

## Professionalism, Integrity - Confidence!



*As a licensed REALTOR® for over 25 years and MLS Award Winner, I am committed to providing you my priority service.*

*It is very important to me that you are completely satisfied with the outcome of your purchase or sale of a home.*



*Jane Logan*



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## STRONGEST FIRST QUARTER ON RECORD

### GOVERNMENTS ANNOUNCE POLICY CHANGES AIMED AT THE REAL ESTATE MARKET

#### New Mortgage Insurance Rules

Since the end of the second World War, the Government of Canada has actively supported home ownership in Canada through a range of measures. The principal means to achieve this goal has been the provision of government-backed mortgage insurance for “high-ratio” mortgages through the Canada Mortgage and Housing Corporation (CMHC). Between 2008 and 2012, the federal government has implemented several changes to tighten the criteria for CMHC’s mortgage insurance in the face of an overly heated market in some areas. The minimum down payment was increased to 5%. The maximum amortization period was reduced to 25 years. And, the maximum insurable house price was set at \$1 million.

Under the most recent change, which came into effect 15 Feb 2016, **buyers must put down 10% on the portion of the purchase price over \$500,000.** For example, a buyer purchasing a home for \$700,000 would now require a down payment of \$45,000 rather than \$35,000. A buyer purchasing a home for more than \$1 million would require a down payment of 20%.

#### Changes to the Property Transfer Tax

The government of British Columbia introduced the Property Transfer Tax (PTT) in 1987. Purchasers had to pay 1% on the first \$200,000 and 2% on the balance of the “fair market value” of the property (*usually, not necessarily the purchase price*). At the same time, the Government introduced the **First-Time Home Buyer’s Program**, which eliminated or reduced the amount of the PTT a qualified purchaser would pay on the purchase of his/her first home. To qualify the purchaser must: (i) be a Canadian citizen or a permanent resident at the time the property is registered; (ii) have lived in BC for 12 consecutive months immediately prior to the date the property is registered; (iii) have never owned an interest in a principal residence anywhere in the world; and (iv) have never received a first-time home buyers’ exemption or refund. Under the First Time Home Buyers’ Program the property must be: located in BC; have a fair market value of less than \$475,000; and be 0.5 hectares or less. A purchaser may qualify for a partial exemption if the property is less than \$500,000.

In February 2016, the BC government introduced the **Newly Built Home Exemption**. Under this program, the PTT is eliminated or reduced on the purchase of a newly built home. To qualify for this exemption, the purchaser must be: an individual and a Canadian citizen or permanent resident. Furthermore, the property must: be located in BC; be used as the purchaser’s principal residence; have a fair market value of less than \$750,000; and be on less than 0.5 hectares. A purchaser may qualify for a partial exemption if the property has a fair market value of between \$750,000 and \$800,000.

The BC government also restructured the PTT in February 2016 as follows: 1% on the first \$200,000, 2% on the amount between \$200,000 and \$2 million and **3% on the amount over \$2 million of the fair market value.** (*The Property Purchase Tax is complex and purchasers are well advised to consult their lawyer on this matter*).

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

QUARTER-TO-QUARTER COMPARISONS			
	1 <sup>st</sup> Qtr 15	1 <sup>st</sup> Qtr 16	Change
New Listings	3,236	3,316	+80
Sales	1,546	2,289	+743
Avg Sale Price	\$494,446	\$553,417	+\$58,971
Median Sale Price	\$455,000	\$489,900	+\$34,900
Ratio Sales-to-Listings	.48	.69	+0.21
Avg Days to Sell	66	49	-15
Sale Price as % of Org List Price	96.5%	98.7%	+2.2%
Mortgages Rates (3 yr Fixed BoC)	3.39%	3.39%	nc

**THE VICTORIA MARKET**

The momentum generated in 2015 has increased in the 1<sup>st</sup> Qtr of 2016. This was the strongest start on record in Victoria. On one hand, supply (i.e., the number of homes put up for sale) has changed little compared to the same period last year. On the other, demand (i.e., the number of sales) showed a substantial increase. Sale prices have increased significantly from a year ago. The inventory of properties on the market has tightened. The differential between the sale price and the original list price has decreased, suggesting there are fewer price reductions occurring and more multiple offer situations. Finally, properties are spending less time on the market before they sell.

