

# VICTORIA

BRITISH COLUMBIA

12%

2016 AVERAGE RESIDENTIAL SALE PRICE

**\$580,961**

LOCATED ON BEAUTIFUL VANCOUVER ISLAND, VICTORIA EXPERIENCED AN ACTIVE MARKET IN 2016 AND REMAINS A POPULAR DESTINATION FOR HOME BUYERS.

Market conditions have continued to favour sellers with any listings under \$650,000 receiving multiple offers.

There is approximately three months of inventory on the market across all property types. Number of sales for all residential properties between January and October grew by 18 per cent, up from 8,206 in 2015 to 9,719 in 2016

Sales were brisk across all property types and the average residential sale price rose from \$518,153 to \$580,961 in Victoria in 2016, a 12 per cent increase. Price appreciation in Vancouver led to many owners selling their properties in the Lower Mainland and looking for more affordable options in Victoria. Buyers from Alberta are also key players in B.C.'s capital city.

The market slowed slightly in October, in part due to uncertainty around the U.S. election. Victoria's housing market is expected to remain strong in 2017, but is not expected to experience the same level of activity that was seen in 2016.

## FIRST-TIME BUYERS

First-time buyers are active in Victoria's housing market and have looked to take advantage of low-interest rates in recent years. Many of the new condo projects in development are smaller units, under 1,000 square feet, and are geared toward single and entry level buyers. The new mortgage rate rules are expected to soften the first-time buyer segment of the market in 2017.

## CONDO MARKET

Sales for condos in Victoria increased 45 per cent year-over-year in 2016. Demand is primarily driven by first-time buyers who look for properties between \$300,000 to \$400,000 and retirees looking for properties in the \$600,000-\$700,000 range. The average sale price for condos increased slightly from \$326,581 in 2015 to \$353,275 in 2016. A steady supply of new product is expected to maintain the current activity and average prices in Victoria's market.

## LUXURY HOMES

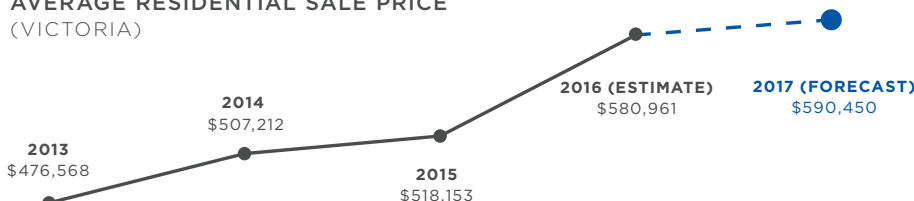
Demand for upper-end properties has remained strong, particularly for single-family detached homes in the \$1 million to \$3 million range. Luxury buyers are often foreign investors from the U.S. or retirees looking to purchase upscale condos or houses on the coast, in some cases as a secondary residence.



## FUTURE TRENDS

- Infrastructure projects such as the Site C hydroelectric dam and recently approved LNG project is expected to lead to growth throughout B.C.
- Victoria is expected to see an increase in American buyers following the U.S. election in November
- The RE/MAX 2017 average residential sale price expectation for Victoria is an increase of approximately 2 per cent

AVERAGE RESIDENTIAL SALE PRICE (VICTORIA)



Source: Historical values are sourced from CREA or local board statistics. Estimates and forecasts are based on the opinion of independent RE/MAX broker/owners and affiliates.