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Don Burnham Realtor®, Winner of over 20 MLS Awards including MLS Platinum, Special Gold Award, President's Award, Re/Max Hall of Fame and Life Achievement Awards.
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REAL ESTATE IN VICTORIA...Keeping You Informed

Summer 2012

DESIGNATED AGENCY

DESIGNATED AGENCY IMPLEMENTED IN BRITISH COLUMBIA

Since 1994, the real estate industry has operated under a system that provided for "agency" representation for both the buyer and the seller involved in a transaction. Effectively, a real estate company (i.e., the brokerage) entered into a contract to represent a buyer or a seller. For example, in a typical transaction, Brokerage "A" represented the seller and Brokerage "B" represented the buyer. This was known as "single" agency and the brokerage and all its REALTORS® assumed all agency responsibilities related to such matters as undivided loyalty, confidentiality and disclosure for their respective clients.

There would be a potential conflict whenever a brokerage represented both the buyer and the seller in the same transaction. As a result, the system of "limited dual agency" was practised in BC. Basically, the brokerage's agency duties of loyalty, confidentiality and disclosure were limited, *with the written agreement of the brokerage, the buyer and the seller*. Moreover, because all REALTORS® within the brokerage assumed all the agency obligations of the brokerage, limited dual agency even applied in situations where different REALTORS® in the same brokerage represented the buyer and the seller in the same transaction. This was the case, for example, when REALTOR® A with Brokerage A represented the buyer and REALTOR® B with Brokerage A represented the seller.

As a consequence of uncertainty regarding limited dual agency and the sense that buyers and sellers expect single agency representation, the BC Real Estate Association and the BC Real Estate Council introduced the system of designated agency throughout BC effective June 1, 2012. Under designated agency (Fig 1), the individual REALTOR®, not the brokerage, will assume the responsibilities and obligations that flow from the law of agency, including for example: (i) undivided loyalty, (ii) to obey the buyer's or seller's lawful instructions, (iii) to keep the buyer's or seller's confidences, and (iv) to exercise reasonable care and skill.

Under designated agency, the brokerage will retain the duty to account for all monies and property placed in the hands of the brokerage. In addition, the brokerage, among other duties, will be required to establish policies and procedures to safeguard a buyer's or seller's information, to keep the information confidential and to ensure that such information is not inadvertently disclosed (e.g., in a staff meeting). Limited dual agency (Fig 2) will continue to exist in circumstances where a REALTOR® (i.e., designated agent) acts for both the buyer and the seller in a single transaction, or a REALTOR® acts for two or more buyers competing for the same property. Limited dual agency will still require the written agreement of all the parties prior to any offer being tendered by a buyer.

Fig 1 DESIGNATED AGENCY



Fig 2 LIMITED DUAL AGENCY

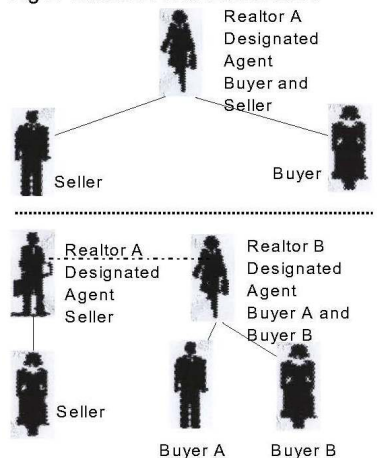


TABLE 1: STATISTICAL TRENDS - ALL RESIDENTIAL
(Greater Victoria and Other Areas)

QUARTER-TO-QUARTER COMPARISONS			
	2 nd Qtr 11	2 nd Qtr 12	Change
New Listings	4,313	4,474	+161
Sales	1,680	1,803	+123
Avg Sale Price	\$513,443	\$495,605	-\$17,838
Median Sale Price	\$469,900	\$440,000	-\$29,900
Ratio Sales Listings	.39	.40	+0.01
Avg Days to Sell	53	61	+8
Sale Price as % of Org List Price	95.1%	95.0%	+0.1%
Mortgages Rates (Posted 3 yr Fixed)	4.35%	3.95%	-0.40%

THE VICTORIA MARKET

“Stable” is perhaps the best term to describe the Victoria real estate market. Both listings and sales figures of residential properties in the 2nd Qtr of 2012 are in line with recent norms. Average and median sale prices continue to fluctuate in a fairly narrow range. There remains a lot of inventory on the market. In summary, the market remains in balanced territory, although it still tends to favour buyers as they have a lot more options and less competition.

