

Victoria Home Prices See Significant Increase in the Fourth Quarter of 2018

Continued influx of newcomers reflected in notable increase in home prices

VICTORIA, January 11, 2019 – According to the Royal LePage House Price Survey¹ released today, the aggregate price of a home in Victoria saw a significant increase in the fourth quarter of 2018, rising 8.4 per cent year-over-year to \$695,793.

When broken out by housing type, the median price of a two-storey home and a condominium saw double-digit increases, rising 13.2 and 10.3 per cent year-over-year to \$966,790 and \$512,024, respectively. During the same period, the median price of a bungalow remained relatively flat, rising 0.7 per cent year-over-year to \$724,225.

“We saw strong price appreciation year over year in the third quarter of 2018 due to an overall lack of supply, coupled with increased housing demand generated from our healthy local economy. However, during the last half of 2018, we saw prices moderate and level out,” said Bill Ethier, associate broker, Royal LePage Coast Capital Realty. “The shortage of supply is being further shaped by a combination of federal and provincial regulations that have slowed the real estate market in the province. As a result, we are seeing a decrease in new residential construction.

“We have a strong economy in Victoria with an exceptionally low unemployment rate. Buyers see purchasing in Victoria as a sound investment as well as accessing a great lifestyle,” added Ethier. “Retirees who choose to buy a condominium are competing against first-time buyers resulting in a lack of inventory. Retirees who are unable to find a condominium stay in their homes longer resulting in a shortage of two-storey home inventory. With a shortage of listings within these two housing types, prices in both property segments rose in 2018.”

Nationally, year-over-year home prices made healthy gains in many regions across Canada in the fourth quarter of 2018. The Royal LePage National House Price Composite, compiled from proprietary property data in 63 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 4.0 per cent year-over-year to \$631,223 in the fourth quarter of 2018. When broken out by housing type, the median price of a two-storey home rose 3.9 per cent year-over-year to \$745,007, while the median price of a bungalow climbed 1.5 per cent to \$516,950. Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 7.2 per cent year-over-year to \$447,915.

¹ 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.



“The invisible hand that guides our complex economy hit the real estate reset button in 2018 and that is a good thing,” said Phil Soper, president and CEO, Royal LePage. “Major market home price inflation through much of the decade had led to dangerous overheating in our most populous regions. Government regulatory intervention and rising interest rates, when combined with property price overshooting, triggered the correctional cycle we find ourselves working through today.”

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