



For immediate release

Canadian homebuyers remain undaunted in 2013, as housing sales and average price approach five-year high

Major residential real estate markets poised for further growth in 2014

Laval, QC (December 11, 2013) -- Canadian consumers remained remarkably steadfast in their determination to achieve homeownership in 2013, fuelling residential real estate sales and average price nationally to a five-year high, despite a spotty regional performance. Improved economic performance on both a national and global stage, combined with historically low interest rates and rising consumer confidence, should spark greater strength in 2014, with housing sales and values expected to further appreciate, according to a report released today by RE/MAX.

The RE/MAX Canadian Housing Market Outlook 2014 examined trends and developments in 25 major markets across the country. The report found that the number of homes sold is expected to match or exceed 2012 levels in almost two-thirds of markets (15/25) in 2013, led by strong activity in British Columbia, including Vancouver (up 10 per cent) and Kelowna (10 per cent). Quebec markets are expected to soften somewhat from year-ago levels, with Greater Montreal and Quebec City poised to record a nine per cent and 12 per cent decline in sales respectively. The province experienced greater impact from stricter lending regulations and saw confidence hampered by labour challenges and weaker economic growth in 2013. Ninety-two per cent (23/25) of markets are set to experience average price increases by year-end 2013, with Hamilton-Burlington the country's frontrunner at 7.5 per cent, followed by Barrie and District at seven per cent, Calgary and St. John's at six per cent, and Greater Vancouver, Winnipeg and the Greater Toronto Area at five per cent. Montreal and Quebec City are anticipated to post modest average price gains of two and four per cent respectively.

The forecast for 2014 shows the upward trend gaining momentum, with values expected to climb yet again in 92 per cent (23/25) of centres, led by Greater Toronto at six per cent. Montreal should see average price plateau, while Quebec City is expected to mark a slight one per cent contraction. Strength and stability are forecast to characterize Canadian real estate in 2014, with sales estimates on par or above year-ago levels in all markets examined, led by Kelowna (10 per cent) and Calgary (nine per cent). The Quebec markets are expected to resume a growth trajectory in unit sales in 2014, both at two per cent.

Nationally, an estimated 466,000 homes will change hands in 2013, an increase of three per cent over the 453,372 sales recorded in 2012. Canadian home sales are expected to climb two per cent to 475,000 units by year-end 2014. The average price of a Canadian home is forecast to appreciate four per cent to \$380,000 in 2013, up from \$363,740 in 2012. Values are expected to continue to escalate in 2014, rising three per cent to \$390,000 by year end.

"Housing markets proved incredibly resilient in 2013, particularly in light of the greater disparity in year-over-year performance that existed earlier in the year," says Sylvain Dansereau, Executive Vice President, RE/MAX Quebec. "While activity proved weaker overall in Quebec, a more positive picture should emerge next year. Quebecers and Canadians overall have demonstrated a long-term mindset that bodes well for stability. Yet, they also value progress, and we expect that to translate again in 2014. Equity gains should continue to result in tangible leaps to larger homes or better neighbourhoods, as well as a growing wave of renovation and revitalization. Gains in equity markets may also serve to bolster activity, as paper wealth is converted to material wealth. We anticipate improved momentum going forward."

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Regional disparities surfaced early in 2013, according to the RE/MAX Report, and were evident throughout the year. Alberta started the year with a bang, with both major markets bucking the national downward trending in sales. Homebuying activity in British Columbia, Saskatchewan, Manitoba, and Ontario kicked into high gear in July, with most centres expected to move ahead of 2012 levels by year end, led by Greater Vancouver, Kelowna, Victoria (six per cent), Windsor-Essex (six per cent), Edmonton (five per cent) and Hamilton-Burlington (five per cent). Yet, performance in Quebec and Atlantic Canada is forecast to fall short of 2012 levels. More consistent performance is expected in 2014, especially given economic projections for the East Coast and Quebec. Both regions should rebound in the new year, led by Halifax-Dartmouth (five per cent), Moncton (three per cent), Greater Montreal (two per cent) and Quebec City (two per cent).

“Inventory played a key role in keeping housing markets at an equilibrium in 2013—with supply largely meeting demand throughout the year,” says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “The anticipated run-up in inventory failed to materialize in most major centres. Prices remained healthy as a result, with steady upward momentum noted, particularly in the latter half of the year. The trend is forecast to continue, with average price appreciation expected to break existing records in 2014.”

