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REAL ESTATE IN VICTORIA...Keeping You Informed

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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%).

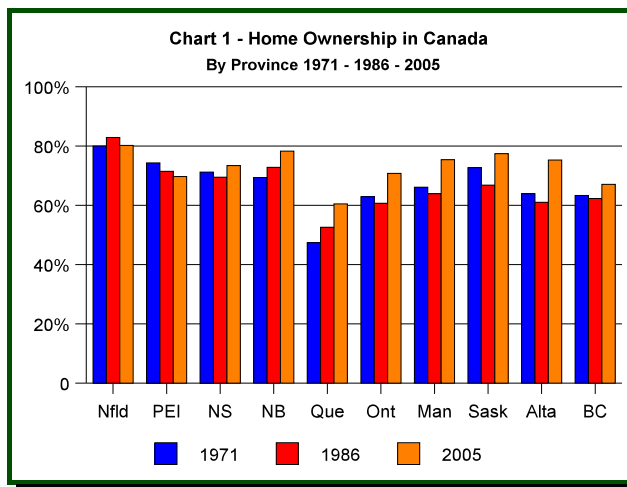


TABLE 1: STATISTICAL TRENDS - ALL RESIDENTIAL
(Greater Victoria and Other Areas)

QUARTER-TO-QUARTER COMPARISONS

	2nd. Qtr 06	2nd. 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	+0.05
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 2nd. 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 2nd. Qtr. of 2006. Indicative of the current strength of the market, the figure of 2642 is 89% higher than the 1398 sales in the 2nd. Qtr. of 2000. **The sales to new listings ratio rose to .62 in the 2nd. Qtr compared to .57 in the 2nd. 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 2nd. Qtr of 2007 up 11.3% from \$428,147 in the 2nd. 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.

THE MARKET INVENTORY

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.

REAL ESTATE ACTIVITY

Table 2 presents an analysis of real estate activity in the Greater Victoria for the 12 month period July 2006 to June 2007.

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

Condominium sales were strong in the 2nd. Qtr. of 2007 with sales of 706, up from 635 sales in the 2nd. Qtr of 2006. The average and median sale prices of condominiums continue to rise. **The average sale price for a condo was \$323,260 in the 2nd. Qtr. Of 2007, up 15% from \$281,217 in the 2nd. Qtr. of 2006.** The median sale price was \$272,000. Condos took an average of 45 days to sell in the 2nd. Qtr. of 2007, compared to 37 days last year. The sales to listings ratio was .61.

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

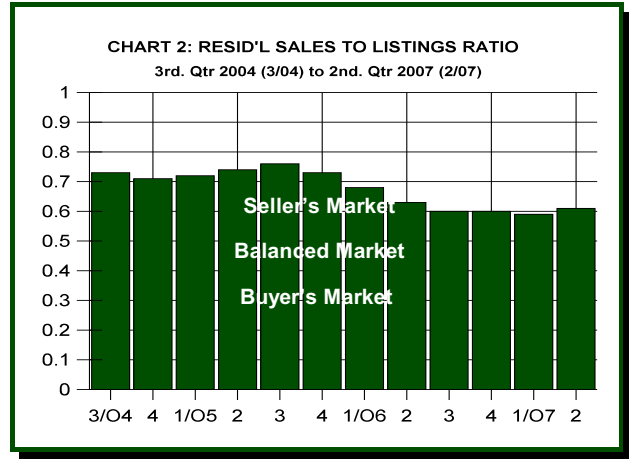


TABLE 2 REAL ESTATE ACTIVITY - Greater Victoria
July 2006 to June 2007

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
District Totals	4197	.63	\$540,395	+6.7
Malahat & Area	278	.67	\$457,836	+8.8
Gulf Islands	299	.56	\$559,065	+3.5
Condominiums	2218	.60	\$309,963	+16.3
Townhouses	716	.60	\$385,514	+9.2

** District Avg. Sales Prices exclude sales of "Waterfront"
* Percentage Change year-over-year

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