



Upper-End *market trends*



THE
RE/MAX
COLLECTION

Fine Homes & Luxury Properties

Upper-End market trends



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The luxury home market in Greater Vancouver gained serious momentum in 2013, posting the second-best year on record, with 1,609 properties changing hands over \$2 million. Both the single-family and condominium upper-end segments outperformed the overall market, with sales up 38 and 18 per cent respectively. The double-digit gains were a result of growing confidence, immigration/foreign investment, and a continuation of low interest rates. Demand remains particularly strong between \$2 million and \$6 million, slowing over the \$7 million price point. Conditions were slightly in favour of the buyer at year end, but are moving towards more balanced territory, which should take firm hold by mid-2014. Nearly 1,150 single-family homes and close to 140 condominiums are currently listed for sale over \$2 million, representing a good selection. As a result,

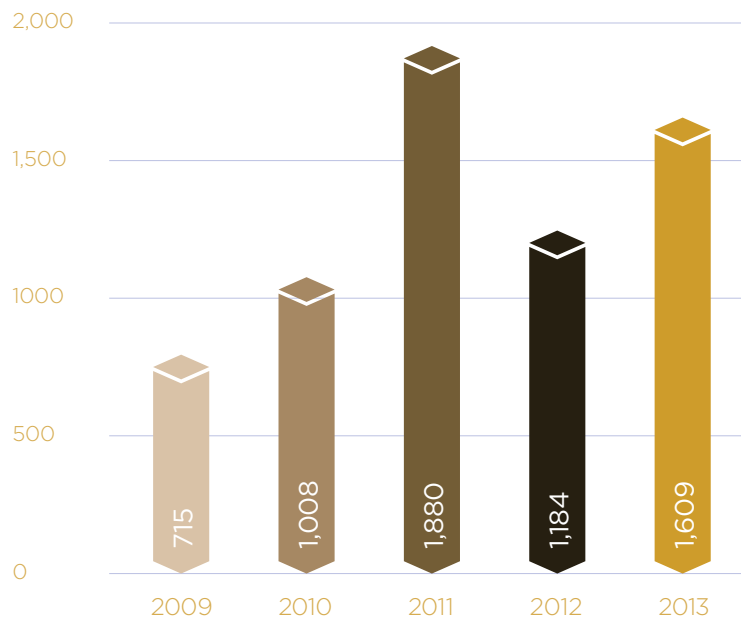
buyers continue to take their time making decisions, with days on market relatively stable. Prices have returned to a clear upward trajectory, with further, yet modest, growth forecast for 2014. View properties remain most coveted, particularly sought-after by foreign purchasers, more so than traditionally-favoured waterfront homes. Builders are actively driving the infill market throughout Greater Vancouver's high-end areas. Most are snapping up older homes with good views priced under \$3 million. The teardown trend is changing the face of entire communities and pushing up average prices in tandem, as new, substantial residences—sporting price tags between \$5 million and \$10 million, when complete—rise in place of smaller, dated homes. This activity has spread to areas on the periphery of Vancouver's blue chip neighbourhoods, blurring the boundaries of the city's high-

end pockets. Areas such as Ambleside, Dundarave, and Marpole have benefitted, among others. The luxury condominium segment continued to gain traction in 2013, also posting the second-strongest year on record, with 138 sales taking place over \$2 million. The appeal is rather natural to some of Vancouver's high-end buyers, who have previously resided in high-density centres throughout Asia, the Middle East and Europe. Coal Harbour continues to be home to the lion's share of high-end condominium activity, with new projects constantly raising the bar. In fact, the highest priced condo sold in 2013—a 6,400 sq. ft. penthouse in Coal Harbour—also took the title as the highest-priced home sold overall, inclusive of all housing types. The three-bedroom unit on two levels offered a library, den, and expansive rooftop terraces/gardens. It moved for \$25 million. By comparison, Vancouver's priciest single-family home sale in 2013 was recorded at \$18.6 million. The University area property boasted panoramic mountain and water views and featured a tennis court, a serenity pool, a wine cellar and a theatre. The most expensive listings in Greater Vancouver (at year-end) included an 8,000 sq. ft. home on the University Area's Westbrook Crescent offered at \$23.8 million, and a condominium listed for \$35 million. The condo listing includes both sides of a historic duplex that comprised a heritage mansion once owned by a former Lieutenant Governor. Both the confidence and demand exist to support another banner year for upper-end real estate in Greater Vancouver. The strong momentum demonstrated throughout 2013 has spilled over into the New Year. In fact, if the current pace holds up, 2014 could unseat 2011 as the best year on record for luxury home sales—a year when 1,726 single-family homes and 154 condominiums changed hands. The appeal of Canadian real estate will remain a significant factor, as buyers from both home and abroad invest in tangibility and stability for the long term.



Greater Vancouver

Upper-End Residential Sales - January 1 to December 31
Price Point: \$2 million+



Source: RE/MAX, Local Real Estate Boards

Victoria



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Despite a strong overall finish to the year, luxury sales in Victoria's residential housing market fell short of levels reported in 2012. Two-hundred properties priced over \$1 million were sold in 2013, down from 227 units one year earlier. The greatest demand continues to exist for single-family homes at upper end starter price points ranging from \$1 million to \$1.25 million, where the bulk of sales are taking place. Local purchasers have been taking advantage of softer values at the top end of the market to trade-up to waterfront homes, or move to more established neighbourhoods such as Oak Bay, Uplands, and pockets on the Saanich Peninsula. Some investment activity has

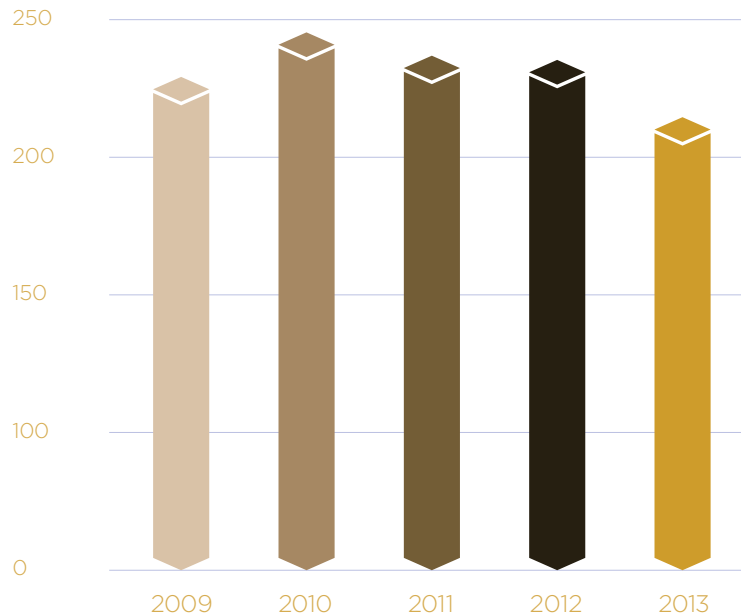
also occurred in the city, with buyers from Alberta once again returning to the market after an extended hiatus. Rising housing values south of the border and a stronger American greenback have contributed to renewed activity, with the combination of attractive pricing and Canadian terra firma providing additional incentive. Foreign investment has also been noted in Victoria, but activity is sporadic. The city's most expensive sale in 2013 was a large, oceanfront estate that moved for \$6.6 million. The priciest condominium sold for \$1.45 million, a 1,900 sq. ft. unit with a 1,400 sq. ft. terrace overlooking the city and water, in an older, established area within the downtown core.

Just under 300 properties are currently listed for sale over \$1 million, including a waterfront property in Uplands/Oak Bay offered at close to \$20 million. The 15,400 sq. ft. home, built in 1939, has undergone extensive renovation and is situated on a 1,000 ft. of oceanfront in Uplands in Oak Bay. Close to 20 condominiums are available for sale, the most expensive of which has a price tag of \$4.4 million. Cautious optimism exists in the market at present, with economic performance on the upswing. The province itself is gaining momentum, which has served to bolster consumer confidence and overall demand for residential housing. Demand is expected to climb in 2014, with sales of upper-end product rising to as much as 220 units by year-end. The upper-end, however, is not expected to fully recover until the overall market is on firm ground. Over the past five years, high-end sales have experienced little fluctuation, hovering between 200 to 240 units, and representing between three and four per cent of total residential sales.