As shown in Table 1, sales of residential properties (i.e., all types of housing excluding lots/acreage and commercial) through the Victoria Real Estate Board’s MLS® totalled 1,803, up about 7.3% from 1,680 sales in the 2nd Qtr of 2011. The number of new listings was 4,474, up about 3.7% from 4,313 new listings in the 2nd Qtr of 2011. The sales-to-new-listings ratio (*a measure of the market strength*) was .40 in the 2nd Qtr of 2012, up slightly from .39 in the 2nd Qtr of 2011. Both average and median sale prices were down from the 2nd Qtr of 2011 figures. **The average sale price of a residential property in Greater Victoria and other areas was \$495,605 in the 2nd Qtr of 2012**, down -3.5% compared to \$513,433 in the 2nd Qtr of 2011. The median sale price was \$440,000, down -6.4% from \$469,900 last year. The figure of \$495,605 compares to average sale prices of \$733,890 in Vancouver, \$501,411 in Toronto, \$487,042 in the Fraser Valley and \$407,765 in Calgary for the month of April 2012.

The continuing global economic uncertainty and the recent move to tighten mortgage lending practices suggest that we will not see a turnaround in the real estate market in Victoria in the near term. In fact, real estate has cooled off in most of the major markets in Canada, with the exception of Toronto. The British Columbia Real Estate Association’s “Housing Forecast - Second Quarter 2012” indicates that we may see a modest increase in residential sales of about 3.4% in 2013. Prices are expected to remain around their current levels with a forecast decrease of -2.1% in 2013.

THE MARKET INVENTORY

As shown in Table 2, there were 3,811 properties (including lots and acreage) active on the VREB’s MLS® database for the Greater Victoria area (i.e., excluding the Malahat, Up-Island and the Gulf Islands) on July 1, 2012. The figure of 3,811 is up 4.4% from the inventory level of 3,651 a year ago and is a record high for the number of properties on the market on a July 1st.

SINGLE FAMILY DWELLINGS (SFDs)

Sales of SFDs in Greater Victoria in the 2nd Qtr of 2012 totalled 993, up from 924 sales in the 2nd Qtr of 2011. **The average sale price of SFDs in the 2nd Qtr of 2012 was \$608,072, down from an average of \$624,773 in the 2nd Qtr of 2011.** The median sale price was \$540,100, down from \$560,000 in the 2nd Qtr of 2011. As shown in Chart 2, sale prices have fluctuated in a narrow range over the past three years. SFDs that sold in the 2nd Qtr of 2012 were on the market for an average of 50 days, up slightly from 47 days last year. The sales-to-listings ratio was .44 in the 2nd Qtr of 2012, compared to .43 last year.

