



2007/10/17

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Slow and steady growth forecast for residential real estate

Canadian home sales to top 500,000 in 2007

Kelowna, BC (October 17, 2007)—After posting extraordinary gains in 2007, housing market performance will moderate in most major Canadian centres in 2008, according to a report released today by RE/MAX.

The RE/MAX Housing Market Outlook 2008 examined residential real estate trends in 18 markets across the country. The report found that while economic prospects will continue to improve next year, few major markets are expected to exceed record sales levels set in 2007. Winnipeg, Hamilton-Burlington, Kitchener-Waterloo, London-St. Thomas, Ottawa, Sudbury, Saint John, Halifax-Dartmouth, and St. John's are all predicted to buck the trend in 2008, with appreciation ranging from one to seven per cent. Average price is forecast to increase in 78 per cent of markets surveyed next year, with the lowest price increase expected in Edmonton and the highest in St. John's.

Nationally, the number of homes sold is expected to break through the half-million threshold in 2007, climbing 13 per cent to an estimated 545,400 units, up from 483,770 units one year ago. Average price is projected to appreciate nine per cent to \$303,000, up about \$25,000 over 2006 levels. In 2008, home sales are expected to retreat to 500,000 units while Canadian housing values are forecast to continue their ascent, rising six per cent to \$321,000.

"Clearly, economic prosperity has translated into increased housing sales and upward pressure on prices across the board," says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. "The country's economic engine fired on all cylinders throughout the year, despite dire conditions south of the border. As in 2007, inventory will be the major wildcard next year—the ultimate variable most expected to influence housing market conditions and performance. A return to tight market conditions could mean all bets are off as buyers are forced to compete, creating increased market pressure."

Major market frontrunners for price appreciation in 2008 include St. John's (12 per cent), Regina and Kelowna – Central Okanagan (nine per cent), Hamilton-Burlington and Saint John (eight per cent) and Greater Vancouver (seven per cent). Leading the country in sales growth next year will be Kitchener-Waterloo (seven per cent), followed by Hamilton-Burlington, London-St. Thomas, Sudbury and Halifax-Dartmouth, each forecasting a five per cent gain.

Higher mortgage rates and increased inventory levels failed to materialize in most major centres, making 2007 a record year for real estate activity in Canada. By year-end, housing values across the country are expected to shatter existing records. Serious double-digit increases in average price are forecasted for Saskatoon (49), Edmonton (31.5), Regina (21), Calgary (20), Sudbury (20), Kelowna (19.5) Saint John (17), St. John's (12), and Greater Vancouver (10).

Saskatchewan dominated real estate news in 2007, reporting some of the highest percentage increases in unit sales. The number of homes sold in Regina by year-end is expected to top 35 per cent, bringing sales to an estimated 4,000 units. Neighbouring Saskatoon is forecast to climb 28 per cent to 4,400 units in 2007. Other centres expected to post double-digit gains in activity include Saint John (19 per cent) Kitchener-Waterloo (13 per cent), Halifax-Dartmouth (12 per cent), St. John's (11 per cent), and Toronto (10 per cent).

"Western markets were first out of the gate in 2007, but those in the East followed suit," says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. "By year-end, some of the most impressive gains in home sales will be realized in Ontario and Atlantic Canada. Solid economic fundamentals, including billions of dollars in capital projects, a positive unemployment outlook, and solid consumer confidence levels will propel markets forward. A slow and steady growth trajectory, minus the peaks and valleys experienced in 2007, is forecast for next year."

RE/MAX is Canada's leading real estate organization with over 17,500 sales associates situated throughout its more than 640 independently owned and operated offices across the country. The RE/MAX franchise network, now in its 34th year of consecutive growth, is a global real estate system operating in over 65 countries. More than 7,000 independently owned offices engage 120,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral and asset management. For more information, visit: www.remax.ca.

