



DEMAND EASES, SUPPLY RISES, PRICES LEVEL OFF

THE REAL ESTATE MARKET IN BRITISH COLUMBIA

B.C. has long had the most expensive residential real estate in Canada. And, the B.C. market continues to outperform the rest of the country with an increase in the average sale price of 73% over the past five years versus 50% for all of Canada.

The dollar value of residential sales in Canada through the Multiple Listing Service (MLS®) totalled **\$73.192 billion in the first half of 2006**. This was the result of sales of 264,634 units for an average unit price of \$276,579. **In B.C., residential sales totalled \$21.008 billion** (29% of the total dollar volume) on sales of 54,460 units (20.6% of the unit sales) for an average unit price of \$385,750.

Professional real estate services in B.C. are organized into twelve real estate boards. As shown in Table 1, there is a wide range in average sale prices across these boards from a low of \$131,234 in the Northern Lights Board to \$498,107 in Greater Vancouver.

In terms of dollar value, the real estate market in B.C. is dominated by Greater Vancouver. **Residential sales through the Greater Vancouver Real Estate Board totalled \$10.474 billion** (nearly 50% of the dollar volume in B.C.) in the first half of 2006. This was the result of sales of 21,027 units (38.6% of the unit sales in B.C.) for an average unit price of \$498,107. Greater Vancouver was followed by the Fraser Valley Board with \$4.094 billion in residential sales (19.5% of the dollar value) and the **Victoria Board with \$1.761 billion in residential sales (8.4% of the dollar value)**.

All the boards in B.C. experienced a significant increase in average sale prices over the past five years. Indeed, all boards have done better than the national average. Boards that have the highest priced residential real estate include: Greater Vancouver, Victoria, the Fraser Valley, the two Okanagan boards, Vancouver Island and Chilliwack. These boards also happen to have had the highest percentage increase in average sale prices over the past five years.

The boards that have had the strongest markets in the first half of 2006 (as measured by the sales to listings ratio) include: Greater Vancouver, the Fraser Valley, Chilliwack, Kamloops, BC Northern (i.e., Prince George and Prince Rupert north to the Yukon border) and Northern Lights (i.e., the Dawson Creek area).

TABLE 1: A COMPARISON OF RESIDENTIAL REAL ESTATE MARKETS IN BRITISH COLUMBIA

Boards	Avg. Sale Price Jan - Jun 2006	%Change over 2001	Sales to
			Listings Ratio Jan - Jun 2006
Greater Vancouver	\$498,107	+74.2	.69
Victoria	\$422,086	+87.0	.59
Fraser Valley	\$386,467	+75.3	.75
Okanagan-Mainline	\$316,019	+94.8	.61
Vancouver Island	\$275,520	+92.3	.59
Chilliwack	\$262,668	+77.3	.75
South Okanagan	\$260,780	+93.7	.62
Kamloops	\$212,488	+61.4	.70
Kootenay	\$202,630	+64.1	.60
Powell River	\$194,034	+66.6	.51
BC Northern	\$158,825	+44.5	.68
Northern Lights	\$131,234	+51.2	1.27
British Columbia	\$385,750	+73.1	.67
Canada	\$276,579	+50.0	.60

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

QUARTER-TO-QUARTER COMPARISONS			
	3 rd . Qtr 05	3 rd . Qtr 06	Change
Properties Listed	3031	3376	+345
Sales	2073	1845	-228
Ave. Sale Price	\$391,433	\$425,838	+\$34,405
Median Sale Price	\$345,500	\$380,000	+\$34,500
Ratio Sales to Listings	.68	.55	-.13
Ave. Days to Sell*	43	51	+8
Sale Price as % of List Price*	98.5%	97.6%	-0.9%
Mortgages Rates (Posted 3 yr Fixed)	5.7%	6.52%	+0.82%