Victoria

Upper-End Residential Sales - January 1 to December 31
Price Point: \$1 million+



Source: RE/MAX, Local Real Estate Boards

Alberta Edmonton



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Strong economic performance buoyed luxury home sales in Edmonton in 2013, with the number of high-end homes sold over \$750,000 shattering existing records. Three hundred and sixty-five single-family and condominium homes changed hands last year, an increase of 32 per cent over the 277 units reported in 2012. One hundred and fifteen of the 365 properties were priced over \$1 million. The actual number of upscale properties sold is likely significantly higher, given that a good percentage of high-end sales are new construction and not reported on MLS. Although a number of factors contributed to the upswing in upscale sales in 2013, consumer confidence bolstered by job security was the true catalyst, serving to seriously jumpstart homebuying activity. The vast majority of sales occurred in the city's outlying areas, particularly in the south west, or in recently developed pockets

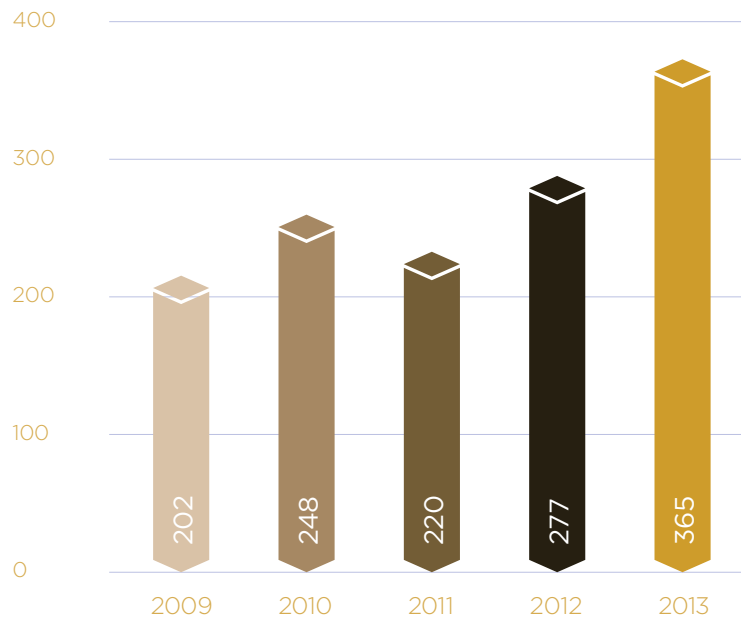
in existing peripheral areas. Core communities such as Glenora, Valleyview, and Laurier Heights have also experienced an increase in tear-down activity as purchasers demolish existing homes to erect large, custom-built housing. However, development restrictions in areas like Old Glenora, including a 1911 caveat on all titles restricting size to ensure newer homes blend in, have helped to maintain the integrity of the neighbourhood. Condominiums close to downtown and the University area, on either side of the North Saskatchewan River are also seeing solid demand, with more construction underway. The highest priced sale in 2013 was situated in Strathcona's One River Park. The 2,000 sq. ft. plus unit, offering a panoramic view of the city skyline and river valley, sold for nearly \$1.6 million in October. Many of the new projects target luxury purchasers,

given the convenience of the condominium lifestyle to an aging demographic. For the most part, executives, professionals, and entrepreneurs are fuelling demand for high-end homes in the city. Many are in their late 30s and early 40s. Turnkey product remains most desired, although some buyers are willing to undertake renovations in some of the city's older, established neighbourhoods in close proximity to the core. Single-family homes are most coveted with purchasers, representing 352—or 96 percent—of sales this year. The most expensive single-family sale in 2013—at just over \$3.4 million—occurred in Oleskiew. The close to 6,000 sq. ft. walk-out bungalow backing onto the ravine sold in just over 100 days. The highest-priced single-family property currently listed for sale is a seven-acre estate on the banks of the North Saskatchewan River in prestigious Riverbend, priced at \$12.5 million. Supply of single-family homes remains adequate, with just over 200 currently listed for sale—a six to seven month supply. Luxury sales continue to make inroads in Edmonton, accounting for over three per cent of total sales in 2013, an increase over the 2.5 per cent reported in 2012. The current momentum in the market is expected to continue, further supporting demand for upper-end homes in 2014.



Edmonton

Upper-End Residential Sales - January 1 to December 31
Price Point: \$750,000+



Source: RE/MAX, Local Real Estate Boards

Calgary



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Calgary's luxury home market moved at a steady pace in 2013, as demand climbed beyond the record pace set in 2012. Seven hundred and thirty-two properties, priced over \$1 million, changed hands—a 34 per cent increase over year-ago levels. In fact, Calgary has been on a consistent upward trajectory, with the number of luxury home sales more than doubling over the past five years. Year-over-year, the condominium sector demonstrated even greater strength than the overall market, with sales rising a substantial 88 per cent over 2012 levels (68 units vs. 36 units). The momentum has brought the market into balanced territory, with close to 350 properties now listed for sale over \$1 million, roughly a six month supply. Along with traditionally popular, older, established inner core areas, newer areas such as Aspen are drawing purchasers. Infill continues unabated, driving up values

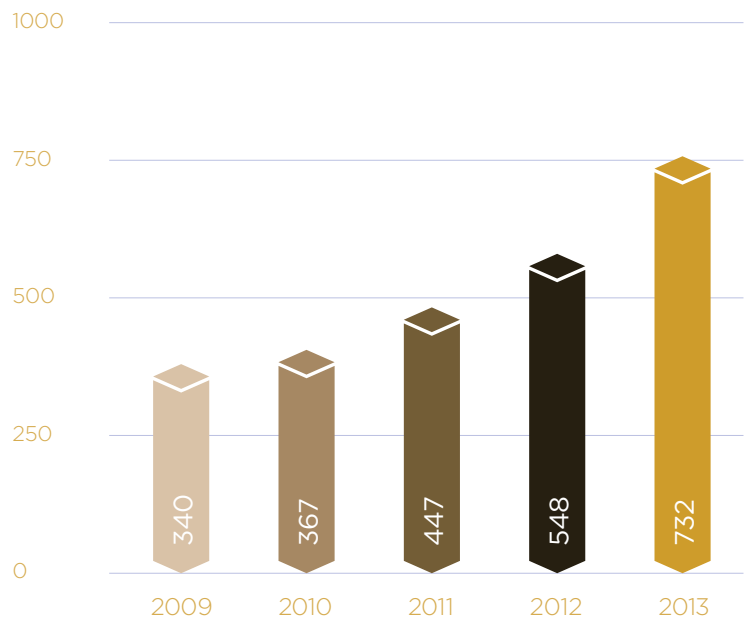
in neighbourhoods on the peripheral of the city's blue chip areas, in pockets like Inglewood and Montgomery. The southwest is also on the rise. Strong confidence, based on sound economic fundamentals, is behind the growth in upper-end sales, along with steady trade-up activity, bolstered by equity gains, incomes, in-migration and immigration. The highest-priced property to change hands in the city set a new record in 2013. The \$11.1 million home in Crescent Heights, located on an exclusive point on the ridge, offered an spectacular view of the downtown core. The estate also featured a massive, Guggenheim-inspired foyer, library, privacy deck and rooftop terrace, as well as a media room and total automation. Currently, the most expensive homes on the market include a 10,000 sq. ft. estate in Pumphill, listed for nearly \$8.7 million, and a 5,000 sq. ft. condo, with views of the



downtown and river, listed just shy of \$8 million. The most active price range, however, remains \$1 million to \$2.5 million, although 15 sales were recorded over the \$3 million mark in 2013, and two transactions moved over \$10 million. With solid confidence in place, Calgary is expected to mirror 2013's stellar performance, with the luxury market proving strong and steady. Another record year is possible, particularly with the optimism that's now building.