Although there are several factors that are expected to contribute to rising housing values on a national basis, one of the most pressing is build out. Nowhere is that more obvious than in Vancouver, where the mountains and the ocean have prevented further growth, and the Greater Toronto Area, where the greenbelt has stymied future development. As such, the availability of low-rise homes relative to the population is expected to contract, placing further pressure on prices. Vertical growth and its affordable price point is representative of the future.

“We are seeing an increasing focus on higher density developments across the country,” says Dansereau. “While the trend is expected to gain traction in most major centres, we anticipate a softening in Quebec’s condominium segment, until the current oversupply is absorbed.”

On the whole, solid underpinnings continue to support healthy levels of real estate activity from coast to coast. Buyers appear to be realistic in their pursuits, and after several rounds of mortgage tightening, many are coming to the table better qualified, with larger downpayments and readjusted expectations. Imposed restrictions have had the desired effect. A sound framework is now in place to support steady and sustainable growth over the next several years. Existing inventory levels remain crucial to Canadian housing markets moving forward. The tightening currently demonstrated at entry-level price points—as more first-time buyers make their way back into the market—could translate into further price hikes down the road.

“The housing outlook remains healthy and positive,” says Gurinder Sandhu, Executive Vice President, Regional Director, RE/MAX Ontario-Atlantic Canada. “Continued growth and expansion should characterize most residential markets in the year ahead. The appeal of residential real estate continues to resonate with Canadians, as a relatively low-risk, tangible asset that serves multiple purposes—shelter, investment, and retirement fund rolled into one.”

About the RE/MAX Network

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

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**RESIDENTIAL AVERAGE PRICE BY MARKET
2008 - 2014**

Market	2008	2009	2010	2011	2012	2013E*	% +/-	2014F**	% +/-
BRITISH COLUMBIA									
Greater Vancouver	\$593,767	\$592,441	\$675,853	\$779,730	\$730,063	\$765,000	5	\$800,000	5
Victoria	\$484,898	\$476,137	\$504,561	\$498,300	\$484,164	\$484,000	PAR	\$490,000	1
Kelowna	\$430,755	\$400,450	\$419,884	\$404,756	\$404,712	\$397,000	-1	\$405,000	2
ALBERTA									
Edmonton	\$332,852	\$320,378	\$328,803	\$325,395	\$334,318	\$345,000	3	\$358,800	4
Calgary	\$407,149	\$387,413	\$398,764	\$402,851	\$412,315	\$437,000	6	\$448,000	2.5
SASKATCHEWAN									
Regina	\$229,716	\$244,088	\$258,023	\$276,469	\$301,332	\$312,000	3.5	\$320,000	3
Saskatoon	\$287,777	\$279,779	\$296,378	\$309,823	\$331,867	\$345,500	4	\$356,000	3
MANITOBA									
Winnipeg	\$196,940	\$207,342	\$228,706	\$241,409	\$255,058	\$267,000	5	\$275,000	3
ONTARIO									
Hamilton-Burlington	\$280,790	\$290,946	\$311,683	\$333,498	\$360,059	\$387,000	7.5	\$402,500	4
Kitchener-Waterloo	\$267,255	\$266,385	\$289,294	\$301,010	\$311,006	\$320,000	3	\$330,000	3
London-St. Thomas	\$210,888	\$213,127	\$228,114	\$232,387	\$238,822	\$247,000	3	\$250,000	1
Ottawa	\$290,483	\$304,801	\$328,439	\$344,791	\$352,610	\$360,000	2	\$367,000	2
Greater Sudbury	\$216,769	\$203,941	\$225,023	\$234,544	\$247,462	\$254,000	2	\$259,000	2
Greater Toronto	\$379,943	\$395,460	\$431,463	\$465,412	\$497,150	\$520,000	5	\$550,000	6
Barrie and District	\$264,034	\$263,959	\$281,961	\$287,588	\$299,685	\$320,000	7	\$330,000	3
St. Catharines	\$222,104	\$225,421	\$237,376	\$244,630	\$253,469	\$258,000	2	\$265,500	3
Kingston and Area	n/a	n/a	n/a	n/a	\$280,095	\$286,000	2	\$297,000	4
Windsor-Essex	\$162,599	\$156,615	\$163,054	\$170,034	\$175,581	\$183,000	4	\$190,000	4
QUEBEC									
Greater Montreal	\$262,611	\$274,787	\$297,588	\$313,997	\$319,026	\$324,000	2	\$324,000	0
Quebec City	\$197,450	\$212,203	\$237,309	\$247,088	\$257,713	\$267,000	4	\$264,500	-1
NEW BRUNSWICK									
Saint John	\$168,965	\$179,762	\$178,867	\$177,328	\$174,026	\$181,000	4	\$184,000	2
Moncton	\$143,173	\$150,135	\$152,257	\$158,361	\$158,107	\$160,000	1	\$165,000	3
NOVA SCOTIA									
Halifax-Dartmouth	\$232,106	\$239,158	\$253,610	\$260,950	\$270,742	\$276,000	2	\$278,000	1
PRINCE EDWARD ISLAND									
	\$139,944	\$146,044	\$147,196	\$149,617	\$152,250	\$157,000	3	\$161,700	3
NEWFOUNDLAND & LABRADOR									
St. John's	\$187,571	\$218,862	\$251,191	\$268,608	\$285,529	\$302,500	6	\$317,600	5
CANADA									
	\$303,594	\$320,367	\$339,049	\$363,346	\$363,740	\$380,000	4	\$390,000	3

