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MARKET REPORT

Maximum News on the Victoria Real Estate Market

Canada's resale housing prices rise 12.2% in April

In April 2010, the national average price of resale homes in Canada rose 12.2% over the same month last year, according to the Canadian Real Estate Association (CREA).

Among Canada's major resale markets, British Columbia led with year-over-year price gains of 14.6%, followed by Ontario (12.4%), Manitoba (10.8%), Quebec (8.9%) and Alberta (7.7%).

However, price gains were highest in minor resale markets, such as the Northwest Territories (22.8%), Prince Edward Island (22.5%) and the Yukon (17.4%).

As for urban areas, Vancouver experienced price gains of 19.2%, Toronto of 13.5%, and Montreal of 9.9%.

Now that housing prices have recovered from the recession, and with activity cooling down in British Columbia's lower mainland, price comparisons are beginning to settle in line with the national weighted average price. The weighted average price compensates for changes in provincial sales activity by taking into account provincial proportions of privately owned housing stock.

But CREA Chief Economist Gregory Klump warns that the national price average could be overvalued in the next few months as buyers in British Columbia and Ontario rush to purchase homes before the Harmonized Sales Tax (HST) takes effect on July 1, 2010.

99,901 new listings were added to the Canadian Multiple Listing Service (MLS) in April. This sets a new April record, surpassing the previous one set in April 2008 by six-tenths of one per cent.

The actual (not seasonally adjusted) months of inventory were at 4.5 months in April 2010. This is a decrease from last April's level of 5.6 months. The number of months of inventory is the number of months it would take to sell current inventories at the current rate of sales.

Source: Scott Holtby – RDC Digital Media

CONDOMINIUMS

Average Prices as of June 01, 2010

Victoria	\$307,937
Victoria West	\$456,329
Oak Bay	\$499,620
Esquimalt	\$292,188
View Royal	\$295,000
Saanich East	\$294,728
Saanich West	\$297,192
Central Saanich	\$289,250
Sidney	\$207,500
Langford	\$293,841
Waterfront	\$458,300
Greater Victoria	\$324,005

Source: Victoria Real Estate Board

A Growing Investment

Some experts estimate landscaping can raise a home's value by about 15%. It has also been established that sprucing up your outdoor space, especially the front yard, plays a major role in making your home attractive to potential buyers through curb appeal.

A WORLD ECONOMY ON THE MEND

The U.S. and Canadian economies are currently moving ahead about as quickly as is humanly possible. Canada added 109,000 jobs in April. The U.S. created 290,000 new positions. However, that still leaves the U.S. about 8.0 million positions below where it was when the recession started in early 2008. Let's look at some of the other issues facing our economies.

Investor confidence, as reflected in North American stock market indices, has been on the upswing. Consumer confidence still languishes badly in the U.S., but it will keep on gradually improving provided employment continues to pick up and house prices trend higher.

Unfortunately, the world economy is not necessarily out of the woods yet. Key issues involve uncertainty about government actions in the arenas of financial reform and prosecution of certain banking giants.

However, the biggest potential danger can be captured in the common phrase, "chickens coming home to roost." Huge wads of government stimulus money were scattered around to pull almost every national economy out of recession. But now what? Governments around the world have been left deeply in debt. Deficit-to-debt ratios in almost all industrialized nations are in double digit percentages (i.e. 10% and higher).

The most immediate and apparent impact has been in Europe. The degree to which Greece has descended into financial trouble was first obscured by the authorities. Then in catch-up mode, and under intense pressure from creditors outside the country, tough austerity measures were introduced to reduce debt to GDP

It is known that the strongest economy in Europe, Germany, does not approve of the kinds of financial backing being offered by other Euro nations, the International Monetary Fund and the European Central Bank to debtor nations. The notion that the ECB buy the government bonds of distressed countries is a risky path that may leave more nations hung out to dry in the long run.

Until most recently, the strength of the Euro has rested on its close adherence to German fiscal conservatism. Acceptance under the Euro's umbrella used to be conditional on a nation keeping its deficit-to-GDP ratio at 3% or lower. It served the currency well. With the abandonment of that requirement in crisis times, the Euro is entering a new phase. Talk of jettisoning Greece from the Euro accord, or the possible dissolution of the Euro zone, is not completely far-fetched.

Elsewhere, and according to only some analysts, the overheated Chinese economy may be headed for a hard landing. That nation's most recent quarterly real GDP growth rate of 12% is threatening to run away with asset prices. Speculation in stocks and properties will need to be reined in or a crash may be the ultimate result. Other Southeast Asian economies are roaring ahead, as are Australia and Japan, but they are riding on the back of the Chinese dragon.

The U.S. needs more jobs. Canada needs more uplift to commodity prices. Both nations will record strong GDP numbers this year. That much is guaranteed based on the early 2010 results. There is a possibility of several difficult quarters coming to pass at the end of this year and early in 2011. It won't be the dreaded double dip, but it may be a pause – hopefully one that refreshes.

Source: Alex Carrick – RCD Chief Economist

WATERING LAWNS

Your lawn will tell you when it's thirsty. Grass will curl up to conserve moisture and colour will turn bluish-green. It will also be less resilient, so when you walk across the lawn and look back, you can see your footprints. When you see these signs, give your lawn a long drink of water. To promote a healthy root system, water infrequently but deeply. This trains roots to grow deep in the soil for strength and health. You can measure a long drink of water by putting out plastic food containers with a mark one inch from the bottom. Spread the containers out in the sprinkling zone then time how long it takes to reach the one-inch mark. That's how long you should water your lawn. In general, a lawn needs about one inch of water a week to promote healthy growth and development.

SINGLE FAMILY HOMES

(single detached houses, duplexes and triplexes)

WATCHING THE MARKET – June 01, 2010

Victoria Real Estate Board statistics are

available at <http://www.vreb.org>

All active MLS listings online at <http://www.realtor.ca>

Area	Number of Sales	Average Price (\$)	Total Volume (\$)
Victoria	44	\$ 652,545	\$ 28,712,001
Victoria West	1	\$ 416,000	\$ 416,000
Oak Bay	29	\$ 938,531	\$ 27,217,400
Esquimalt	9	\$ 513,722	\$ 4,623,500
View Royal	8	\$ 551,500	\$ 4,412,000
Saanich East	81	\$ 647,139	\$ 52,418,238
Saanich West	38	\$ 606,379	\$ 23,042,200
Central Saanich	19	\$ 655,458	\$ 12,453,700
North Saanich	9	\$ 670,167	\$ 6,031,500
Sidney	7	\$ 540,629	\$ 3,784,400
Highlands	2	\$ 870,000	\$ 1,740,000
Colwood	15	\$ 522,073	\$ 7,831,100
Langford	61	\$ 570,497	\$ 34,800,306
Metchosin	5	\$ 682,500	\$ 3,412,500
Sooke	24	\$ 426,204	\$ 10,228,900
Waterfront (all districts)	12	\$1,183,000	\$ 14,196,000
Total Greater Victoria	364	\$ 646,483	\$ 235,319,945

MLS SALES & PRICES/MARKET SUMMARY: Last month's sales include 364 single-family homes, 202 condominiums, 63 townhouses and strata duplexes and 10 manufactured homes.

Source: Victoria Real Estate Board

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