Calgary

Upper-End Residential Sales - January 1 to December 31
Price Point: \$1 million+



Source: RE/MAX, Local Real Estate Boards

Saskatchewan Regina



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Demand for luxury product in Regina's residential market has maintained a steady pace throughout 2013, with high-end sales over \$500,000 moving slightly ahead of 2012 levels. Three hundred and ten homes changed hands last year, seven units ahead of the 303 units reported in 2012, and 56 per cent ahead of the 198 sales posted in 2011. Strong economic performance, coupled with in-migration, has contributed to the annual uptick, with sales in the top end representing an ever-growing portion of Regina's real estate pie. Luxury sales now account for approximately eight per

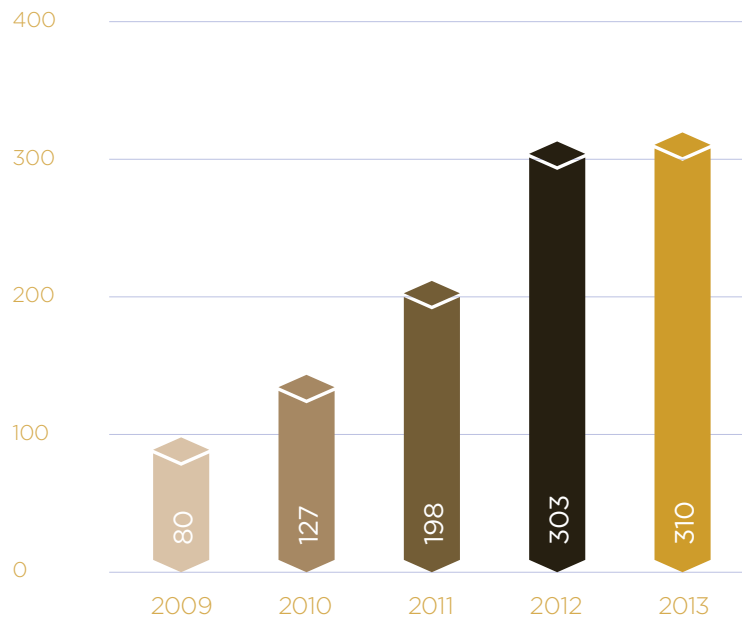
cent of total residential sales in the city. The \$500,000 to \$750,000 category continues to experience the greatest demand, with 284 of the 310 sales occurring at entry-level price points. Pressure has shifted into the \$750,000 to \$1 million segment, with sales up 19 per cent over last year in that particular category. Ninety-three homes are currently listed for sale over \$500,000, including seven condominiums. Six properties are priced over \$1 million. The highest single-family sale in 2013 occurred in the older, established community of Hillsdale, at just over \$1.3 million. The 4,370 sq. ft. two-storey

home was built in 1971. Much of the city's high-end activity is occurring in the east and the south—with communities such as the Creeks, Wascana View, Greens on Gardner, and Harbour Landing commanding top dollar. Move-up buyers are in large part responsible for the steady demand that exists in the market today, with many taking advantage of serious equity gains realized over the past decade. Confidence in the future—from both an economic and real estate standpoint—is also a strong impetus, fuelling homebuying activity throughout the city. While single-family homes remain most coveted, the condominium lifestyle continues to be bolstered by an aging demographic. Fifteen condominiums were sold in 2013, including the highest priced condominium sale that moved for \$660,000. The city's most expensive listings include a single-detached home in Wascana View—a 10,000 sq. ft. architectural tour de force at nearly \$4 million—while the priciest condominium is listed at just under \$1 million. Solid economic fundamentals will continue to underpin the luxury market in Regina in the year ahead, with sales expected to continue their ascent. Prices in the top end should experience a modest increase, in tandem with the overall housing market.



Regina

Upper-End Residential Sales - January 1 to December 31
Price Point: \$500,000+



Source: RE/MAX, Local Real Estate Boards

Saskatoon



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Strong consumer confidence, bolstered by solid economic underpinnings, drove luxury home sales in Saskatoon to an all-time record in 2013. Five hundred and seven sales were recorded over \$500,000, a 15 per cent gain over the 440 sales posted one year earlier. Sales over \$750,000 saw an even sharper increase, climbing by 33 per cent to 61 units versus 47 in 2012. Demand for upper-end homes has been steadily rising in tandem with Saskatchewan's shift to a "have" province, as its resource-rich economy draws more affluent buyers to major centres. Once unheard of, more than a dozen sales over a million dollars were recorded over the past 12 months. The market remains in balanced territory, with 367 high-end listings available—265 of those within the city proper. As a result, prices have held firm. Locals purchasers are the primary drivers, but in-migration and immigration remains

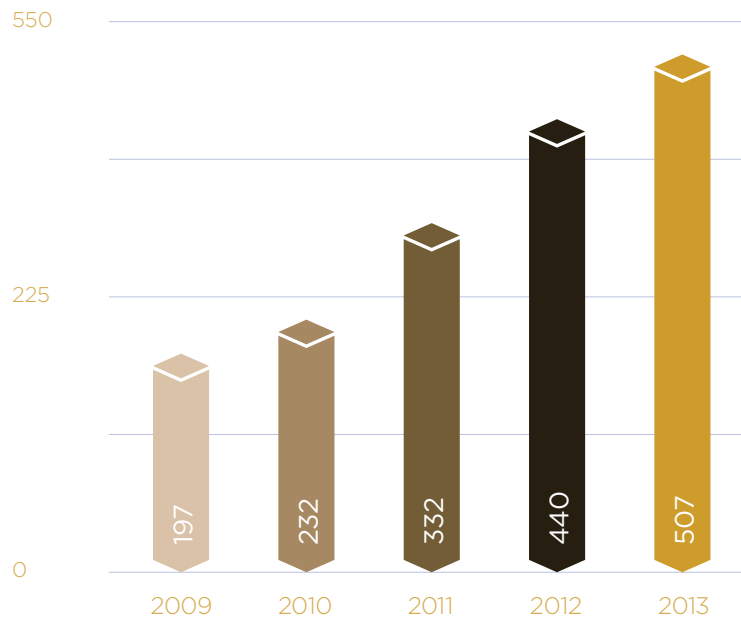
a small, but growing component of the market. The most sought-after neighbourhoods in the luxury segment continue to be The Willows, Nutana, Briarwood and Rosewood, as well as Willow Grove and Evergreen. Infill is raising the bar in prime blue chip areas, but also in other pockets throughout the city. For example, teardown activity, over \$500,000, has been occurring on lots with frontage greater than 30 ft. in desirable areas in close proximity to the University, such as City Park, Varsity View, Buena Vista, Grosvenor's Park and Nutana, where new homes are maxing out on square footage. Custom construction is favoured at the ultra high end or, alternately, newer resale product. While still only representing a minute fraction of overall sales, luxury condominiums are gaining tractions. Most popular, particularly among baby boomers and retirees, are bungalows-style homes

in gated communities, while apartment-style units within the core tend to attract a slightly younger demographic. The most expensive condominium sale in Saskatoon last year—at close to \$1.2 million on coveted Saskatchewan Crescent—is among the highest-priced condominiums to ever change hands in the city. The street is also home to the priciest apartment-style unit currently available, listed at \$1.25 million. Saskatoon’s most expensive single-family home, backing onto the riverbank on Saskatchewan Crescent West, sold in 2013 for \$1.55 million. An acreage property, south of the city, sports the highest sticker price in Saskatoon at present. It’s listed for \$2.95 million. As the upper-end of the market continues to gain greater momentum year-over-year—luxury sales over \$500,000 have climbed 157 per cent since 2009—purchasers continue to demonstrate increasing confidence in the segment’s long-term value. Builds are becoming more impressive, and existing high-end homeowners are investing in the current housing stock as the push for higher quality drives renovation activity. This is ultimately lifting the resale market, particularly since updated, turn-key product remains the foremost choice among upper end buyers. With solid fundamentals set to continue, Saskatoon’s luxury home market is forecast to remain vibrant. The potential exists for another record year of high end sales in 2014, while prices should post modest gains.



Saskatoon

Upper-End Residential Sales - January 1 to December 31
Price Point: \$500,000+



Source: RE/MAX, Local Real Estate Boards

Manitoba Winnipeg



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Winnipeg's luxury housing market continued to make impressive gains in 2013, with the number of homes sold over \$500,000 up 26 per cent over the previous year and 189 per cent ahead of 2009 levels. Representing close to three per cent of total residential sales, the luxury segment recorded 406 single-family and 33 condominium units sold in 2013—setting a new upper-end sales record for the city. A solid economy, supported by strong employment growth, low interest rates, and relative affordability continued to bolster homebuying activity in 2013. Immigration also factored into the mix, with many new Canadians set to purchase a home upon arrival. Winnipeg's south end has struck a chord with many of today's buyers, offering up new upscale construction in prime Waverley West areas