* Estimate **Forecast

Source: Historical values are sourced from CREA or Local Real Estate Boards. Estimates and forecasts are based on the opinions of independent RE/MAX broker/owners and affiliates.

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RESIDENTIAL UNIT SALES BY MARKET
2008 - 2014

Market	2008	2009	2010	2011	2012	2013E*	% +/-	2014F**	% +/-
BRITISH COLUMBIA									
Greater Vancouver	25,149	36,257	31,144	32,936	25,445	28,000	10	29,000	2
Victoria	6,171	7,660	6,169	5,773	5,460	5,800	6	6,000	4
Kelowna	3,773	3,924	3,289	3,330	3,902	4,300	10	4,730	10
ALBERTA									
Edmonton	17,369	19,139	16,403	16,963	17,641	18,500	5	19,400	5
Calgary	22,931	24,711	20,801	22,466	26,634	27,500	3	30,000	9
SASKATCHEWAN									
Regina	3,338	3,704	3,581	3,909	3,922	3,700	-5	3,775	2
Saskatoon	3,522	3,822	3,558	4,027	4,171	4,200	1	4,200	0
MANITOBA									
Winnipeg	11,854	11,509	11,572	12,297	12,094	12,300	2	12,300	0
ONTARIO									
Hamilton-Burlington	12,110	12,680	12,934	13,932	13,035	13,700	5	14,300	4.5
Kitchener-Waterloo	6,047	6,347	6,389	6,252	6,212	6,300	1	6,300	0
London-St. Thomas	8,395	8,113	8,128	8,048	8,020	8,075	1	8,150	1
Ottawa	13,908	14,923	14,586	14,551	14,497	13,800	-5	13,900	1
Greater Sudbury	2,913	2,371	2,669	2,829	2,764	2,800	1	2,800	0
Greater Toronto	74,552	87,308	85,545	89,099	85,498	87,500	2	89,000	2
Barrie and District	4,058	4,326	4,105	4,228	4,576	4,650	2	4,850	4
St. Catharines	2,894	2,808	2,940	2,836	2,621	2,700	3	2,780	3
Kingston and Area	n/a	n/a	n/a	n/a	3,791	3,750	-1	3,900	4
Windsor-Essex	4,376	4,586	4,791	4,773	4,907	5,200	6	5,400	4
QUEBEC									
Greater Montreal	40,440	41,753	42,299	40,357	40,089	36,500	-9	37,200	2
Quebec City	7,838	7,962	7,073	7,200	7,219	6,300	-12	6,425	2
NEW BRUNSWICK									
Saint John	2,559	2,283	2,017	1,835	1,886	1,850	-2	1,870	1
Moncton	2,663	2,386	2,402	2,467	2,259	2,200	-3	2,275	3
NOVA SCOTIA									
Halifax-Dartmouth	6,472	6,062	5,944	6,119	6,239	5,700	-9	6,000	5
PRINCE EDWARD ISLAND									
	1,413	1,404	1,487	1,521	1,614	1,600	-1	1,600	0
NEWFOUNDLAND & LABRADOR									
St. John's	3,835	3,642	3,470	3,647	3,871	3,650	-6	3,650	0
CANADA									
	434,477	465,068	446,913	456,749	453,372	466,000	3	475,000	2

*Estimate **Forecast

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