The number of “residential properties” (i.e., all types of housing excluding lots/acreage and commercial properties) listed through the Victoria Real Estate Board’s MLS® in the 1<sup>st</sup> Qtr of 2016 was 3,316, up slightly from 3,236 in the 1<sup>st</sup> Qtr of 2015. However, demand was up significantly from the levels in recent years. Residential sales through the VREB’s MLS® totalled 2,289 in the 1<sup>st</sup> Qtr of 2016, up +48.1% from 1,546 in the 1<sup>st</sup> Qtr of 2015. The sales-to-new-listings ratio was .69, up from .48 last year. Properties that sold in the 1<sup>st</sup> Qtr of 2016 were on the market for an average of 49 days compared to 66 days last year. **The average sale price of a residential property in Greater Victoria and other areas was \$553,417 in the 1<sup>st</sup> Qtr of 2016, up +11.9% from \$494,446 in the 1<sup>st</sup> Qtr of 2015. The median sale price was \$489,900 in the 1<sup>st</sup> Qtr of 2016, up +7.7% from \$455,000 last year.**

The figures for Victoria compare with average residential sale prices and year-to-date percentage changes of \$1,096,233 (+27.6%) in Vancouver, \$681,735 (+26.0%) in the Fraser Valley, \$664,684 (+14.9%) in Toronto and \$447,578 (+1.4%) in Calgary for the first two months of 2016.

**THE MARKET INVENTORY**

As shown in Table 2, there were 1,712 properties active on the VREB’s MLS® database for the Greater Victoria area (i.e., excluding the Malahat, Up-Island and the Gulf Islands) on Apr 1, 2016, down -36% from 2,690 on Apr 1, 2015. *(This is the lowest the inventory has been on date of April 1<sup>st</sup> since 2006).*

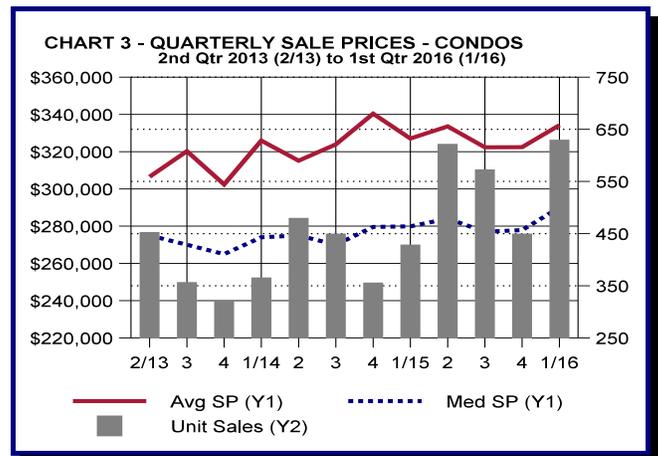
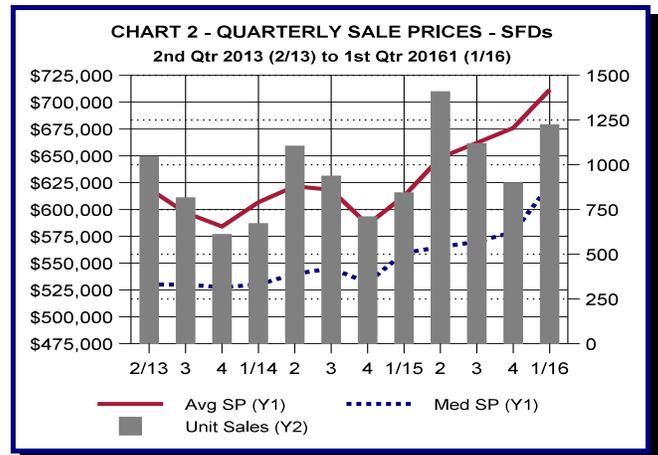
**SINGLE FAMILY DWELLINGS (SFDs)**

Sales of SFDs in Greater Victoria totalled 1,223 in the 1<sup>st</sup> Qtr of 2016, up +46.0% from 840 sales during the same period last year. **The average sale price of SFDs in the 1<sup>st</sup> Qtr of 2016 was \$711,555 (a record high), up +17.0% from \$608,134 last year.** The median sale price was \$622,500 in the 1<sup>st</sup> Qtr of 2016, up 11.3% from \$559,500 last year. SFDs that sold in the 1<sup>st</sup> Qtr of 2016 were on the market for an average of 35 days, down from 50 days a year ago. The sales-to-new-listings ratio was .69 in the 1<sup>st</sup> Qtr of 2016, up from .50 last year. As shown in Chart 2, both the average and median sale prices have been on a steep upward trend since the 4<sup>th</sup> Qtr of 2014.



