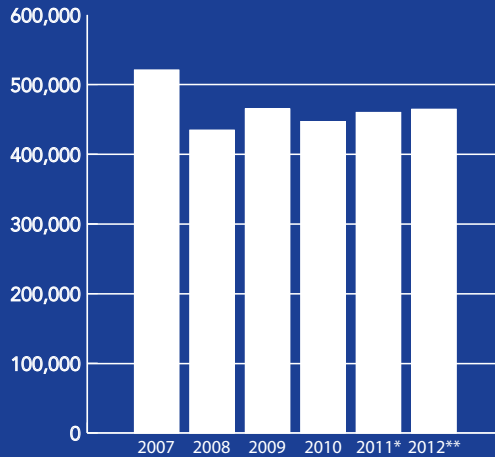


RE/MAX[®] HOUSING MARKET OUTLOOK 2012



Canadian Overview

CANADA Residential Unit Sales 2007 – 2012



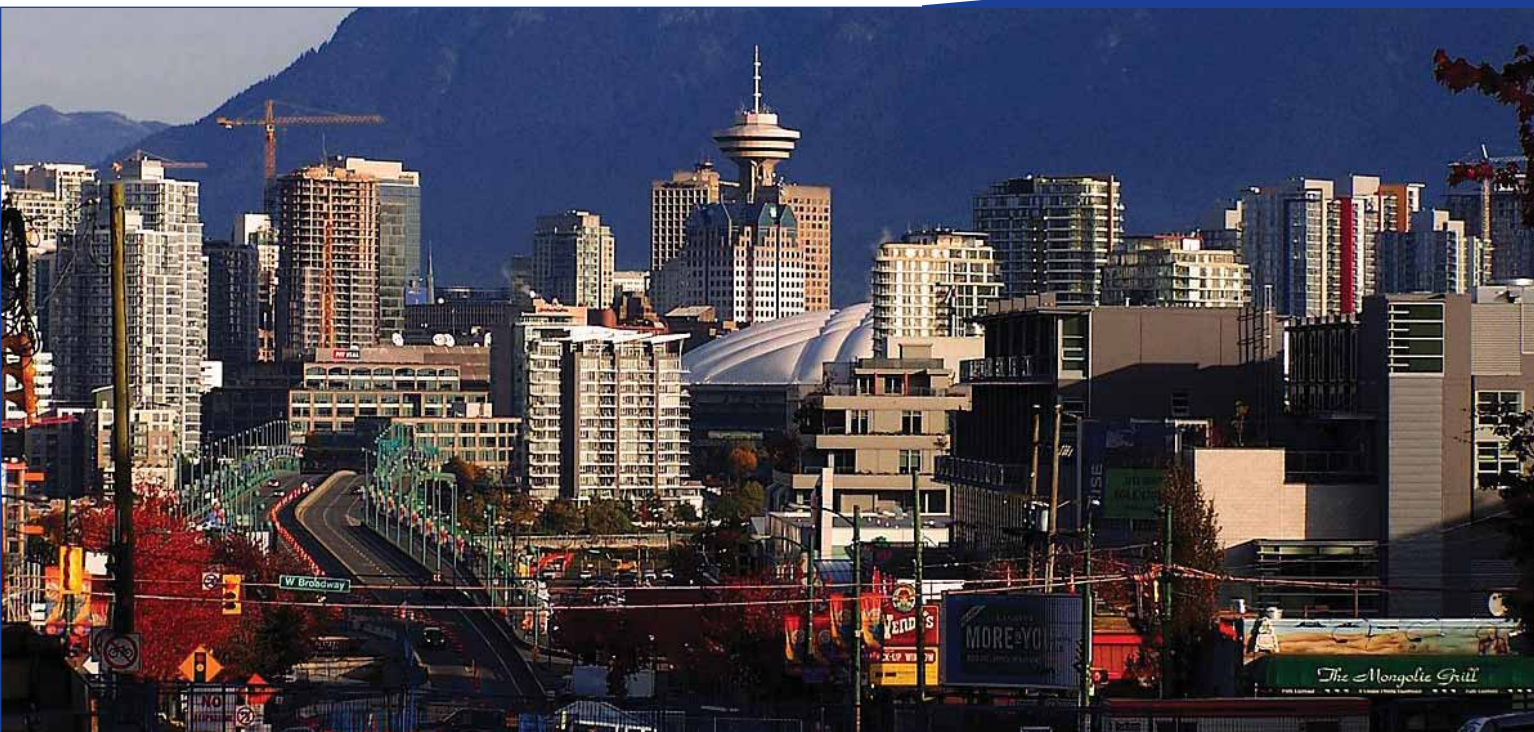
*Estimate **Forecast
Source: RE/MAX, CREA

