

RE/MAX 2015

# SPOTLIGHT ON LUXURY



THE  
**RE/MAX**  
COLLECTION®  
*Fine Homes & Luxury Properties*



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## Spotlight Summary

Sales of homes priced over \$1 million were up year-over-year in Toronto, Vancouver, Montreal and Victoria in the first seven months of the year. Calgary was the exception; sales in the \$1 million range decreased 28 per cent over the same period in 2014.

In Canada's two largest luxury markets, sales of homes \$3 million and up saw impressive gains. In the Greater Toronto Area, sales in this range increased by 119 per cent and in Greater Vancouver by 79 per cent between January 1 and July 31.

The increase of sales at the top-end of the luxury market can be attributed to two factors. One is overall price appreciation in both markets, driven by low inventory and high demand for single-family homes that has led to more homes meeting the higher dollar threshold. A second factor is high demand for luxury homes from foreign buyers in both markets.

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*In the Greater Toronto Area, sales in the \$3 million dollar and up range increased by 119 per cent and in Greater Vancouver by 79 per cent between January 1 and July 31.*

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In Calgary, a healthy 2.3 to 2.5 months' supply of inventory in the \$1 million plus range has brought a more balanced market to the city. Luxury buyers are not witnessing a notable decrease in price; however, there is less pressure for buyers during the negotiation process. With more inventory available, conditions like home inspection and financing, which were rarer when buyers were frequently in a competing offer situation, have become part of the normal negotiation process again.

RE/MAX brokers and agents reported that foreign buyers have continued to drive demand in the Vancouver and Toronto luxury markets in the first half of 2015. These buyers, primarily from China, are typically families with children who are relocating to Canada to live. They've chosen Canada for its stable economy and high quality of life, and their real estate decisions are strongly influenced by proximity to good schools.

Although foreign buyers are less active in Montreal's luxury market compared to Toronto and Vancouver, RE/MAX brokers and agents have reported a substantial increase in foreign buyers in Montreal during the first seven months of 2015. Its relative affordability, aided by the strength of the yuan compared to the Canadian dollar during this period, make the city a

good value proposition for foreign buyers.

In regions where condominiums are a significant part of the luxury market, sales of condominiums priced over \$1 million rose year-over-year. Montreal, Toronto and Vancouver all saw an increase of high-end condominium sales. While demand in the luxury freehold market was driven primarily by families, luxury condominium buyers tend to be Baby Boomers who are downsizing during retirement. These buyers tend to spend part of their time in a second home or travelling, and choose condominiums for access to luxury amenities without the maintenance required of a house.

Based on interviews with RE/MAX brokers and associates, luxury market trends seen in Canada's major markets during the first seven months of the year are expected to continue through the end of 2015.



## Montreal

Sales of luxury homes in Montreal increased year-over-year between January 1 and July 31. 380 homes priced over \$1 million and 41 homes priced over \$2 million exchanged hands, compared to 307 and 29 respectively in 2014.

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*Luxury buyers in Montreal are attracted to the city's stock of beautiful older houses, which are located in more mature, centrally-located neighbourhoods.*

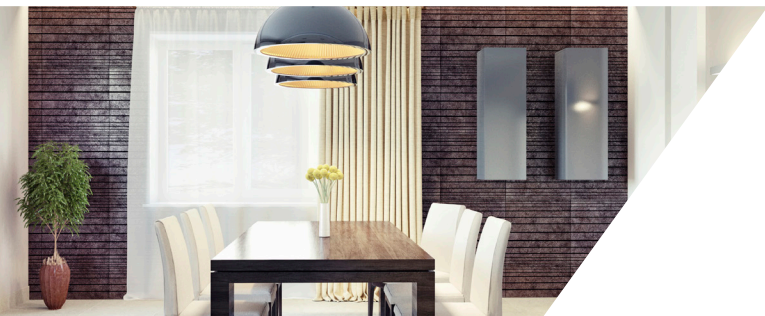
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Despite increased activity in the luxury market, high levels of inventory have led to softer prices. In this buyers' market, buyers are aggressively looking for a bargain and it's not uncommon to see offers well below asking price. Typical buyers in this market are dual income families with older children who are moving up from smaller houses within Montreal.

While there is a good selection of new build and resale luxury properties on the market, there tends to be stronger demand for resale properties. Luxury buyers in Montreal are attracted to the city's stock of beautiful older houses, which are located in more mature, centrally-located neighbourhoods.

Waterfront homes are especially popular, and homes located south of highway 20 in the West Island area have been in higher demand recently. Beaconsfield, an older suburb in the West Island, continues to attract affluent families to its tastefully renovated homes.

The most expensive property that sold between January and July was a restored historic home, which once belonged to Sir John Abbott. Located in Senneville, the west tip of the Island of Montreal, on the shores of The Lake of Two Mountains, the home sold for \$6.76 million.





	NUMBER OF PROPERTIES SOLD YEAR-OVER-YEAR (JANUARY 1 TO JULY 31)									HIGHEST SOLD (JANUARY 1 TO JULY 31)	
	1M+			2M+			3M+			2015	2014
	2015	2014	YOY	2015	2014	YOY	2015	2014	YOY	2015	2014
GREATER VANCOUVER	2,649	1,894	40%	1,175	793	48%	572	319	79%	\$17,550,000	\$16,600,000
Freehold	2,248	1,593	41%	1,082	726	49%	532	296	80%	\$17,550,000	\$12,280,000
Condominium	401	301	33%	93	67	39%	40	23	74%	\$7,750,000	\$16,600,000
VICTORIA	243	172	41%	37	27	37%	10	10	n/a*	\$3,600,000	\$5,388,000
Freehold	230	138	67%	36	24	50%	9	7	n/a*	\$3,000,000	\$5,388,000
Condominium	13	34	n/a*	1	3	n/a*	1	3	n/a*	\$3,600,000	\$5,000,000
CALGARY (Freehold & Condominium)	517	715	-28%	48	77	-38%	14	17	n/a*	\$3,000,000	\$3,800,000
GREATER TORONTO AREA	7,249	4,684	55%	1,098	722	52%	379	173	119%	\$9,500,000	\$11,480,000
Freehold	6,929	4,458	55%	1,042	687	52%	259	164	58%	\$9,500,000	\$11,480,000
Condominium	320	226	42%	56	35	60%	20	9	n/a*	\$5,800,000	\$5,590,000
OAKVILLE (Freehold & Condominium)	401	299	34%	52	54	-4%	10	17	n/a*	\$8,800,000	\$6,500,000
MONTREAL	380	307	24%	41	29	41%	14	9	n/a*	\$6,760,000	\$6,700,000
Freehold	309	257	20%	24	25	-4%	12	7	n/a*	\$6,760,000	\$6,700,000
Condominium	45	31	45%	3	4	n/a*	2	2	n/a*	\$3,300,000	\$4,900,000

Source: Historical values are sourced from CREA or local board statistics.

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