



For immediate release

**Canada's luxury home market on a clear, upward trajectory,
marked by record sales in most major centres in 2013, says RE/MAX**

Accelerated demand pushing five-year growth rates into double and triple-digit territory

Laval, QC (January 28, 2014) -- Significant gains at the top end of the country's housing market continued to demonstrate the overall strength of Canadian real estate in 2013, according to a report released today by RE/MAX.

The RE/MAX Upper End Report, highlighting trends and developments in 16 major Canadian centres, revealed that:

- Seventy-five per cent of markets experienced year-over-year percentage increases in sales—including eight markets that posted double-digit gains. Greater Vancouver led the charge with a 36 per cent increase in luxury sales last year, followed by Calgary at 34 per cent, Edmonton at 32 per cent, Hamilton-Burlington at 31 per cent, Kitchener-Waterloo at 27 per cent, Winnipeg at 26 per cent, Greater Toronto at 18 per cent, and Saskatoon at 15 per cent.
- Over two-thirds of markets set new records for high-end sales in 2013. Markets included St. John's, Quebec City, Greater Toronto, Hamilton-Burlington, Kitchener-Waterloo, London-St. Thomas, Winnipeg, Regina, Saskatoon, Edmonton, and Calgary.
- Luxury sales have close to quadrupled since 2009 in Regina (up 288 per cent), tripled in St. John's (219 per cent), and more than doubled in Winnipeg (189 per cent), Hamilton-Burlington (173 per cent), Saskatoon (157 per cent), the Greater Toronto Area (147 per cent), Greater Vancouver (125 per cent), and Calgary (115 per cent). London-St. Thomas was up 90 per cent, Ottawa increased 86 per cent, Edmonton rose 81 per cent, while Quebec City jumped 76 per cent and Montreal climbed 61 per cent in the five-year period.

"Canada's upper-end housing market continues to set a new standard year after year," says Sylvain Dansereau, Executive Vice President, RE/MAX Quebec. "Demand and sales are unprecedented, but what's also striking is the increasing level of luxury that homebuyers are demanding and that homeowners are instilling in existing product. From high-end homes to condominiums, the market is evolving. It's not only raising the bar, but price tags in the process."

Last year's relatively low interest rate environment, substantial equity gains in Canadian real estate markets, stellar performance in US equities, and improving economic conditions contributed to the upswing in luxury home sales, driving close to 70 per cent of Canadian markets to new heights in 2013.

Diminished supply of single-family homes—particularly in markets like the Greater Toronto Area and Greater Vancouver—contributed to steady homebuying activity, as pent-up demand persisted. Yet, most purchasers remained grounded, especially at higher price points, and the climate proved fundamentally healthy.

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Greater Vancouver experienced the largest bounce back in 2013, with sales of luxury homes posting the second highest level on record. Western Canada claimed the country's top three high-end markets in 2013. Ontario continued to demonstrate strength in the upper end, especially in Hamilton-Burlington and Kitchener-Waterloo. Canada's largest real estate market—the GTA—also reported healthy activity in 2013. Quebec held its own, with luxury sales outperforming overall residential market activity in both Greater Montreal and Quebec City. Atlantic Canada experienced solid demand in St. John's, where upper end sales were up, but posted a decline in Halifax-Dartmouth.

UPPER-END RESIDENTIAL SALES - January 1 to December 31

Market	Price Point	Sales '09	Sales '10	Sales '11	Sales '12	Sales '13	% +/-
St. John's	\$500,000	54	86	115	161	172	7%
Halifax-Dartmouth	\$500,000	181	205	291	299	268	-10%
Quebec City	\$500,000	116	150	150	196	204	4%
Greater Montréal	\$1 million	251	330	406	436	405	-7%
Ottawa	\$750,000	210	244	360	392	390	-1%
Greater Toronto	\$1.5 million	774	1069	1391	1617	1908	18%
- Oakville	\$1.5 million	74	74	95	131	156	19%
Hamilton-Burlington	\$750,000	160	194	249	334	436	31%
Kitchener-Waterloo	\$750,000	n/a	81	86	83	105	27%
London-St. Thomas	\$500,000	107	167	185	194	203	5%
Winnipeg	\$500,000	152	290	359	349	439	26%
Regina	\$500,000	80	127	198	303	310	2%
Saskatoon	\$500,000	197	232	332	440	507	15%
Edmonton	\$750,000	202	248	220	277	365	32%
Calgary	\$1 million	340	367	447	548	732	34%
Greater Vancouver	\$2 million	715	1008	1880	1184	1609	36%
Victoria	\$1 million	219	240	229	227	200	-12%

Source: RE/MAX, Local Real Estate Boards

The surge in high-end homebuying activity dovetails with growing strength in global markets, including London (where sales of homes priced in excess of \$8 million are up 24 per cent), and the US, where sales at high end of the market—homes priced at \$1 million or more—are selling at nearly triple the pace of everything else.

“From a real estate perspective, Canada continues to gain a stronger presence on the world stage,” explains Dansereau. “It bodes well for both sales and prices, particularly given our relative affordability to other international hot spots, where benchmarks continue to be set. In New York, for example, one of the most expensive sales ever recorded was \$90 million for a condominium penthouse. Yet, Canada's highest sale—also a condo, located in Greater Vancouver—reached \$25 million. Quebec represents tremendous value, with the most expensive property in 2013 changing hands for \$9 million. Interestingly enough, it was a condominium unit in coveted Westmount. The appeal of Canadian real estate is clear, and it suggests that there's further room for growth in the country's luxury markets.”

Local purchasers continue to be the primary drivers in the upper end of the market, as Canadian affluence climbs. The ranks of Canadian millionaires are growing—up approximately 6.5 per cent to 298,000 individuals in 2012 (over 2011)—and with it, the undeniable appeal of bricks and mortar. The CapGemini report also found that Canadian wealth expanded to \$897 billion in 2012—with investment in equities and real estate contributing to the upswing in growth. Some foreign investment was also noted in 2013, most prevalent in markets such as Greater Vancouver and the Greater Toronto Area.

“With the economic picture set to improve in major centres from coast to coast in 2014, including Quebec, confidence is building,” says Dansereau. “As a result, buying intentions at the upper end should remain solid, providing another positive indicator for the overall health of Canada’s real estate market.”

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Data Source: Historical data is sourced from Local Real Estate Boards. Estimates and forecasts are based on the opinion of independent RE/MAX broker/owners and affiliates.

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