Canadian housing markets showed remarkable resilience in 2011, with most expected to defy expectations and post positive numbers at year-end. Nationally, an estimated 460,000 homes are expected to change hands, up three per cent over the 447,010 properties sold in 2010. The average price of a Canadian home is forecast to climb seven per cent to \$363,000 in 2011, up from \$339,030 one year prior. While off to a slow start initially, homebuying activity gained momentum over the traditionally quiet summer months. By early fall, markets were firing on all cylinders, closing the gap between 2010 and 2011 figures for unit sales and average price. By year-end, 85 per cent of markets were expected to finish the year on par or ahead of 2010 levels in terms of unit sales, and 88 per cent were forecast to experience upward trending in average price.

Low interest rates were the primary impetus, driving first-time and move-up buyers into the Canadian housing market. Inventory levels were tighter earlier in the year—resulting in bidding wars in many major Canadian centres—particularly Greater Vancouver, Greater Toronto, and Ottawa. By summer, however, conditions had eased, and the market had slipped into more balanced territory. A greater selection of product was listed for sale and homebuyers were on the move once again. The top-end was especially brisk—posting serious gains in markets such as Greater Vancouver, where sales over the \$2 million price point more than doubled over 2010 levels. The condominium market was solid as well, providing many young purchasers with an affordable first step to homeownership. The lifestyle also resonated with empty-nesters and retirees, many of whom were seeking larger apartment units, townhomes, bungalofs, or garden homes.

The Canadian housing market was just hitting its stride when global economic turmoil broke out. Amid stock market volatility, the threat of a double-dip recession south of the border, and one European debt crisis after another, Canadians were out buying real estate. The country's sound



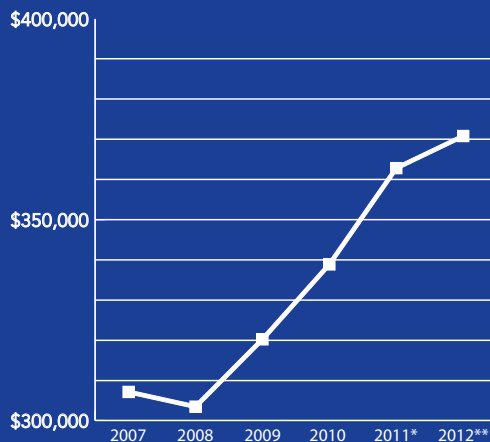


economic fundamentals supported the trend, with job stability the cornerstone. Despite it all, more than 200,000 jobs were created in 2011 and the employment picture continues to improve. GDP growth in the country is expected to climb, albeit slowly, posting 2.3 per cent growth in 2011, followed by 2.5 per cent growth next year.

The latter half of 2012 has been earmarked as a period of renewed economic growth, stronger than previously predicted, as overall confidence recovers. By 2013, the Canadian economy is expected to expand significantly, growing by an estimated 2.9 per cent.

The takeaway is that Canadians believe in home-ownership—and they continue to demonstrate that mantra day after day. Whether they're buying their first home, investing in their principle residence through renovation or trading-up to a larger home, it's on their radar. As a result, the future of residential housing markets across the country remains bright, with 85 per cent reporting an upswing in average price next year, while over 88 per cent project a match or increase in the number of homes sold in 2012. Nationally, the number of home sales is expected to climb one per cent to 464,500 units, while average price appreciates two per cent to \$371,000.

CANADA Residential Average Price 2007 – 2012



*Estimate **Forecast
Source: RE/MAX, CREA