

## Victoria Home Prices Continue Double-Digit Growth in the Third Quarter of 2017

*Good economy, low inventory and historically low interest rates continue to fuel homes prices*

**VICTORIA, October 12, 2017** – The aggregate price of a home in Victoria rose 20.2 per cent year-over-year to \$649,140 in the third quarter of 2017, according to the Royal LePage House Price Survey<sup>1</sup> released today.

When broken out by housing type, the median price of a standard two-storey home increased by 13.8 per cent year-over-year to \$867,218 in the third quarter, while the median price of a bungalow climbed 21.3 per cent year-over-year to \$693,438. During the same period, the median price of a condominium increased 28.0 per cent year-over-year to \$471,682.

“Low inventory is the number one contributing factor to price growth in Victoria,” said Bill Ethier, president and managing broker, Royal LePage Coast Capital Realty. “While inventory levels are the same as last year, they are half of what was available a couple years ago. For those looking for more selection, you have to consider properties outside of the core.”

Ethier noted that while he expects price gains to remain resilient, a number of factors creating uncertainty in the region could result in increased inventory.

“Our good economy and low interest rates are attracting buyers, however, we are monitoring three factors creating uncertainty,” added Ethier. “Affordability in the city is beginning to wane and any new interest rate increases will have a pronounced effect in regions with higher prices such as Victoria. The provincial government has made housing a notable part of its platform and buyers are waiting to see what materializes. Finally, the federal government’s proposed tax reform has resulted in small business owners pausing on their strategies for investing in the residential housing market.”

Nationally, the Royal LePage National House Price Composite, compiled from proprietary property data in 53 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 13.3 per cent year-over-year to \$628,411 in the third quarter. When broken out by housing type, the median price of a standard two-storey home rose 13.9 per cent year-over-year to \$748,049, and the median price of a bungalow grew 9.5 per cent to \$525,781. During the same period, the median price of a condominium rose 15.2 per cent to \$413,670.

Meanwhile, on a quarter-over-quarter basis, home prices in Canada’s five most populated housing markets are rising at a similar, healthy pace – the first time this has occurred in six years.

“For now, the Toronto and Vancouver housing markets have returned to earth,” said Phil Soper, President and CEO, Royal LePage. “After a period of unsustainable price inflation and sharp market corrections, we are seeing low single digit appreciation in each. Calgary has shaken off the oil-bust blues and Montreal appears to be at the beginning of a new era of economic

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<sup>1</sup> 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.

prosperity. Rounding out the ‘big five,’ the Ottawa market is behaving like it usually does - a picture of healthy market growth.”

“Uneven regional economic growth has plagued Canada for much of the past decade, a challenge most evident in the nation’s housing markets,” continued Soper. “For the first time since 2011, we are seeing real estate in all five of our largest cities appreciate at a manageable, healthy clip. Canadian housing is enjoying a Goldilocks moment – not too hot, and not too cold.”

### **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, 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 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.

***For further information, please contact:***

Eddie Tabakman  
Kaiser Lachance Communications  
604-306-0875  
[eddie.tabakman@kaiserlachance.com](mailto:eddie.tabakman@kaiserlachance.com)