THE VICTORIA MARKET

As shown in Table 2, sales of “residential properties” (i.e., all types of housing excluding lots/acreage and commercial) through the Victoria Real Estate Board’s MLS® continued to slow in the 3rd. Qtr. of 2006. Sales of residential properties totalled 1845 in the 3rd. Qtr. of this year, down 11% from 2073 in the 3rd. Qtr. of 2005. There were 3376 residential properties listed in the 3rd. Qtr. of 2006, up 11.4% from 3031 in the 3rd. Qtr. of 2005. **The average sale price of a residential property in Greater Victoria and other areas was \$425,838 in the 3rd. Qtr. of 2006, up 8.8% from \$391,433 in the 3rd. Qtr. of 2005 but slightly off the recent peak of \$428,127 in the 2nd. Qtr. of this year.**

In summary, the real estate market in Victoria remains solid, but continues to move toward a decidedly balanced position with a sales to new listings ratio (a measure of market strength) of .55 compared to .70 in the 3rd. Qtr. of 2005.

THE MARKET INVENTORY

The inventory continues to build. There were 2547 properties (including lots and acreage) active on the Victoria Real Estate Board’s MLS® database in the Greater Victoria area (i.e., excluding the Malahat, Up-Island and the Gulf Islands) on Oct 1, 2006, up some 55% from 1644 on Oct 1, 2005. **The current supply of properties for sale is now near the levels that we had at this time of year in 1999 and 2000.**

REAL ESTATE ACTIVITY

Table 3 presents an analysis of real estate activity in the Greater Victoria for the 12 month period Oct 2005 to Sep 2006.

Sales of SFDs in Greater Victoria in the 3rd. Qtr. of 2006 totalled 930, down from 1063 sales in the 3rd. Qtr. of 2005. **The average sale price of SFDs in the 3rd. Qtr. of 2006 was \$521,490 down slightly from \$522,260 in the 2nd. Qtr. and up a rather modest 6.9% from an average of \$487,871 in the 3rd. Qtr. of 2005.** SFDs took an average of 42 days to sell in the 3rd. Qtr. of 2006, compared to 34 days in the 3rd. Qtr. of 2005. The ratio of sales to new listings in the 3rd. Qtr. of 2006 was .53.

Condominium sales remained strong in the 3rd. Qtr. of 2006 with total sales of 549, down a bit from 574 sales in the 3rd. Qtr. of 2005.

The average sale price for a condo was \$293,759 in the 3rd. Qtr. of 2006 up from \$281, 217 in the 2nd. Qtr. of this year and up 19.1% from \$246,736 in the 3rd. Qtr. of 2005. Condos took an average of 49 days to sell in the 3rd. Qtr. of 2006 compared to 42 days in the 3rd. Qtr. of 2005 and the sales to new listings ratio was .57.

Townhouse sales totalled 166 in the 3rd. Qtr. of 2006, down from 219 in the 3rd. Qtr. of 2005. **The average selling price in the 3rd. Qtr. of 2006 was \$363,883, up 8.1% from \$336,571 in the 3rd. Qtr. of 2005.** Townhouses took an average of 38 days to sell in the 3rd. Qtr. of 2006 and the sales to listings ratio was .59.



TABLE 3

**REAL ESTATE ACTIVITY
Greater Victoria
Oct 2005 to Sep 2006**

Single Family Dwellings

District	Sales	Ratio	Avg Sale Price	% Chg*
Victoria/VW	541	.61	\$487,182	+14.3
Oak Bay	215	.55	\$744,482	+11.8
Esquimalt	163	.68	\$389,615	+13.6
View Royal	134	.65	\$472,757	+19.2
Saanich East	804	.64	\$527,524	+15.3
Saanich West	398	.64	\$440,431	+11.2
Central Saanich	172	.55	\$545,135	+15.8
North Saanich	131	.53	\$618,625	+13.4
Sidney	132	.57	\$424,343	+21.0
Highlands	15	.44	\$615,967	+23.3
Colwood	230	.61	\$432,380	+13.2
Langford	532	.65	\$407,662	+11.7
Metchosin	33	.45	\$596,427	+14.4
Sooke	310	.57	\$343,635	+10.2
Waterfront	142	.49	\$1,385,134	+37.0
Totals	3962	.61	\$515,030	+14.5

Condominiums	2140	.57	\$278,699	+11.3
Townhouses	693	.71	\$360,668	+7.8

* % change in Avg. Sale Price over preceding 12 month period

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