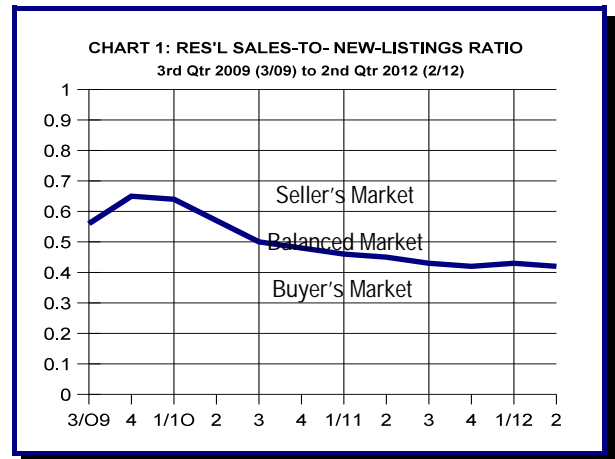
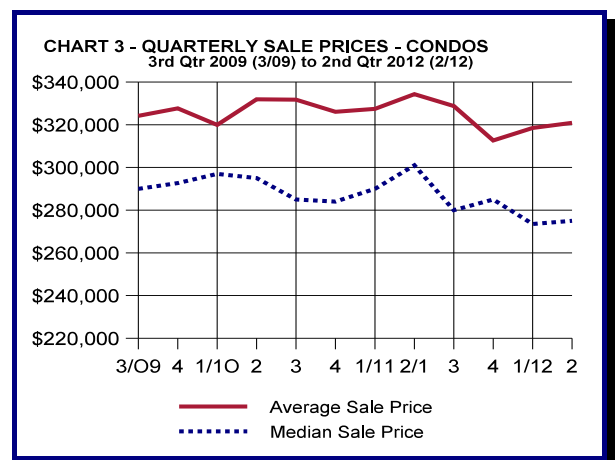
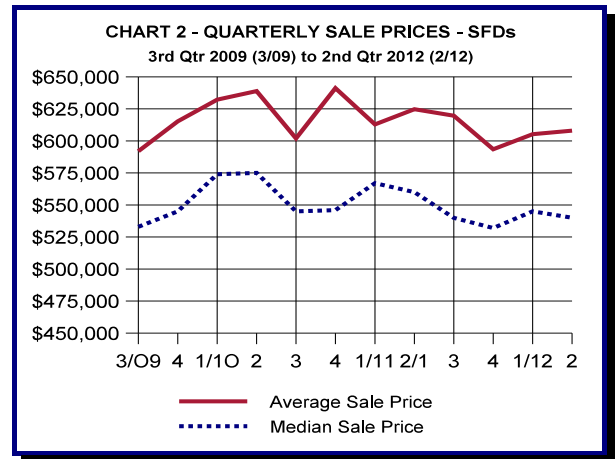


TABLE 2: INVENTORY - GREATER VICTORIA

Type of Property	Jul 11	Jul 12	Change
Single Family Dwelling	1,753	1,880	+127
Condominiums	1,106	1,138	+32
Townhouses	411	376	-35
Lots/Acreage	255	284	+29
Man Home/Rental Pad	105	109	+4
Duplexes (Revenue)	12	16	+4
Triplexes+ (Revenue)	9	9	nc
Totals	3,651	3,811	+160



CONDOMINIUMS

Condominium sales also remained steady in the 2nd Qtr of 2012 with sales of 492, up from 451 sales in the 2nd Qtr of 2011. **The average sale price for a condo was \$320,893 in the 2nd Qtr of 2012, compared to \$334,302 in the 2nd Qtr of 2011.** The median sale price was \$275,000, compared to \$301,100 last year. As shown in Chart 3, the average and median sale prices have also fluctuated in a fairly narrow range over the past three years. Condos took an average of 59 days to sell in the 2nd Qtr of 2012, compared to 52 days last year. The sales-to-listings ratio was .41, again the same figure as last year.

TOWNHOUSES

Townhouse sales totalled 185 in the 2nd Qtr of 2012, up from 167 sales in the 2nd Qtr of 2011. **The average sale price in the 2nd Qtr of 2012 was \$427,339, down -9.0% from \$469,568 (the market peak) in the 2nd Qtr of 2011.** The median sale price was \$395,000. Townhouses took an average of 66 days to sell in the 2nd Qtr of 2012, up from 49 days last year. The sales-to-listings ratio was .47, compared to .38 last year.