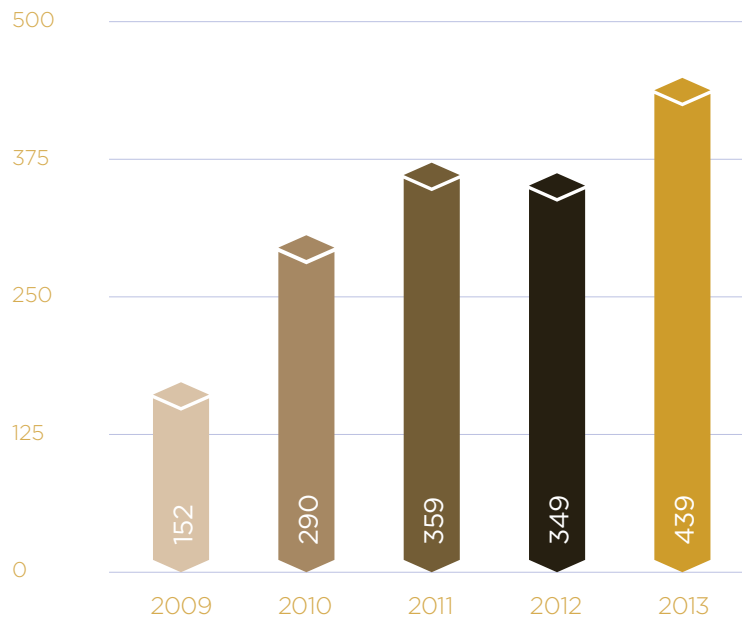
such as Bridgewater Forest and South Pointe. Purchasers are choosing newer, turnkey homes in the south—and north end subdivisions like East St. Paul's—over more established communities like Tuxedo, River Heights, and Charleswood. Yet, teardown activity is occurring in older areas, as purchasers take advantage of generous lot sizes to construct large, custom-built residences. In fact, the most expensive home sold in 2013 was a newer-build located on the river in Charleswood, with a price tag of \$2.2 million. Affluent purchasers including executives, entrepreneurs, athletes and professionals are driving demand for single-family homes over the \$500,000 price point, while empty nesters and retirees are setting new records for high-end condo sales. Condominium sales in the top end have

almost tripled over the past year, climbing more than 150 per cent to 33 units in 2013, up from 13 in 2012. The priciest condo sold for nearly \$1.3 million. Located on Waterfront Dr., the high-rise apartment unit boasted close to 3,000 sq. ft. of living space and spectacular views. The greatest demand for luxury homes continues to exist between \$500,000 and \$600,000, where almost half of all high-end sales took place in 2013. Twenty-five properties priced over \$1 million changed hands in 2013, up from 23 one year earlier. The south end of the city is expected to continue to experience growth, given the vast amount of land available for new construction, while more established areas will likely see greater in-fill activity in the years ahead. At present, there are approximately 130 single-family homes, priced over \$500,000, listed for sale. Given the positive economic outlook for Winnipeg and the province of Manitoba overall, healthy demand should continue to exist for upper end properties in 2014, while values are expected to appreciate at a slower pace, in large part due to a modest uptick in inventory levels.



Winnipeg

Upper-End Residential Sales - January 1 to December 31
Price Point: \$500,000+



Source: RE/MAX, Local Real Estate Boards

Ontario Ottawa



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Despite strong demand for luxury product in Ottawa, sales of upper end homes fell short of 2012's record setting pace in 2013. Three hundred and ninety properties were sold over the \$750,000 price point last year, down one per cent from the 392 sales reported one year earlier. The segment, however, captured a slightly larger percentage of the overall residential market in 2013, accounting for 2.59 per cent of total sales. Ideal market conditions—including low interest rates and a nominal upswing in the number of homes listed for sale—shifted homebuying activity into more balanced territory in 2013. Move-up buyers, in particular, took advantage of equity gains to trade-up to larger homes and/or better neighbourhoods. Single-family homes were most sought after, especially in blue chip neighbourhoods throughout the city such as Rockcliffe Park, Civic Hospital, Glebe,

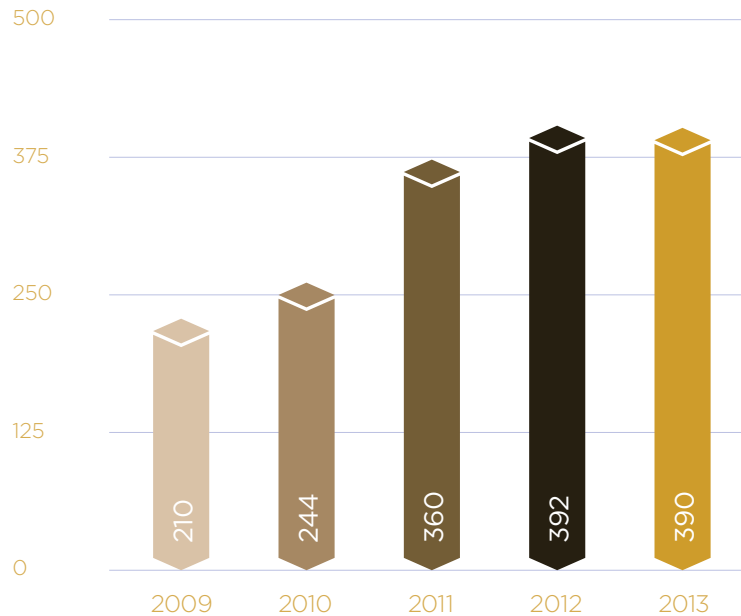
McKellar Park, Westboro, Island Park Dr., Golden Triangle, Rothwell Heights, Rocky Point, and Manotick. Sales of single-detached homes have steadily increased in recent years, with 375 properties changing hands in 2013, up five per cent from the 357 sales posted in 2012. Of the 375 homes that moved in 2013, 112 were priced over the million-dollar benchmark. The greatest demand exists at the \$750,000 price point, a sweet spot for entry-level, upper-end buyers, yet supply is tight, with just over 250 properties currently listed for sale between \$750,000 and \$1 million. Some of these purchasers are turning to older homes in good neighbourhoods with the intent to renovate down the road, while others are looking to new infill product—such as semi-detached homes—that can be bought in and around the \$750,000 mark. Ottawa's real estate market continues to evolve,

with new builds, renovation, and additions changing the landscape. The Glebe recorded the highest number of high-end sales at the \$750,000 plus price point, but the most expensive home sold in 2013 moved for \$2.78 million in Rockcliffe. The city's highest priced single-family home, also listed in Rockcliffe, is available for sale at nearly \$4 million. Condominium sales—which experienced a surge in 2012 to 35 units—fell back to 15 units in 2013, a figure more in line with years past. Demand still exists for upscale condos, as evidenced by the sale of the most expensive unit at \$1.1 million in the Glebe, but a limited supply of resale product and an abundance of newer units coming on stream via developers have resulted in a larger number of new condo sales over \$750,000 that remain unreported. Many empty nesters and retirees have been enticed by the new condominium projects underway in the downtown core that include concierge services and luxurious amenities, but some are choosing to buy older units offering more square footage in established buildings and then doing a full-gut. Just 39 condominiums are currently listed for sale from \$750,000 on MLS, with just 28 priced between \$750,000 and \$1 million, including the priciest available at close to \$3 million. Solid economic performance, anchored by the federal government, knowledge-based and high-tech industries, should bode well for residential real estate and the upper-end in the coming year. In-migration, as well as immigration, is also expected to bolster homebuying activity in the nation's capital in 2014.



Ottawa

Upper-End Residential Sales - January 1 to December 31
Price Point: \$750,000+



Source: RE/MAX, Local Real Estate Boards

Greater Toronto Area



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Luxury home sales in Canada's largest real estate market continued to climb in 2013, rising 18 per cent to 1,908 units—setting a new record for upper end activity priced in excess of \$1.5 million. Inventory levels played a key role in the uptick, with more buyers vying for fewer product, especially in prestigious central core districts, including Rosedale, Forest Hill, Lawrence Park, Bridle Path, Hogg's Hollow, and, to a lesser extent, west end neighbourhoods such as the Kingsway, Edenbridge, and Princess Anne Manor. The desire to trade-up is fueling much of the high-end activity at a time when interest rates are near historic lows. Serious equity gains have also contributed to the upswing, particularly in Toronto Proper. Local buyers—professionals, entrepreneurs, and executives—represented the vast majority of purchasers in the Greater Toronto Area in 2013, although a steady stream of foreign investment was noted in the top

