

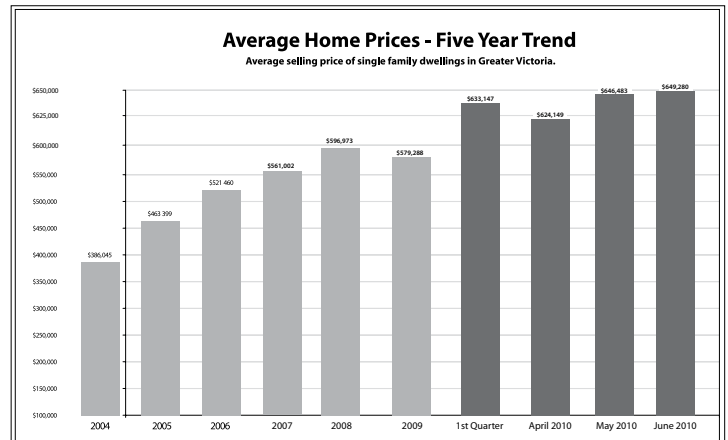
MARKET STABILIZATION CREATES MORE CHOICE FOR BUYERS

Greater Victoria home buyers have a growing number of choices when it comes to buying a home these days as supply increases, tempering the intense demand of previous months. "This is a welcome change for prospective home buyers who have often been caught in bidding wars over properties in recent months," notes Carol Guerts, president of Royal LePage Coast Capital Realty.

The inventory of properties available for sale rose to 4,730 at the end of June—an increase of twenty five percent over the 3,794 properties available one year earlier, but closely resembling the 4,516 properties available two years ago.

The average selling price for a single family home in greater Victoria this last quarter was \$639,970, up 11% from \$570,788 from the same period last year. Month to month average sales were \$624,149 in April, \$646,483 in May and \$649,280 in June.

The average selling price for a condominium last quarter in greater Victoria was \$332,065, an increase of \$32,258 from last year's average price of \$299,807. Month to month sales were \$341,059 in April, \$324,005 in May



and \$331,131 in June.

Townhouses also performed well over the last year with an average selling price of \$436,950, up \$32,050 from last year's quarterly average of \$404,900. Month to month sales were \$449,556, \$430,047 and \$431,247 for April, May and June respectively.

"Interest rates remain low and the economy continues to show signs of recovery, we believe these make great market conditions for buyers and sellers of all ages and economic status," notes Guerts.

INTEREST RATES DROP SHORT TERM BUT EXPECTED TO RISE MODESTLY

In the spring of 2010, a fiscal crisis in many debt-laden European countries spawned heightened financial market uncertainty and pessimism about the global economic recovery. Consequently, once rising Canadian interest rates have begun to retreat and borrowing costs on one and five year fixed mortgage rates have fallen to 3.6% and 5.89% after reaching as high as 3.8% and 6.25% respectively in May of 2010 (check with a mortgage broker or your bank for the best rates).

The BC Real Estate Association (BCREA) expects that, while mortgage rates may trend lower in the near-term as financial markets digest the current

economic environment, rates will ultimately resume their climb upward by the end of the year.

While higher interest rates are inevitable as the economy recovers, the pace of interest rate changes in the short-term is highly uncertain. Canadian government bond yields (the primary rate influencing force) have followed US markets, with the benchmark 5-year bond yield dipping as much as 90 basis points from its 2010 peak. *Courtesy BC Real Estate Association*



THE HST & YOU

Well, despite the efforts of thousands of individuals and organizations to block it, HST is here and is likely to stay. So it's important to know how it will affect your real estate decisions. You should know the HST applies to purchases of new homes only and there are rebates available to purchasers depending on the price of their new home.

The HST will impact a variety of home renovation and purchases, so its best to do a little research in advance so you're not surprised with a bill that is 12 percent more than you were expecting. To find out more go to:

www.vreb.org/misc/HST/HST_Bulletin_1_Residential_REBGV.pdf

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VANCOUVER ISLAND REAL ESTATE BUYER PROFILE

The Vancouver Island Real Estate Board (VIREB) released its 2009 Buyer Profile on June 29th. The annual survey tracks where people are coming from, what they're buying and why.

Although statistics are based on buyers north of the Malahat, there are some interesting findings worth looking at.

Cameron Muir, Chief Economist with the British Columbia Real Estate Association, says the VIREB Buyer Profile reveals very interesting demographic trends.

"First time buyers were busy in 2009 as they comprised 19% of all transactions, the highest recorded since 2004. Low mortgage rates and attractive pricing were key drivers for this group. Local buyers also made up a larger proportion of sales in 2009 (39% this survey vs. 34% last survey), largely the result of low interest rates and pent-up demand."

Consumer demand from Alberta buyers was higher than expected, given Canadian economic

performance in 2009, slipping from 13% to 11%.

Cliff Moberg, President of VIREB also recognizes the important and growing segment of retirees relocating to the island. "Vancouver Island continues to be a preferred destination for retirees. In 2009, 40 percent of residential properties purchased were purchased as a retirement home, which is up 4% from last year. We also saw an increase in buyers from other areas of Vancouver Island and I expect that number will likely continue to increase in the future."

95% of sales transactions were homes purchased as a principal residence, with just 3% as investments or rentals, signaling little speculation in the market.

Cori Lynn Germiquet, President of the Vancouver Island Economic Alliance

(VIEA) says the profile is an essential tool for reaching a broad audience. "VIREB is to be applauded for its continued commitment to producing the Annual Buyer's Profile of residential properties on Vancouver Island. This analysis continues to provide all Island Stakeholders with insightful information regarding buying trends in the residential real estate market."

The Buyer Profile also shows the home characteristics from the MLS® database with the highest frequency.

The most popular was a single-family detached unit (representing 62% of all sales,) with 3 bedrooms, 2 bathrooms, a double garage and a vinyl exterior with ocean or mountain views.

For more information on the VIREB Buyer profile go to: www.vireb.com



LOCAL LEPAGERS "CHIP IN" TO HELP ABUSED WOMEN & CHILDREN

On September 14th, Royal LePage Coast Capital Realtors and their clients will play a round in support of abused women and children in Canada.

"Fifty one percent of women in Canada experience at least one incident of physical or sexual violence after the age of sixteen and some 360,000 children are exposed to domestic violence annually. Even more shocking is that a current spouse or former partner murders one-to-two women each week here in Canada. Those are some sobering statistics that highlight the urgency of this important cause," notes Judy Gage.

The Royal LePage Shelter Foundation is Canada's largest public foundation dedicated exclusively to funding shelters for abused women and

children and violence prevention and education programs in Canada.

"All administration costs to the shelter foundations are underwritten so that 100% of every dollar raised goes directly to our local shelters in our communities," adds Gage.

Since 1999, Royal LePagers and their clients have donated over \$10 Million to aid abused women and children in Canada.

Last year the local charity tournament hosted at Cedar Hill golf course raised over \$20,000 for the cause.

If your interested in playing some golf, donating a prize or sponsoring a hole, please contact either Matt Green or Barry Kelly at 250 477-5353 and help us put an end to violence against women and children.



If you no longer wish to receive this newsletter please contact our office at 250.477.5353.

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