LOTS/ACREAGE

There were 31 lots/acreage sold in the 2nd Qtr of 2012, down from 39 in the 2nd Qtr of 2011. The average and median sale prices were **\$403,782** and **\$275,900** respectively. *(These figures exclude the sale of a 0.6 acre waterfront lot in Oak Bay near the \$2 million mark).*

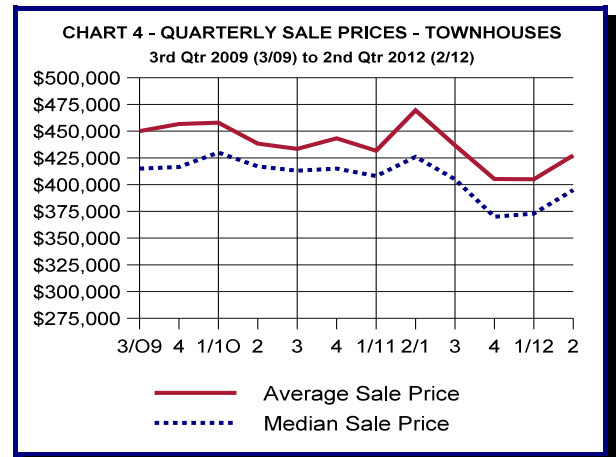
HOSAQAMI - Carving begins on a new totem pole at Government House

Perhaps nothing is more symbolic of British Columbia than the totem pole. Over the summer months we will all have the rare opportunity to view the creation and raising of a new totem pole in Victoria.

By way of background, the Royal Canadian Navy commissioned Chief Mungo Martin to carve a totem pole in 1959. The pole, Hosaqami, was gifted to the Royal Navy and displayed on Whale Island in Portsmouth, England until the late 1980s. Time and weather took its toll and the pole was returned to Canada to see if it could be restored. As it turned out, the original totem pole was beyond restoration and it was decided to let it return to the earth and to carve a replica. The original Hosaqami has since been moved to Government House.

Lieutenant Governor Steven Point and the Government House Foundation commissioned KwaGuith artist Chief Tony Hunt to oversee the carving of a new Hosaqami in celebration of Her Majesty Queen Elizabeth II's Diamond Jubilee. Chief Hunt had assisted his grandfather, Chief Mungo Martin carve the original. Chief Hunt will be assisted by Lieutenant Governor Steven Point and others. It will be carved on the grounds of Government House from an old-growth yellow cedar log that is approximately 400 years old.

It is anticipated that the carving will be completed sometime in July. Members of the public are invited to watch the carving take place and to view the finished totem over the summer months in the courtyard of the Cary Castle Mews located near the parking lot on the southeast side of Government House. When completed in September 2012, the new Hosaqami will be raised in front of Government House at 1401 Rockland Ave.