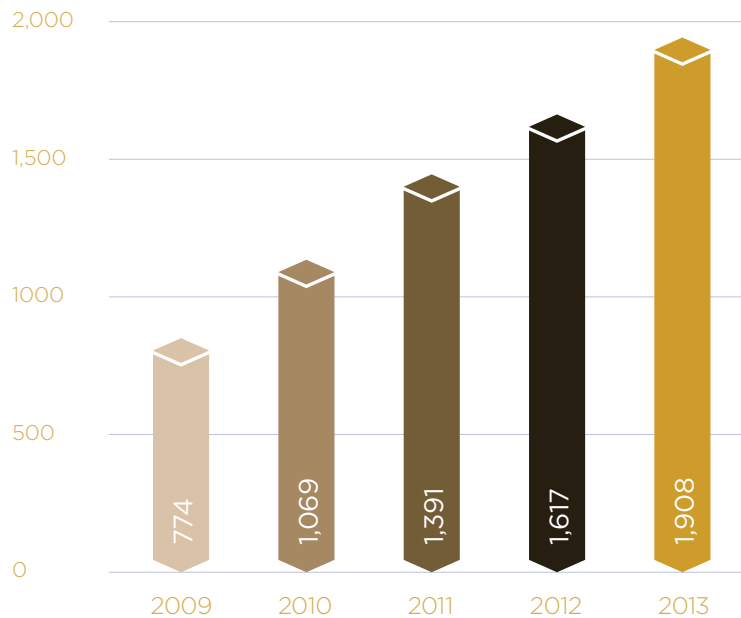
end last year. Single-detached homes were most sought after, with the most expensive property moving with a price tag of more than \$13.4 million at year end. The 21,000 sq. ft. plus Bridle Path estate is fashioned after France's Palace of Versailles. Approximately 1,000 luxury properties (freehold) are currently listed for sale in the Greater Toronto Area, with just over 300 currently available in Toronto Proper. Over 50 are priced in excess of \$5 million. The GTA's highest-priced listing is also a Bridle Path estate, available for sale at \$25.8 million, followed by a Forest Hill property listed at \$18 million. The GTA's C04 district, encompassing high-end neighbourhoods such as Lawrence Park, Lytton Park, Ledbury Park and Cricket Club, reported the highest number of sales over \$1.5 million in 2013, at close to 250 units. The Bridle Path, York Mills, Hogg's Hollow and Sunnybrook (C12) followed in lock step, with

nearly 200 sales recorded last year. Strength was also evident in communities outside the core, with Mississauga posting just over 100 upper-end sales over the past 12 months. Given tight inventory levels—virtually across the board—purchasers are increasingly turning to infill product. New luxury home construction continues unabated throughout the GTA, with buyers paying top dollar for generous lots in prime locations. In fact, in neighbourhoods like Forest Hill and Lawrence Park, it is not uncommon for a builder to purchase an older home on a 50 x 150 ft. lot at \$3 million, just to tear it down and build a larger, custom residence. Renovation is also occurring at a breakneck pace in many communities, as affluent purchasers realize their dreams of homeownership on their own terms. Despite concerns over the proliferation of condominiums in the core, demand for apartments and townhomes remained constant in 2013. Ninety-two condominium properties sold over \$1.5 million in 2013, up from 80 one year earlier. Of particular interest is the number of high-rise units sold over the \$2 million mark—49 properties moved in 2013, representing a 75 per cent increase over the 2012 year-end figure of 28. The most expensive condo, offering close to 3,500 sq. ft. of pampered living space, moved for more than \$6.3 million in the tony Yorkville district. Yorkville continues to attract the lion's share of purchasers looking to take advantage of the condominium lifestyle, many of whom are empty nesters and retirees selling larger, single-family homes in the coveted central core. There are currently close to 150 upscale condominiums listed for sale in the GTA. The Greater Toronto Area has experienced a steady increase in sales in the top end since 2008, when the market bottomed out at 656 units. Market escalation has brought luxury sales up close to 150 per cent since 2009, rising from just 774 units (40 condos/734 single-family homes) to 1,908 (92 condos/1,816 single family homes). Demand for luxury product is unlikely to soften in 2014, with sales of homes priced over \$1.5 million expected to maintain a healthy clip throughout the year.



Greater Toronto Area

Upper-End Residential Sales - January 1 to December 31
Price Point: \$1.5 million+



Source: RE/MAX, Local Real Estate Boards

Oakville



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Oakville—one of the 905’s most desired communities with a long-standing tradition of high-end sales—experienced unprecedented demand yet again, setting a new record for home sales over the \$1.5 million price point in 2013. One hundred and fifty-six luxury properties changed hands last year, up 19 per cent from the 131 sales reported in 2012. Three hundred and fifty million dollars in luxury real estate was sold in Oakville last year, with the most expensive property—a fully renovated circa-1930 home situated on eight acres, including close to 800 ft. of waterfront—selling for just under \$10 million. The town’s priciest condominium, a luxury unit in the heart of Downtown Oakville, sold for \$2 million. At present, there are just over 100 properties available for sale, including the highest-priced freehold property, a lake-front estate listed at nearly \$16 million.

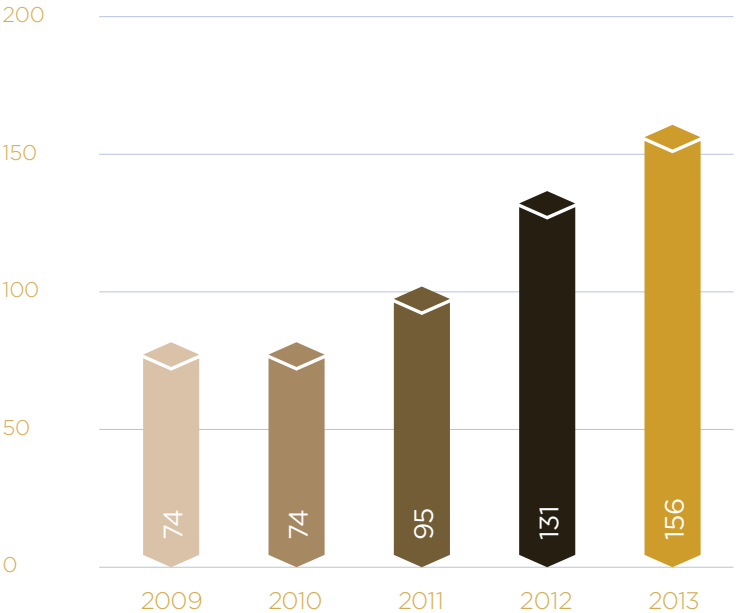
The most expensive condominium has a sticker price of \$6 million. Oakville’s lifestyle continues to attract purchasers from across the province, many of whom are increasingly choosing to lay down roots in the community. The luxury market represents five per cent of all units sold during the year, yet accounts for approximately 16 per cent of total dollar volume. The town has made a serious investment in infrastructure in recent years, which has contributed to significant growth in new home construction, particularly north of Highway 5. Enhancements to roads and transportation, combined with the construction of a new, state-of-the-art hospital, have all contributed to the increased demand for homes in the area. Single-family properties remain most coveted at the top end, with most purchasers vying for product located in South Oakville. Improvements



to existing housing stock—through infill and/or renovation—continue unabated in the area, especially in neighbourhoods in close proximity to the lake. Evidence of the trend can be found from Bronte to the Mississauga/Oakville town line. Luxury sales in Oakville have experienced solid gains since 2008 when just 64 homes sold over \$1.5 million—an increase of 144 per cent. The upward trajectory is expected to continue in the year-ahead, bolstered by an improving provincial economy and the benefits of location, location, and location.

Oakville

Upper-End Residential Sales - January 1 to December 31
 Price Point: \$1.5 million+



Source: RE/MAX, Local Real Estate Boards

Hamilton - Burlington



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Local buyers, in conjunction with an influx of purchasers from the Greater Toronto Area (GTA), propelled sales of luxury homes to new heights in Hamilton-Burlington's residential real estate market in 2013. The number of properties sold over the \$750,000 price point rose a substantial 31 per cent year-over-year, with 436 high-end homes changing hands in 2013, up from 334 units one year earlier. Many priced under \$1 million were sold in competitive situations. Sales were most pronounced in the \$800,000 to \$899,999 category, representing approximately one-third of overall activity in the top end in both Hamilton and Burlington. Affordability continues to be a major driver in the Hamilton area, where 35 per cent of high-end sales occurred.

Large lot sizes and established neighbourhoods were the draw, with properties in Ancaster, Aldershot, and the Hamilton Mountain area most popular with value-conscious consumers. Average price in Hamilton's top end hovered at \$931,000 last year. The highest priced sale in 2013 was a French-inspired bungalow on an expansive lot in Ancaster, moving for \$1.6 million. Communities in Burlington have also experienced strong demand, particularly those bordering neighbouring Oakville. The average price of an upper-end home in Burlington was just over \$1.05 million in 2013. Burlington's most expensive sale—a \$5.95 million waterfront estate—was situated on a double lot overlooking the Toronto skyline. The move to higher-density housing

