

Home Prices in Victoria Rise Despite Inventory Increase

Region is expecting a brisk spring market while prices remain steady

VICTORIA, April 4, 2019 – According to the Royal LePage House Price Survey¹ released today, the aggregate price of a home in Victoria saw a healthy increase in the first quarter of 2019, rising 4.6 per cent year-over-year to \$679,803.

The median price of a two-storey home increased 6.9 per cent year-over-year to \$923,480, while bungalow prices remained relatively flat, rising modestly by 0.7 per cent to \$727,378. During the same quarter, the median price of a condominium increased 5.7 per cent year-over-year to \$500,957.

“We continue to see growing inventory despite healthy demand, which is expected in our early spring market,” said sales representative Neil Bosdet, Royal LePage Coast Capital Realty.

“Though the Victoria region continues to be affected by the OSFI stress test, we expect a balanced, healthy spring. Market activity picked up significantly in March.”

“There is increased condominium construction in the downtown area, as well as new single-family home inventory in the region’s western communities. Young families and some millennials are taking advantage of these new builds’ affordability, and we’re seeing an increase in people purchasing homes in the Greater Victoria region and commuting to downtown Victoria.”

Bosdet added that buyer confidence is returning.

“It’s a brisk but balanced market with prices remaining steady. The local technology industry continues to grow where many employees have the ability to work from home, which does affect their priorities when purchasing,” said Bosdet.

Nationally, year-over-year home prices showed moderate gains in many regions across Canada in the first quarter of 2019. 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 just 2.7 per cent year-over-year to \$621,575 in the first quarter of 2019, well below the long-term norm of approximately 5 per cent. When broken out by housing type, the median price of a two-storey home rose 2.6 per cent year-over-year to \$729,553, while the median price of a bungalow rose 1.1 per cent year-over-year to \$513,497. Condominiums

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.

remained the fastest growing housing type on a national basis, rising 5.4 per cent year-over-year to \$447,260.

“We are expecting this to be a sluggish year overall in Canada’s residential real estate market, with the hangover from the 2018 market correction and weaker economic growth acting as a drag on home price appreciation, balanced by lower for longer interest rates,” said Phil Soper, president and CEO, Royal LePage. “There is a silver lining here. This slowdown gives buyers, and first-time buyers in particular, an opportunity to buy real estate in our country’s largest cities.”

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