**TABLE 2: INVENTORY - GREATER VICTORIA**

Type of Property	Apr 2015	Apr 2016	Change
Single Family Dwelling	1,266	862	-404
Condominiums	840	472	-368
Townhouses	245	141	-104
Lots/Acreage	256	195	-61
Man. Home/Rental Pad	61	31	-30
Duplexes (Revenue)	7	7	nc
Triplexes+ (Revenue)	15	4	-11
<b>Totals</b>	<b>2,690</b>	<b>1,712</b>	<b>-978</b>

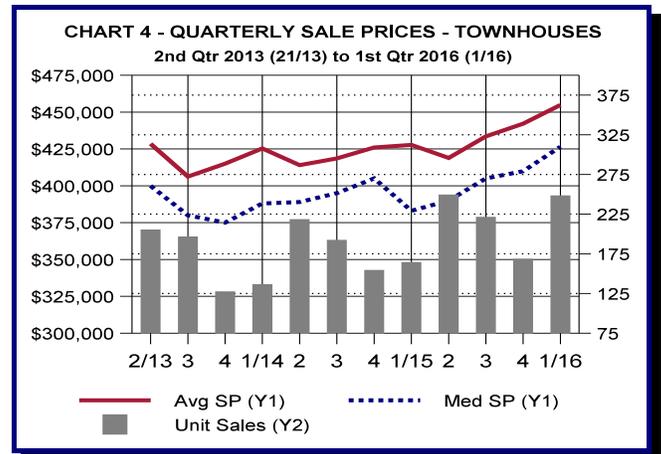


## CONDOMINIUMS

Condominium sales also increased in the 1<sup>st</sup> Qtr of 2016 with total sales of 629, up +51.0% from 416 in the 1<sup>st</sup> Qtr of 2015. **The average sale price for a condo was \$334,235 in the 1<sup>st</sup> Qtr of 2016, up +1.7% from \$328,756 last year.** The median sale price was \$290,000, compared to \$279,900 last year. Condos that sold in the 1<sup>st</sup> Qtr were on the market for an average of 56 days, down from 64 days last year. The sales-to-new-listings ratio was .76 in the 1<sup>st</sup> Qtr of 2016, up from .45 last year. As shown in Chart 3, the average and median sale prices of condominiums recently have shown a slight upward trend.

## TOWNHOUSES

Townhouse sales totalled 248 in the 1<sup>st</sup> Qtr of 2016, up +53.1% from 162 last year. **The average selling price was \$454,841 in the 1<sup>st</sup> Qtr of 2016, up +6.7% from \$426,478 in the 1<sup>st</sup> Qtr of 2015.** The median sale price was \$426,500, up +11.4% from \$383,000 last year. Townhouses that sold in the 1<sup>st</sup> Qtr of 2016 were on the market for an average of 48 days, down from 56 days in last year. The sales-to-new-listings ratio was .85, compared to .53 last year. As shown in Chart 4, average and median sale prices have shown a sharp upward trend over the past year.



## LOTS/ACREAGE

Another positive sign for the real estate market is the continued increase in the sales of lots/acreage. There were 66 sales in the 1<sup>st</sup> Qtr of 2016 compared to 34 sales in the 1<sup>st</sup> Qtr of 2015, 24 in the 1<sup>st</sup> Qtr of 2014 and 15 in the 1<sup>st</sup> Qtr of 2013. **The average and median sale prices of lots/acreage in the 1<sup>st</sup> Qtr of 2016 were \$432,881 and \$363,000 respectively.**

## MARK YOUR CALENDAR - UPCOMING EVENTS IN GREATER VICTORIA

Victoria has a vibrant arts, culture and recreational scene and a host of events over the year that caters to the interests of just about everyone. The following are but a few of these events scheduled for 2016 that include: arts, food, music, nautical, heritage and sports. For a complete list, check out the Tourism Victoria website at [www.tourismvictoria.com](http://www.tourismvictoria.com).