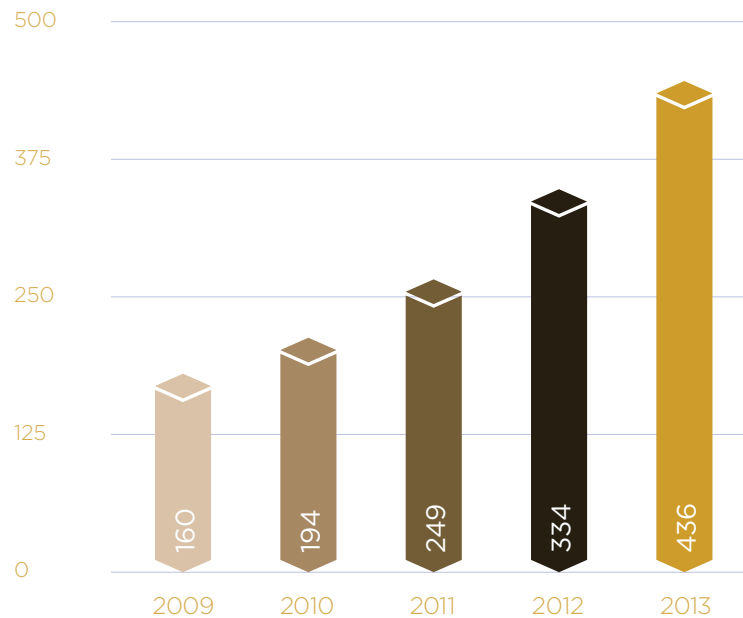
within both areas has solidified the value of single-detached homes with the purchasing public. Many buyers are viewing older homes, aged 20 years plus, with good bones and a workable layout as an opportunity. Investment in terms of renovation and additions are par for the course, given the value that lies within these communities. Upscale condominiums are in demand, yet product continues to be in short supply in both Hamilton and Burlington. At present, there are approximately 120 active high-end listings in Burlington and 100 in Hamilton, yet only a handful are condominiums. Burlington's most expensive condo sale in 2013 moved in just over a week. The waterfront unit fetched \$1.36 million and boasted more than 2,000 sq. ft. of living space. A 2,165 sq. ft. unit in the Creekside development in Dundas was Hamilton's most expensive condominium sale in 2013, netting \$850,000. Solid demand and tight inventory levels should continue to fuel upper-end sales—both single-family and condominium—in Hamilton-Burlington throughout 2014. Hamilton's increasingly diversified economic base, in particular, is expected to draw purchasers to the area. Last year, buyers from the GTA represented an estimated 25 per cent of market activity at the top end. The trend is likely to continue in the year ahead.



\$1,800,000 — Glanbrook — Lake Niapponco
(MLS# H3117461)

Hamilton – Burlington

Upper-End Residential Sales - January 1 to December 31
Price Point: \$750,000+



Source: RE/MAX, Local Real Estate Boards

Kitchener – Waterloo



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Luxury home purchasers in Kitchener-Waterloo continued to demonstrate confidence in 2013, driving sales of properties priced over \$750,000 beyond the 100-unit mark. The momentum was welcomed as a positive sign of market stability, easing concerns that layoffs at high-tech giant, Blackberry, could impact activity. In fact, one hundred and five upper end homes changed hands last year, a 27 per cent gain over 2012 when 83 sales were recorded. The transactions represented approximately two per cent of all activity recorded through the local real estate board. The upper end outperformed all other segments of the market, as the city's resale housing market climbed a more modest 2.5 per cent overall. The greatest homebuying activity occurred between \$750,000 and \$950,000. Popular

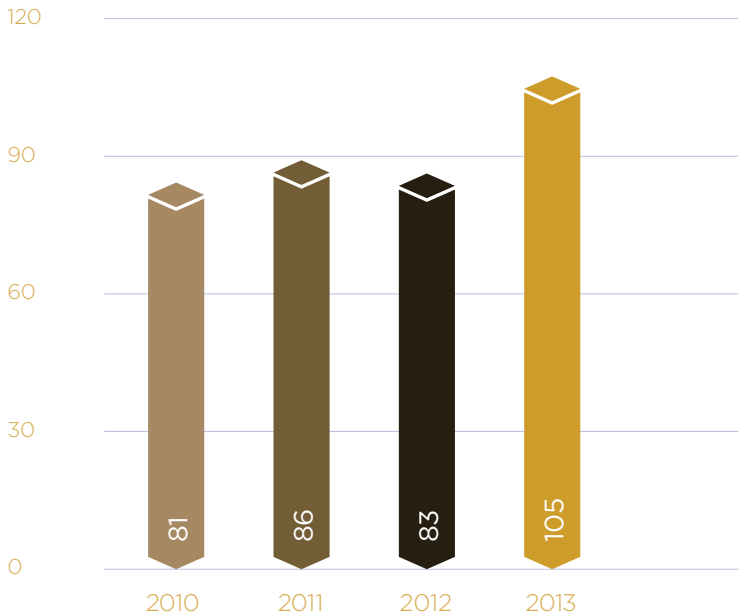
areas included the east side of Waterloo, northwest Waterloo and the southeast end of Kitchener. New or newer product is favoured, although properties over \$1 million—regardless of age—are taking longer to sell. Conditions remain relatively balanced, with 34 luxury properties available over \$750,000. The most expensive single-family home that changed hands in Kitchener-Waterloo in 2013, at just under \$2 million, was located in the prestigious enclave of Kiwanis Park. The priciest listing currently offered is a stone farmhouse (circa 1855) situated on 13 acres, prime for redevelopment. All types of luxury properties are garnering interest, with confidence present in all segments of the market, as evidenced by the priciest condo sold this year. A penthouse suite in Uptown



Waterloo moved for \$2.1 million, eclipsing the most expensive single-family home sale in the area. The highest-priced listing, at close to \$3.3 million, is a 7,500 sq. ft. condominium bungalow in Deer Ridge. Although demand for luxury properties is expected to hold steady in Kitchener-Waterloo in 2014, a repeat of last year's robust activity will be contingent upon a stable employment picture.

Kitchener – Waterloo

Upper-End Residential Sales - January 1 to December 31
 Price Point: \$750,000+



Source: RE/MAX, Local Real Estate Boards

London - St. Thomas



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Luxury home sales continued to trend upward in London-St. Thomas in 2013, outperforming overall residential activity. The top end experienced a five per cent uptick year-over-year, with 203 sales over the \$500,000 price point occurring in 2013, up from 194 one year earlier. After a slower than usual start to the year, confidence gleaned from the low interest rate environment and relative job security bolstered sales in the upper end. Professionals were behind the push, with many looking to take

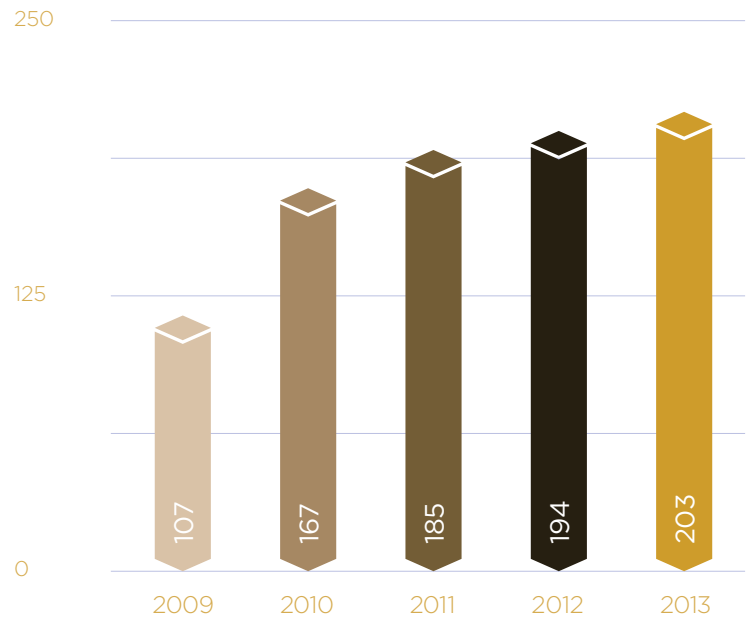
advantage of equity gains realized in recent years. Once again, London's southwest and northwest quadrants saw the greatest demand, with sales between \$500,000 and \$600,000 accounting for the lion's share of activity (116 units). Nine properties moved over the \$1 million benchmark, including the highest priced sales—two homes that sold just over \$1.7 million. An ample supply of high-end product is available for sale in the city, with almost 120 residential properties and 10 condominiums on the market

at present. The priciest listings—at \$3.1 million and \$2.4 million—offer significant acreage in addition to large, custom-built homes. More listings are expected to come on stream with the advent of the traditional spring market. Empty nesters and retirees continued to prop-up the city’s condominium segment, with the most expensive sale taking place in London’s north end. The detached residential condominium, complete with a triple-car garage, fetched \$895,000. The market for upper-end homes in London-St. Thomas is expected grow in the year ahead, with demand forecast to bring sales activity up another five per cent over 2013 levels.



