

Victoria Real Estate Market Trends 2014

2013- A Brief Look Back

In 2012, British Columbia enjoyed the start of an increase in the amount of people moving west from other parts of Canada. This trend continued into 2013, and still continues as we go forward in 2014. As a result, Victoria and other western cities saw an increase in the sale of existing homes and new construction projects.



Last year, British Columbians enjoyed relative stability in the prices of homes, with the number of re-sales of existing homes totalling 73,000. In addition, a trend of upward growth in the number of multi-family housing units began, and continues into 2014.

Going Forward

The influx of people moving west that had its start in 2012 is expected to support the housing market in 2014. As a direct result, the economy will grow stronger and an increase in the number of jobs will create a trend of growth in re-sales and new construction projects. This trend of growth will lead to a slight increase in the average price of homes.

Although the number of detached homes and multi-family units will rise, several factors continue to lead a move away from detached housing to the increased construction of multi-family units. These factors are: the cost of buying land, mobility issues and a denser population. With these factors being considered, the forecasted number of housing starts is expected to be between 27,300 and 33,800 in 2014. The number of multi-family units is expected to be approximately 21,000, continuing the rebound from the slow last quarter of 2012.

Re-sales are projected to be 79,500 this year, up from 73,000 in 2013. Despite this growth, the number of sales will still be below the ten year average of about 86,500 re-sales. There are a couple of factors that are lowering the expected number of re-sales, and these are: less existing homes for sale (as sellers are choosing not to

accept a lower price for their homes), and buyers taking a “wait and see” approach to the housing prices. Despite the dampening effect these two factors will have, the re-sale numbers are still expected to grow quarterly, in keeping with price inflation.

All in all, the 2014 real estate market forecast for B.C- and Victoria in particular- looks to be full of positive, if modest, growth. Victoria, and the rest of the province, is slowly climbing out of the slump that was showing signs of ending in the last quarter of 2012.