

Home Prices Reach New Heights Across Victoria in the Second Quarter of 2017

Low inventory levels continue to influence competitive market trends across the region

VICTORIA, July 13, 2017 – According to the Royal LePage House Price Survey¹ and Market Survey Forecast released today, the aggregate² price of a home in Victoria continued to surge in the second quarter of 2017, rising 20.4 per cent year-over-year to \$628,249.

When broken out by housing type, the median price of a two-storey home rose by 14.1 per cent year-over-year to \$852,859, while the median price of a bungalow and condominium jumped by 26.7 per cent and 22.9 per cent this year over last to \$677,276 and \$443,212, respectively.

“Prices continue to climb in Victoria, as low interest rates and the region’s strong economy drives many prospective homeowners into the market,” said Bill Ethier, managing broker, Royal LePage Coast Capital Realty. “While Victoria has seen a slight slowdown in the number of purchasers looking to move into the region from the Lower Mainland, critically low inventory levels have continued to bolster pricing within the area, creating a highly competitive market where properties often receive multiple offers.”

Looking ahead to the end of the year, Ethier forecasts that unit sales will decline in 2017 when compared to last year, due in part to the region’s inventory limitations. However, with demand in Victoria remaining quite high, he expects home prices to continue to rise, albeit at a slower pace.

“Having already lost roughly a quarter of its inventory in the last year alone, supply simply cannot keep up with demand in Victoria,” added Ethier. “Currently, we’re witnessing significantly more offers being written than there are units being sold, as there is very little to choose from within the region. As a result, many will continue to aggressively pursue the few available listings that remain on the market, causing pricing to reach new heights.

“Relief may very well be on its way, however,” Ethier concluded. “A number of new listings are set to hit the market later this year, which will likely help to ease inventory constraints within the area, slightly suppressing price advances across Victoria.”

Nationally, Canada’s residential real estate market posted strong home price gains in the second quarter of 2017, with the majority of metropolitan markets across Canada displaying expansionary trends. During the quarter, the Royal LePage National House Price Composite showed that the price of a home in Canada increased 13.8 per cent year-over-year to \$609,144. When broken out by housing type, the price of a two-storey home rose 14.6 per cent year-over-year to \$725,391, while the price of a bungalow increased by 10.7 per cent to \$511,965. Over the same period, the price of a condominium climbed 13.4 per cent to \$397,826.

“Following a period of unprecedented regional disparity in activity and price appreciation, we

¹ Powered by Brookfield RPS

² Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed

are now seeing a return to healthy growth in the majority of Canadian housing markets,” said Phil Soper, president and CEO, Royal LePage. “The white-hot markets are moderating to very warm; the depressed markets are beginning to grow again. Canadian housing is in great shape – a statement that I certainly did not make last quarter.”

“The rate of national house price appreciation that we experienced in the second quarter continues to be above what we would consider a normal range, driven primarily by very strong year-over-year price growth across much of Ontario,” continued Soper.

Looking ahead to the remainder of the year, Royal LePage forecasts that the national aggregate price of a home will increase by 9.5 per cent in 2017 to \$617,773 when compared to year-end, 2016.

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 53 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, Brookfield RPS, 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 17,000 real estate professionals in more than 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 Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

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