

Real estate inventory soars in June

But the median price remains virtually the same as in May

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Greater Victoria's inventory of residential properties for sale has topped 3,000 for the first time since the fall of 2001.

At the same time, the number of sales dropped in June to 762 from 909 in May, leaving more than 2,000 properties unsold. Total sales this year are running six per cent below last year's levels.

Also, the inventory of condominiums rose 82 per cent last month compared with June 2005.

Despite these figures, the median price for a Greater Victoria single-family home in June was \$477,500, virtually the same as in May, which was \$447,000.

Victoria Real Estate Board president Scott Kendrew said prices are not decreasing but the market has changed.

In some cases, homes were priced too high, Kendrew said Tuesday.

"We are getting a lot of price reductions."

Even so, he said, "We still have a lot of homes selling for full price within a week or two." Houses that move quickly are those priced at market value and are in a move-in condition.

Greater Victoria's market has been going through a transition since last year, when prices rose 20 per cent and bidding wars often occurred.

The housing market is more stable now that inventory is going up, Kendrew said. "Buyers will now have an opportunity to look around a little bit."

He expects prices overall to rise by 10 to 12 per cent this year.

Christian Janssen, adjunct professor in UVic's business school, said that a property's unique features can drive demand for it.

Janssen, who has done statistical and mathematical analyses of real estate, said, "I notice that the first thing that happens when the market weakens a little bit ... things do not sell as quickly. You get bigger inventory and you have more choice."

He first became interested in real estate while living in Edmonton before moving to Victoria. "Demographically and location-wise, this ought to be a safe place."



CREDIT: Bruce Stotesbury/Times Colonist
Greater Victoria's real estate market is more stable now as inventory builds.

Kendrew said that the increasing number of condominiums on the market probably will meet the demand from newcomers as our region's population continues to grow. Also, many condominium buyers want to invest locally and are able to rent their units, which is not that common in older buildings, Kendrew said.

The average price of a single-family house in Greater Victoria last month was \$538,913, higher than the six-month average of \$521,053. A total of 25 properties sold for more than \$1 million.

In June, 3,147 properties were listed for sale. The last time inventory surpassed 3,000 was in September 2001, when there were 3,123 properties with the Multiple Listing Service.

At the end of June, buyers had the choice of 793 condominiums, compared with 435 the previous June.

The average price in June was \$282,651, above the six-month average of \$274,636. The median price was \$241,000.

Townhomes came in with an average price last month of \$367,631 and a six-month average of \$360,556. The median price was \$330,000.

A total of 445 single-family homes, 197 condominiums, 69 townhomes and 19 manufactured homes listed with the local MLS sold in June.