- **Times Colonist 10K Run - Thrifty Food Family Run** (Apr 24) [www.tc10k.ca](http://www.tc10k.ca)
- **Victoria Inner Harbour Boat Show** (Apr 28 -May 1) [www.bcyba.com/events/victoria-inner-harbour-boat-show/](http://www.bcyba.com/events/victoria-inner-harbour-boat-show/)
- **153<sup>rd</sup> Victoria Highland Games and Celtic Festival** - Topaz Park (May 21-23) [www.victoriahighlandgames.com](http://www.victoriahighlandgames.com)
- **Swiftsure International Yacht Race 2016** - Dallas Road (May 26-30) [www.swiftsure.org](http://www.swiftsure.org)
- **54<sup>th</sup> Annual Oak Bay Tea Party and Parade** - Oak Bay and Willows Beach (June 4-5) [www.oakbayteaparty.com](http://www.oakbayteaparty.com)
- **TD Victoria international JazzFest 2016** - various venues (Jun 24-Jul 3) [www.jazzvictoria.ca/jazz-fest](http://www.jazzvictoria.ca/jazz-fest)
- **Buskers Festival 2016** - various sites in downtown (July 15-24) [www.victoriabuskers.com](http://www.victoriabuskers.com)
- **TD Art Gallery Paint-In 2016** - Moss Street (July 16) [www.aggv.ca/events/td-art-gallery-paint-2016](http://www.aggv.ca/events/td-art-gallery-paint-2016)
- **Symphony Splash 2016** - Inner Harbour (Jul 31) [www.victoriasymphony.ca/community/splash/](http://www.victoriasymphony.ca/community/splash/)
- **Victoria Dragon Boat Festival** - Inner Harbour - Ships Point (August 13-14) [www.victoriadragonboat.com/](http://www.victoriadragonboat.com/)
- **Victoria Fringe Festival** - various venues downtown (Aug 25 - Sept 4) [www.intrepidtheatre.com/](http://www.intrepidtheatre.com/)
- **39<sup>th</sup> Classic Boat Festival** - Inner Harbour (Sep 2-4) [www.classicboatfestival.ca](http://www.classicboatfestival.ca)
- **Vancouver Island Feast of Fields** - Location TBA (Aug 28) <http://www.feastoffields.com/vancouver-island/>
- **GoodLife Fitness Victoria Marathon, Half Marathon and 8K** (Oct 9) [www.runvictoriamarathon.com/](http://www.runvictoriamarathon.com/)