London – St. Thomas

Upper-End Residential Sales - January 1 to December 31
Price Point: \$500,000+



Source: RE/MAX, Local Real Estate Boards

Québec Québec City



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Sales of homes priced over \$500,000 edged higher year over year, propelling Québec City's luxury market to a record performance in 2013. Just over 200 upper-end properties changed hands, climbing four per cent from 2012 levels. With solid equity gains behind them, buyers continue to be enticed by favourable selection and value, given the continuation of buyer's market conditions and historically low interest rates. Trade-up activity was most prevalent in Sainte-Foy/Sillery/Cap-Rouge, which remains the most sought-after luxury neighbourhood. Waterfront and acreage properties on the peripherals or in rural areas outside the city, traditionally among Québec City's most prestigious real estate, took longer to sell in 2013, given their higher price points. Activity remains

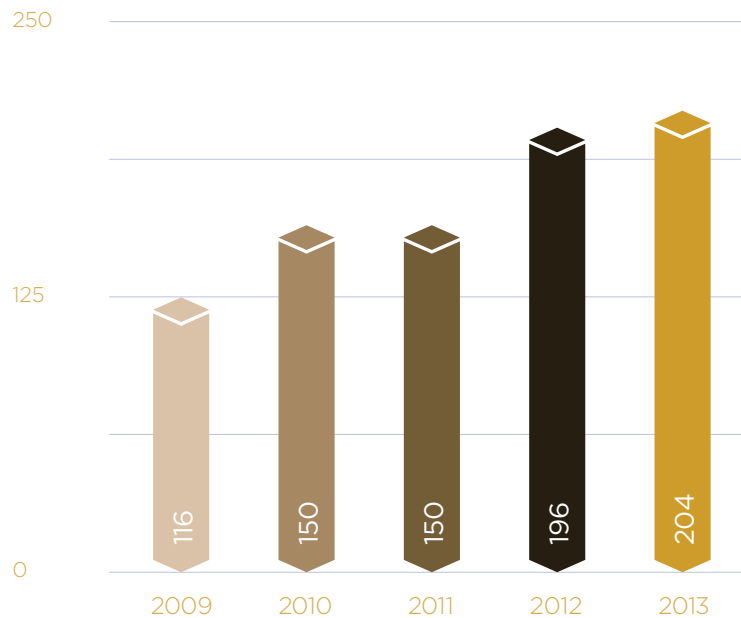
steady up to the \$700,000 threshold, but slows markedly over that limit. The condominium market, which softened considerably at the lower price points in 2013, held up well in the luxury segment. Thirty-three units priced over \$500,000 changed hands in 2013, up from 29 in 2012, also marking a new record. La Cité Limoilou proved most popular. Demand is strongest for turnkey product, but given the right property and location, some buyers are willing to undertake renovations. Locals are dominating the market, with out-of-province and international purchasers having little influence on Québec City's upper-end. Purchasers are generally cautious, taking time to make decisions. Despite firm buyer's territory, some vendors continue to test the market, in light of the solid momentum. Yet, given a

climate where price adjustments are taking place and ample supply exists—nearly 400 properties are listed for sale over \$500,000—those who overprice are risking stagnation. Properties that are priced at fair market value are moving, with the most expensive sale, involving a recent build with direct access to Lac-Beauport, recorded at \$3.4 million. The priciest home available is also a 12,000 sq. ft. lakefront property, located on Fossambault-sur-le-Lac. It offers direct access to the water, plus an indoor spa and swimming pool and is listed at \$5 million. On the condominiums side, the most expensive sale recorded in 2013 was for a 17-room penthouse located in Vieux Québec/Cap Blanc. The unit sold for \$2 million, after 218 days on market. The most expensive resale condo listing on offer, a renovated penthouse with a stunning city view, close to the lively entertainment district of Plaines-d’Abraham is listed at over \$1.5 million. With the province’s economy set to post a solid improvement in 2014, existing confidence should climb, along with demand for residential real estate, as buyers who waited it out on the sidelines last year re-enter the market. As such, luxury sales could potentially post another record-breaking performance, with prices remaining relatively on par with current levels.



Québec City

Upper-End Residential Sales - January 1 to December 31
Price Point: \$500,000+



Source: RE/MAX, Local Real Estate Boards

Greater Montréal



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Greater Montréal's luxury home market posted a solid year in 2013, despite being down from record 2012 levels. Four hundred and five properties priced over \$1 million changed hands, just one sale short of the second-best year on record (2011). Clearly, the market remains healthy, with confidence being demonstrated at the city's upper price points. Affluent purchasers continue to favour bricks and mortar, given the lower risk profile offered by this tangible asset class. Locals remain the primary drivers, with traditional, established neighbourhoods such as Mont Royal, Westmount, Outremont, Rosemont, Hampstead and Rosemère favoured. Pockets of the West Island, including Senneville and Île-Bizard, also offer up some of the most expensive homes in Greater Montréal, most notably those on

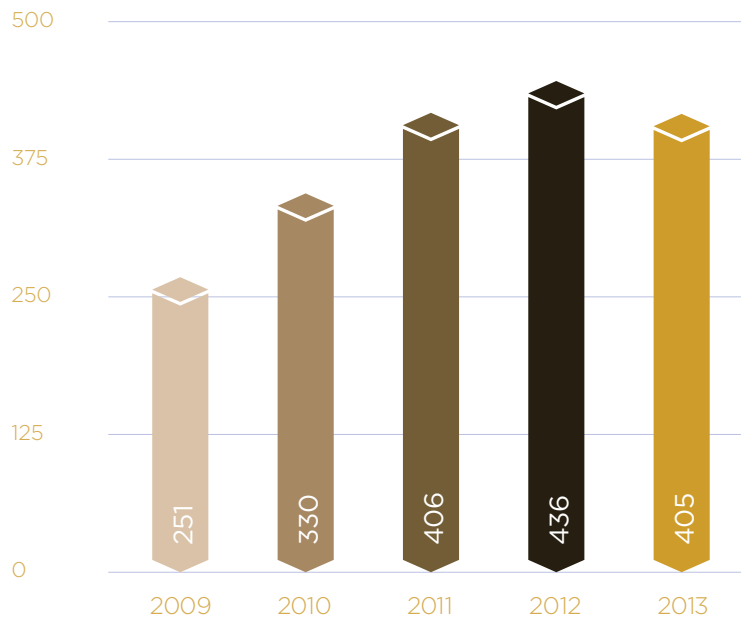
the water. Other areas have started to see some high-end sales in recent years, including North Shore areas such as Mascouche, Terrebonne, and St. Jérôme, for example. Downtown Montréal remains most popular among condominium buyers, particularly the area near the Bell Centre. Newer high-end condominium product is also starting to make its way into revitalized areas such as Griffintown and suburban communities such as Laval. Condo buyers are gravitating to newer product, which offers sought-after parking spaces—rare in older buildings—as well as the latest amenities. Infill is still occurring, where lots can be found, but supply is limited, especially in existing blue-chip areas. Renovation, while still a factor, has eased slightly year-over-year. Buyers continue to demonstrate a preference

for turnkey product. Expectations are climbing, with respect to the desired level of luxury. The term “dream home” is increasingly apt, as opulence now seems to reach as far as the imagination. From saunas and spas, bowling alleys and cinemas to serenity pools, indoor driving ranges, wine cellars and custom car show rooms, relaxation and entertainment take centre stage. The most expensive sale recorded in Montréal in 2013 was a condominium suite at the Ritz-Carlton that moved for \$9 million, followed by a \$4.5 million unit in Westmount. The most expensive single-family home sold for \$3.8 million in Westmount, lasting just 21 days on market. The city’s most prestigious listing is a sprawling lake-front mansion on Lac-des-Deux-Montagnes in Île-Bizard, listed at \$19.5 million. With 41,000 sq. ft. of living space on 12-acres of manicured grounds, it sports a ballroom, gymnasium, indoor pool/spa, staff quarters, a 2,100 sq. ft. master suite and indoor parking for 25 cars. Greater Montréal’s upper-end properties continue to represent some of the most distinguished real estate in the country. With improving economic fundamentals forecast for 2014, momentum at the city’s luxury price points should remain on par with year-ago levels or climb slightly ahead, while prices post modest gains. Conditions are expected to remain balanced overall, although some pockets—including certain coveted inner-core Island areas—may continue to lean in favour of the seller.



