

Annual Report

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A Year in Review

As 2024 comes to a close, it's time to take a look back and review the highlights, the challenges and what this all likely means for 2025.

After 2 ½ years of increased interest rates that started in early 2022, the Bank of Canada started reducing its key rate in June of 2024. After a severe increase from .5% to 5% that halted inflation and all but shocked the real estate markets into submission, the easing of rates last year has brought optimism and stability back to local markets, including the Greater Victoria area. Let's look at the effect on where things sit today.



Residential Sales

In 2024, 9 out of 12 months saw a substantial increase in the number of sales over the same period the year before. Measuring sales year over year is the best and most effective way to track sales trends. As with every market, sales activity is always seasonally driven.

Further to this, we've actually seen sales increase 16 of the last 20 months, indicating that even before the easing of interest rates, buyers were heading back into the market with confidence.

When we look at where Buyers came from last year, an overwhelming number of them were local with a very small percentage made up of interprovincial Buyers (Canadians moving here from outside of B.C.).

Something to keep in mind is that although interest rates have only slightly eased, many of these Buyers started buying a year before the interest rates started falling. Proving that Victoria's local economy is strong, very strong, which is another topic altogether.

So to recap, residential sales in Victoria increased over 11% in 2024 as compared to 2023 and over 7% in the 8 months prior to that. Up, up and more up!

RESIDENTIAL MLS® SALES

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
January	342 ↑	351 ↑	539 ↑	478 ↓	431 ↓	329 ↓	411 ↑	646 ↑	474 ↓	278 ↓	341 ↑
February	412 ↑	542 ↑	772 ↑	675 ↓	545 ↓	421 ↓	563 ↑	863 ↑	718 ↓	460 ↓	470 ↑
March	575 ↑	734 ↑	1121 ↑	929 ↓	688 ↓	640 ↓	608 ↓	1173 ↑	833 ↓	590 ↓	588 ↓
April	664 ↑	840 ↑	1286 ↑	885 ↓	774 ↓	696 ↓	287 ↓	1116 ↑	824 ↓	637 ↓	678 ↑
May	714 ↑	905 ↑	1289 ↑	1006 ↓	755 ↓	848 ↑	457 ↑	1049 ↑	761 ↓	775 ↑	763 ↓
June	680 ↑	910 ↑	1174 ↑	1008 ↓	708 ↓	740 ↑	808 ↑	942 ↑	612 ↓	705 ↑	661 ↓
July	681 ↑	796 ↑	972 ↑	790 ↓	651 ↓	706 ↑	979 ↑	835 ↓	510 ↓	595 ↑	650 ↑
August	609 ↑	741 ↑	883 ↑	736 ↓	594 ↓	661 ↑	979 ↑	831 ↓	478 ↓	544 ↑	545 ↑
September	565 ↑	704 ↑	781 ↑	640 ↓	533 ↓	616 ↑	989 ↑	761 ↓	410 ↓	493 ↑	571 ↑
October	602 ↑	734 ↑	735 ↑	664 ↓	598 ↓	619 ↑	990 ↑	745 ↓	480 ↓	407 ↓	654 ↑
November	465 ↑	573 ↑	599 ↑	671 ↓	498 ↓	577 ↑	785 ↑	653 ↓	384 ↓	394 ↑	551 ↑
December	389 ↑	465 ↑	471 ↑	462 ↓	375 ↓	402 ↑	631 ↑	438 ↓	320 ↓	329 ↑	421 ↑

Inventory

RESIDENTIAL INVENTORY

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
January	2669 ↓	2391 ↓	1742 ↓	970 ↓	1005 ↑	1540 ↑	1457 ↓	929 ↓	469 ↓	1294 ↑	1575 ↑
February	2893 ↓	2598 ↓	1835 ↓	988 ↓	1054 ↑	1617 ↑	1614 ↓	938 ↓	557 ↓	1345 ↑	1744 ↑
March	3139 ↓	2875 ↓	1902 ↓	1047 ↓	1253 ↑	1875 ↑	1734 ↓	964 ↓	742 ↓	1493 ↑	1993 ↑
April	3461 ↓	3039 ↓	1898 ↓	1194 ↓	1480 ↑	2171 ↑	1774 ↓	1104 ↓	1020 ↓	1539 ↑	2313 ↑
May	3687 ↓	3149 ↓	1731 ↓	1369 ↓	1808 ↑	2435 ↑	1993 ↓	1107 ↓	1371 ↑	1642 ↑	2627 ↑
June	3710 ↓	3109 ↓	1620 ↓	1398 ↓	1997 ↑	2445 ↑	2132 ↓	1037 ↓	1607 ↑	1768 ↑	2726 ↑
July	3586 ↓	3028 ↓	1515 ↓	1414 ↓	1998 ↑	2373 ↑	2096 ↓	960 ↓	1683 ↑	1837 ↑	2640 ↑
August	3329 ↓	2794 ↓	1440 ↓	1398 ↓	1937 ↑	2274 ↑	2021 ↓	845 ↓	1663 ↑	1888 ↑	2477 ↑
September	3234 ↓	2609 ↓	1436 ↓	1459 ↑	2024 ↑	2256 ↑	1842 ↓	824 ↓	1801 ↑	2108 ↑	2659 ↑
October	2933 ↓	2339 ↓	1292 ↓	1389 ↑	1902 ↑	2076 ↑	1615 ↓	719 ↓	1687 ↑	2144 ↑	2485 ↑
November	2646 ↓	2136 ↓	1180 ↓	1265 ↑	1764 ↑	1841 ↑	1318 ↓	597 ↓	1603 ↑	2053 ↑	2138 ↑
December	2288 ↓	1733 ↓	921 ↓	958 ↑	1467 ↑	1422 ↓	877 ↓	409 ↓	1227 ↑	1581 ↑	1643 ↑

Inventory is as much of the story as sales when it comes to how a market moves. Something we think many overlook is its effect on selling prices. Only a decade ago, the spring market in 2015 saw an average of over 3000 available properties on the Multiple Listing System in Greater Victoria. With a very active market since, we've seen a steady decline in inventory and the crazy COVID 19 Market basically depleted inventory beyond recognition. Slowly, inventory has recovered to a healthy number that has steadily increased since the Spring of 2022.