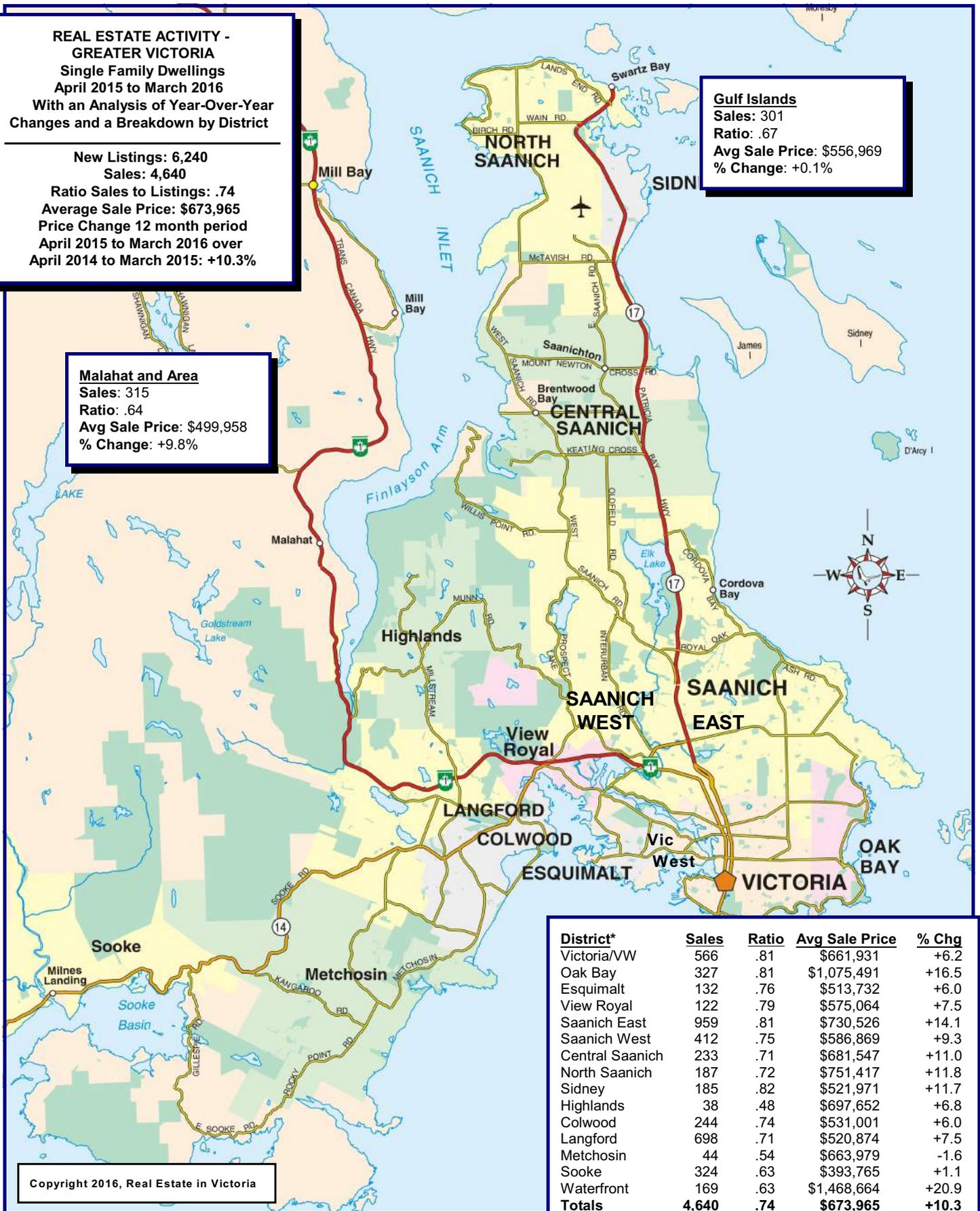
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**REAL ESTATE ACTIVITY -  
GREATER VICTORIA**  
Single Family Dwellings  
April 2015 to March 2016  
With an Analysis of Year-Over-Year  
Changes and a Breakdown by District

**New Listings: 6,240**  
**Sales: 4,640**  
**Ratio Sales to Listings: .74**  
**Average Sale Price: \$673,965**  
**Price Change 12 month period**  
**April 2015 to March 2016 over**  
**April 2014 to March 2015: +10.3%**

**Malahat and Area**  
**Sales: 315**  
**Ratio: .64**  
**Avg Sale Price: \$499,958**  
**% Change: +9.8%**

**Gulf Islands**  
**Sales: 301**  
**Ratio: .67**  
**Avg Sale Price: \$556,969**  
**% Change: +0.1%**



District*	Sales	Ratio	Avg Sale Price	% Chg
Victoria/VW	566	.81	\$661,931	+6.2
Oak Bay	327	.81	\$1,075,491	+16.5
Esquimalt	132	.76	\$513,732	+6.0
View Royal	122	.79	\$575,064	+7.5
Saanich East	959	.81	\$730,526	+14.1
Saanich West	412	.75	\$586,869	+9.3
Central Saanich	233	.71	\$681,547	+11.0
North Saanich	187	.72	\$751,417	+11.8
Sidney	185	.82	\$521,971	+11.7
Highlands	38	.48	\$697,652	+6.8
Colwood	244	.74	\$531,001	+6.0
Langford	698	.71	\$520,874	+7.5
Metchosin	44	.54	\$663,979	-1.6
Sooke	324	.63	\$393,765	+1.1
Waterfront	169	.63	\$1,468,664	+20.9
<b>Totals</b>	<b>4,640</b>	<b>.74</b>	<b>\$673,965</b>	<b>+10.3</b>

\*District Avg. Sales Prices exclude sales of "Waterfront"

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