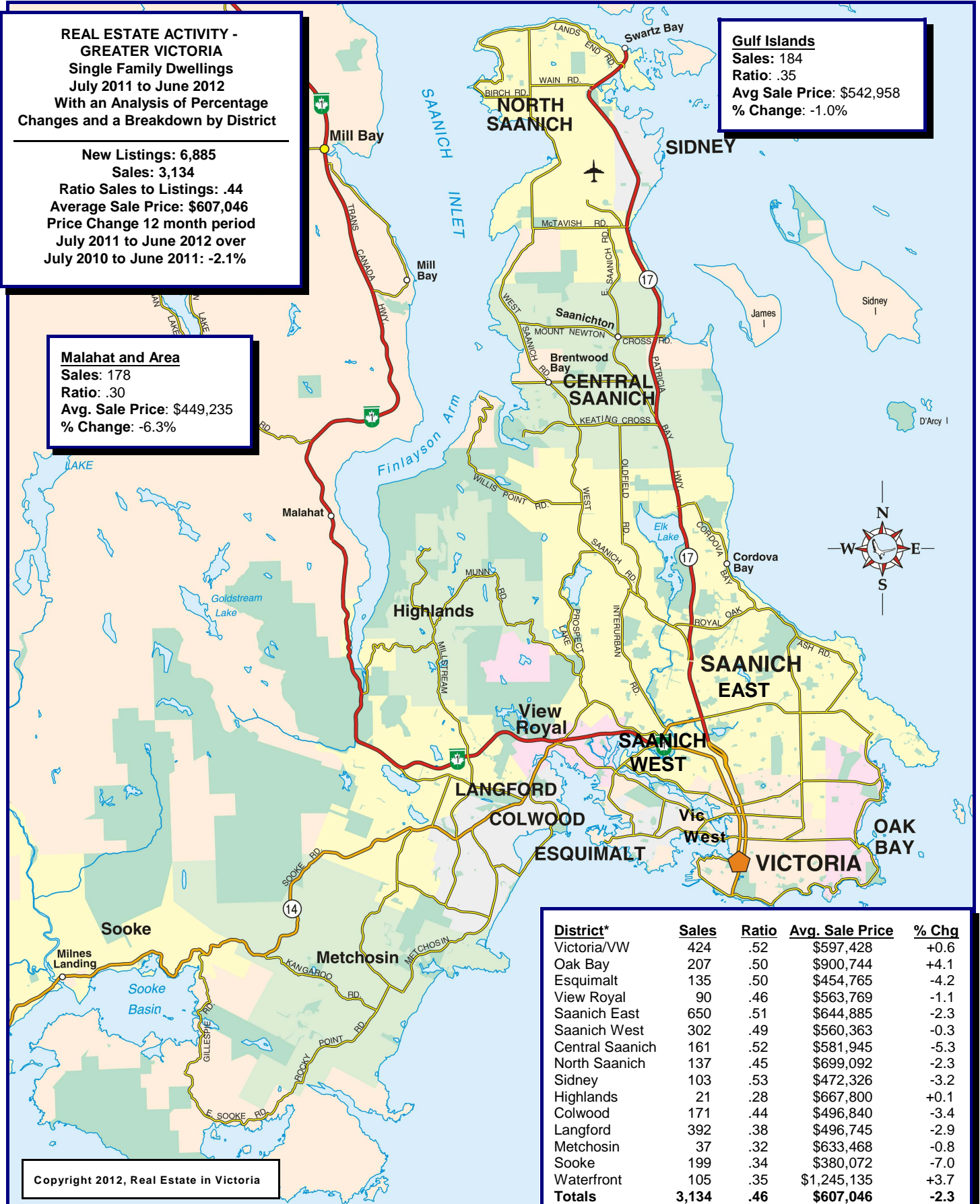
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**REAL ESTATE ACTIVITY -
GREATER VICTORIA**
Single Family Dwellings
July 2011 to June 2012
With an Analysis of Percentage
Changes and a Breakdown by District

New Listings: 6,885
Sales: 3,134
Ratio Sales to Listings: .44
Average Sale Price: \$607,046
Price Change 12 month period
July 2011 to June 2012 over
July 2010 to June 2011: -2.1%

Gulf Islands
Sales: 184
Ratio: .35
Avg Sale Price: \$542,958
% Change: -1.0%

Malahat and Area
Sales: 178
Ratio: .30
Avg. Sale Price: \$449,235
% Change: -6.3%



District*	Sales	Ratio	Avg. Sale Price	% Chg
Victoria/VW	424	.52	\$597,428	+0.6
Oak Bay	207	.50	\$900,744	+4.1
Esquimalt	135	.50	\$454,765	-4.2
View Royal	90	.46	\$563,769	-1.1
Saanich East	650	.51	\$644,885	-2.3
Saanich West	302	.49	\$560,363	-0.3
Central Saanich	161	.52	\$581,945	-5.3
North Saanich	137	.45	\$699,092	-2.3
Sidney	103	.53	\$472,326	-3.2
Highlands	21	.28	\$667,800	+0.1
Colwood	171	.44	\$496,840	-3.4
Langford	392	.38	\$496,745	-2.9
Metchosin	37	.32	\$633,468	-0.8
Sooke	199	.34	\$380,072	-7.0
Waterfront	105	.35	\$1,245,135	+3.7
Totals	3,134	.46	\$607,046	-2.3

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

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