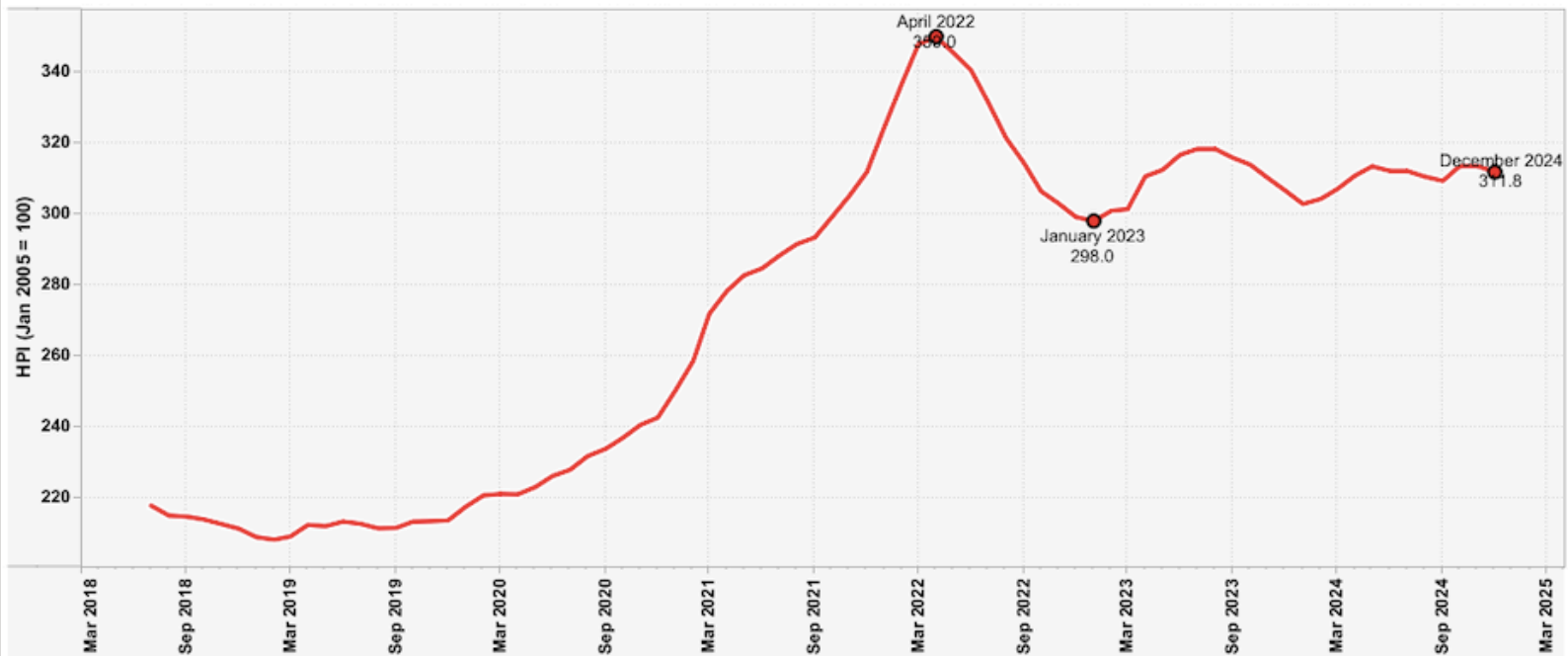


2024 Results

The result of the increase in sales and the strengthening of inventory has been a stabilizing of sale prices across the region. After a drop in sale prices of about 11-12% in 2022/23, prices seem to have generally stabilized for the past 18 months as shown in the diagram below.

HPI Performance over Time

Select Date Range:
July 2018 to December 2024
and Null values



What to look for in 2025

Without it seeming like a complete cop-out, we see more of the same. Before you say that seems like “too safe of a prediction”, let us tell you why.

Historically, when Victoria has seen a strong run on price increases (usually 150%) similar to 2016-2022, it generally sees a quick correction and then a stable price hold for the next 5-6 years. This happened in 1983-1988, 1995-2001 and 2009-2016. This is always the result of a market that outpaces affordability for local residents, but continued pressure from outside the local market, again the interprovincial migration we spoke of earlier eventually causes prices to once again climb.

Another statistic that backs this up is we never see prices start to rise until we see month over month sales increases COMBINED with month over month inventory declines. Something we are not experiencing at this time. We do believe this will eventually come to fruition and in our minds that will be the sign of potential upward pressure on sales.

In summary, the “feel” is good in the market. Most agents and clients are feeling optimistic with falling interest rates, easing of stress-tests, CHMC rule adjustments and a strong local economy. We can’t argue with any of this. We’ll keep a strong eye on the indicators (sales and inventory) as we know supply and demand rule every market.

Thank You

Thank you for your continued support of our business. To discuss this or any real estate related topic please don't hesitate to reach out.....we love to talk Real Estate!

Happy New Year!
Guy & Scott

