them and the pride they take in maintaining them. The shiny brass, the polished mahogany and the brilliant paintwork epitomize the term “shipshape.”

There are a number of events associated with the festival. The **Classic Rowing Regatta** takes place at 10:00 a.m. to noon on Saturday, September 1<sup>st</sup>. The boats will be launched from the Gorge Rowing and Paddling Club and race from the Gorge Narrows to the Undersea Garden. The **Steam Boat Parade** takes place on the Gorge Waterway on Saturday at 2:00 p.m. The **Sail-past** (the weekend’s highlight) takes place on Sunday, September 2<sup>nd</sup>. All the participating vessels will file out of the Inner Harbour and parade past the Salute Vessel. Following the sail-past, there will be Schooner, Classic Open and Design Races.

You are invited to attend this festival. In addition to the scheduled events, visitors to the festival can simply stroll the docks and admire the vessels. Some of the larger boats welcome visitors aboard.



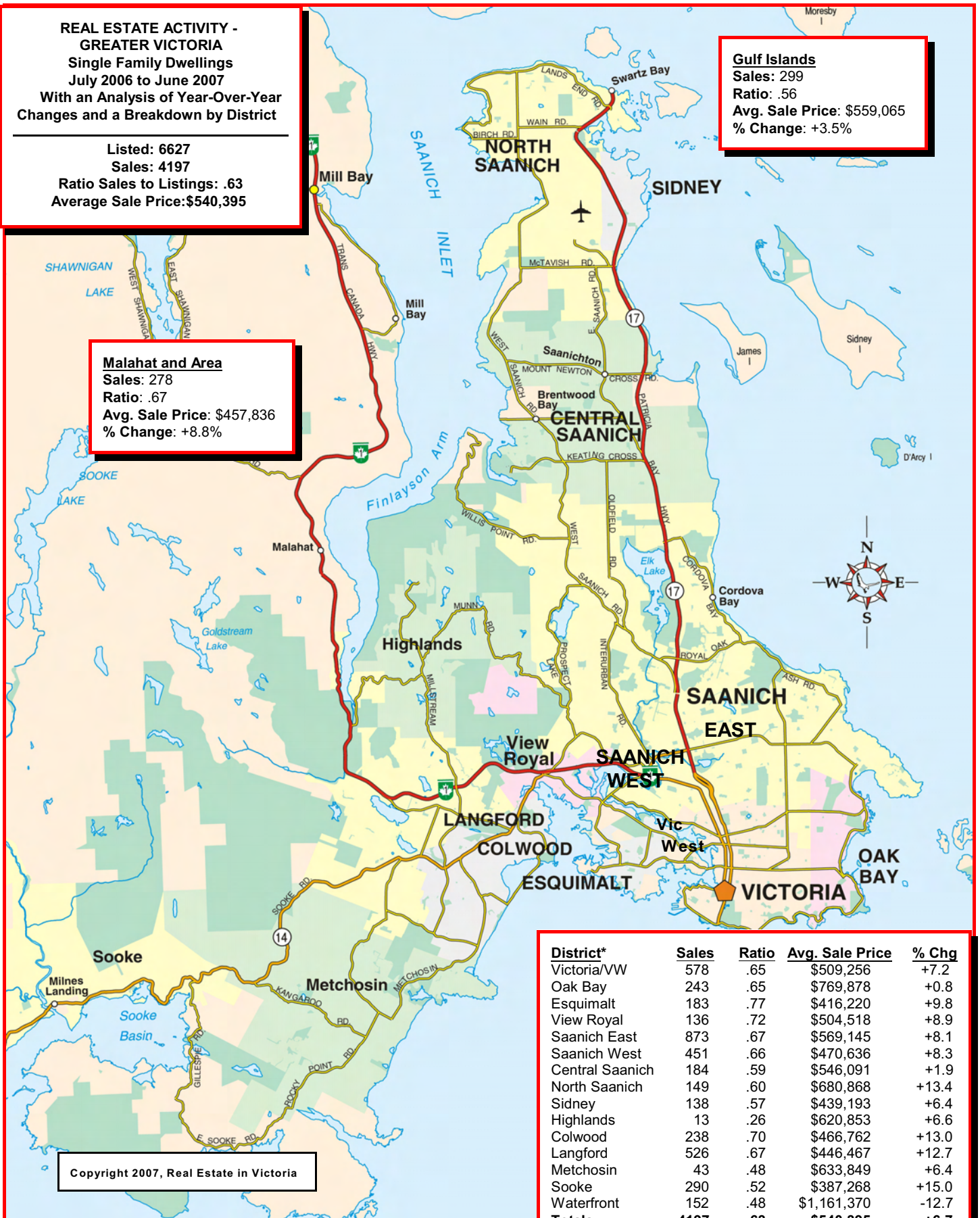
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**REAL ESTATE ACTIVITY -  
GREATER VICTORIA**  
Single Family Dwellings  
July 2006 to June 2007  
With an Analysis of Year-Over-Year  
Changes and a Breakdown by District

Listed: 6627  
Sales: 4197  
Ratio Sales to Listings: .63  
Average Sale Price:\$540,395

**Gulf Islands**  
Sales: 299  
Ratio: .56  
Avg. Sale Price: \$559,065  
% Change: +3.5%

**Malahat and Area**  
Sales: 278  
Ratio: .67  
Avg. Sale Price: \$457,836  
% Change: +8.8%



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District*	Sales	Ratio	Avg. Sale Price	% Chg
Victoria/VW	578	.65	\$509,256	+7.2
Oak Bay	243	.65	\$769,878	+0.8
Esquimalt	183	.77	\$416,220	+9.8
View Royal	136	.72	\$504,518	+8.9
Saanich East	873	.67	\$569,145	+8.1
Saanich West	451	.66	\$470,636	+8.3
Central Saanich	184	.59	\$546,091	+1.9
North Saanich	149	.60	\$680,868	+13.4
Sidney	138	.57	\$439,193	+6.4
Highlands	13	.26	\$620,853	+6.6
Colwood	238	.70	\$466,762	+13.0
Langford	526	.67	\$446,467	+12.7
Metchosin	43	.48	\$633,849	+6.4
Sooke	290	.52	\$387,268	+15.0
Waterfront	152	.48	\$1,161,370	-12.7
<b>Totals</b>	<b>4197</b>	<b>.63</b>	<b>\$540,395</b>	<b>+6.7</b>

\*District Avg. Sales Prices exclude sales of "Waterfront"