Greater Montréal

Upper-End Residential Sales - January 1 to December 31
Price Point: \$1 million+



Source: RE/MAX, Local Real Estate Boards

Nova Scotia

Halifax – Dartmouth



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Despite a considerable softening in overall residential activity in 2013, Halifax-Dartmouth's luxury housing market held up relatively well. Strength was evident, as the upper end marked its third best year on record, although the segment posted a 10 per cent decline in sales. Nearly 270 homes changed hands over \$500,000, compared with 299 in 2012. Condominiums represented approximately 11 per cent of total high-end sales, with 29 units moving over \$500,000, two more than in the previous year. Corporate transfers provided greater stability to the city's luxury market, although activity was hampered by a slowing in trade-up activity under the \$500,000 price point. The trend should reverse in 2014, as major projects gain traction and confidence returns. Buyer's conditions characterized the market throughout 2013. Conditional sales were commonplace, with some deals

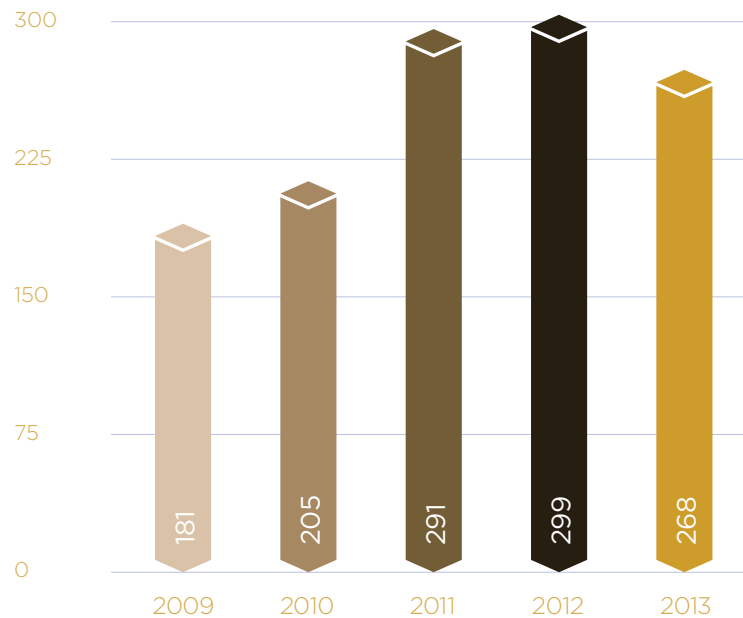
failing to move forward. Price adjustments have taken place and days on market have edged up over 2012 levels. Absorption rates began to improve late in the year, however, as many sellers opted to hold off until the spring, when the relocation market typically picks up. With the current momentum holding steady, Halifax-Dartmouth should work through its modest oversupply halfway through 2014. The city's blue chip areas continue to draw solid interest, with the peninsula on the south end accounting for the lion's share of sales, followed by Bedford; Clayton Park and Hemlock Ravines; Fall River; Hammonds Plains, Westwood Hills, and Kingswood; Purcell's Cove; and St. Margaret's Bay. Bedford South is up-and-coming, as newer construction appeals to some. The most expensive home sale recorded in Halifax in 2013, at \$1.4 million, was a pre-confederation (1940s) home on the

Northwest Arm of Mainland Halifax, offering 3,200 sq. feet of living space on a rarely available water lot (rights to the land under the water a certain distance out is included). The most expensive condominium to change hands was an oceanfront townhome at Regatta Point, offering 3,600 sq. ft. of living space on three levels. The highest-recorded apartment-style condominium sale was noted at \$935,000 and involved a new unit in the Trillium building. The city's most prestigious listings currently available are both located on the Northwest Arm. They include a \$5.45 million, 12,000 sq. ft. home on Purcell's Cove Rd. on the south side of the Northwest Arm (new construction) and a \$3.9 million, 8,400 sq. ft. renovated home on a rarely-available, one-acre lot on the north side of the Northwest Arm. The priciest condominium, located in Downtown Halifax, is listed at \$1.1 million—a 1,750 sq. ft. unit on the 15th floor of the Martello Project on Dresden Row, offering a balcony terrace with coveted harbour views. The greatest demand continues to exist for upscale product priced between \$500,000 and \$700,000, with the city offering excellent value for the dollar at the luxury price points. No records were broken in 2013, in terms of sales benchmarks. The highest price ever paid for a home in Halifax remains \$2.55 million in a transaction that occurred in 2012. The outlook remains positive. With an upswing in momentum expected in 2014, Halifax-Dartmouth could match or exceed the record sales performance set two years ago. Confidence will be the determining factor, and prospects are favourable, as GDP growth in the province is forecast to return to the mid-two per cent range.



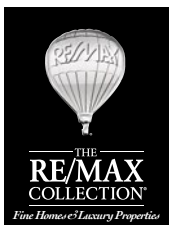
Halifax – Dartmouth

Upper-End Residential Sales - January 1 to December 31
Price Point: \$500,000+



Source: RE/MAX, Local Real Estate Boards

Newfoundland & Labrador St. John's



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Growth continues unabated in St. John's luxury home market, with demand reaching unprecedented levels yet again in 2013. Residential sales over \$500,000 broke the existing record in 2013, with 172 units changing hands compared with 161 in 2012, representing a seven per cent increase over one year ago. With approximately 220 listings available for sale, the upper-end remains firmly in buyer's market territory. Yet, the softer conditions have served to invigorate activity, as buyers are enticed by favourable selection and good value for their dollar. Rising fortunes have also bolstered high-end sales. The buyer pool

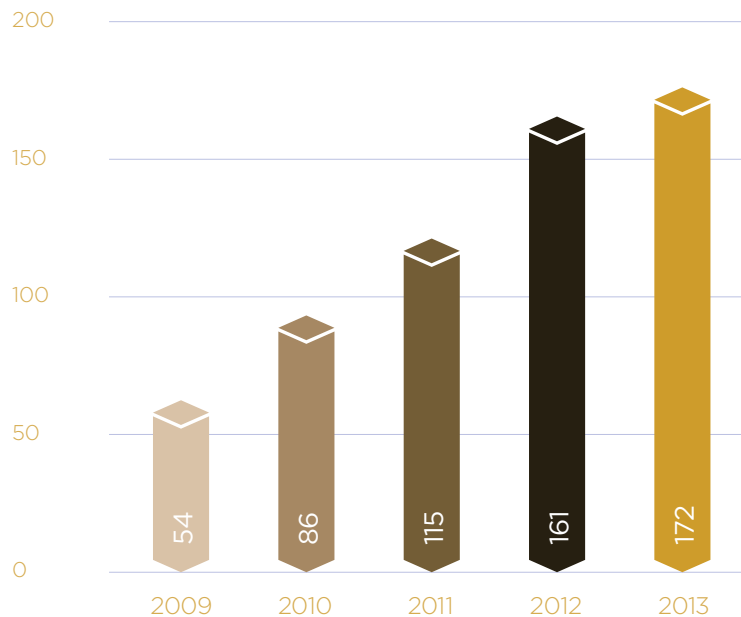
at the upper price points has increased in recent years due to several factors, including strong equity gains, rising incomes, population growth, an increase in skilled and professional jobs, solid business and capital works investment, as well as an expanding natural resources sector. All have contributed to strong underlying confidence in the future of St. John's and its residential housing market. Activity remains steady, with the bulk of activity occurring between \$500,000 and \$800,000, with buyers split between older, established neighbourhoods and newer areas. Sunset Gardens, just 10 minutes outside the city, will be a new community to

watch in 2014, as builders release a number of lots, with starting prices anticipated to be in the \$600,000 range. Given an oversupply in the condominium market, the number of new units coming to market has been limited, and particularly so at the upper end. One or two projects, involving high-end units, may be announced this year, which could help lift sales in this segment. On the whole, however, condominiums remain a minute portion of the high-end market. Place Bonaventure Condominiums, King Edward Court and The Narrows remain among the city's most prestigious luxury condominium addresses. The most expensive property sold in 2013, at \$1.5 million, involved a 3,220 sq. ft. condo on Duckworth Street with an unobstructed view of the St. John's Harbor. The most expensive listing currently available is a 6,000 sq. ft. historic property on Kings Bridge Road priced at \$1.8 million. Those interested in the condominium lifestyle can snap up the city's most exclusive listing, the Penthouse at Elizabeth Towers, for \$999,900, which comes with a scenic 1,100 sq. ft. patio. Infill continues to occur on a sporadic basis throughout the city, but lots in established neighbourhoods remain few and far between. Some have come up in Churchill Square around the \$450,000 price point, with custom builds bringing combined property and home values closer to \$1.2 million, when complete. With the Newfoundland economy continuing on a growth trajectory in 2014, the upper-end is expected to remain healthy, as luxury sales match or exceed year-ago levels. While some price adjustments are still occurring, properties that are listed at fair market value are garnering interest. Overall, prices will remain stable or post modest growth year-over-year, depending on location.



St. John's

Upper-End Residential Sales - January 1 to December 31
Price Point: \$500,000+



Source: RE/MAX, Local Real Estate Boards

Upper-End market trends



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