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2007/08/23

Population Demographics Require Twenty-First Century Interpretation

Statistics Canada announces the release of another section of 2006 Census data and the media responds with a flood of extrapolations. This pattern may hold valuable clues for real estate buyers and sellers as it does for developers, planners and municipal officers, but don't confuse predictions with fact. Free, online access to Stats Can data enables consumers to go to the source and not rely entirely on second-hand interpretations.

Census data form a significant forecasting tool for communities and governments. This statistical coast-to-coast-to-coast, one-day snapshot of the 31,612,897 people in Canada determines the relative distribution of approximately C\$62.1 billion in federal funding transfers to provinces and territories.

The July 2007 release of "Portrait of the Canadian Population in 2006, by Age and Sex," like other releases, triggered a wave of media coverage that combined interesting facts, valuable insights, flawed thinking and misleading suppositions. Important clues and issues do emerge, especially for those deciding where and how to live over the thirty, forty or more active, involved years which have replaced the traditional quiet handful of years after work.

Through years of research, interviewing and analysis, I have discovered many insights, hindsights, foresights and warnings from past generations and their "retirements" that can assist in the design of a fulfilling twenty-first century "new retirement" -- or unretirement, as it has become -- but the past should not be seen as the ultimate dictator of what lies ahead. Few Boomers want the same lifestyles and futures as their parents and grandparents.

We live in a theoretical era since the first-time-in-history phenomenon that is The Age Wave -- the collective term for Baby Boomers -- introduces segments of the population in greater numbers, wealth and influence than have never been experienced before. We have never built housing, offered municipal services, created health maintenance programs or provided public transit for the segments of the population that we continue to describe by chronological age as if that is an indicator of the homogeneity of the groups. Boomers are generally described as those born between 1947 and 1966, and so are currently aged 41 to 60. This is not a homogeneous group, but a rich mosaic of diverse individuals.

Chronological age is no longer relevant as the key lifestyle determinant. More significantly, the range of unretirement alternatives will continually broaden until it changes the way students select educational pathways and choose careers. Even now, increasing numbers of university-grads and entry-level workers, as well as students in high schools and universities, make decisions based on when they'll be able to take entrepreneurial control of their incomes and live outside corporate dictates.

The Portrait release concentrates on the number of people aged 65 and over, which increased by more than 446,700 compared with the last Census in 2001 (+11.5%) to reach 4.3 million. Descriptions of Canada as an aging population should not be confused with the twenty-first century reality of positive or active aging. In demographics, "agingpopulation" is a technical term for the point at which the median age of a country or region increases. This shift towards greater ages may result from a decline in birth rate, a rise in longevity or both. In common use, the expression "aging society" can include reference to "a lot of old people" in the most negative sense of aging as a synonym for frailty, weakness and mental deficiencies.

Society's reaction to age and aging in the last two centuries still infuses the thinking and behaviour of individuals, organizations and governments. Ageism or prejudice against age can undermine thinking, consciously and unconsciously, on many levels and shortchange all concerned. Ingrained bias, stereotypic thinking and inflexible attitudes towards aging, work and many aspects of life can undermine analysis and interpretation of data.

The 2006 Census describes Kelowna, British Columbia, statistically as "the oldest" and Barrie, Ontario, as "the youngest" by population. What do you believe these labels tell you about life in two such different locations, both with great unretirement potential?

We already see shifts in thinking that demonstrate "retirement" no longer marks the end of a purposeful life. To beat the rush ahead, some people are buying their dream "retirement" home in cottage country, on

ocean waterfront or deep within people-friendly city neighbourhoods well in advance of an intended exodus from their current workplace. Gone are expectations that a move into an institutional retirement home is inevitable. Aging now means continued independent living in your own home and in a neighbourhood you choose.

When you're deciding where and how to live, Stats Can community profiles can be an interesting place to start.

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2007/09/05

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Luxury sales experience serious upward momentum in major Canadian markets, says RE/MAX

Kelowna, BC (September 5, 2007) -- Consistent return on investment has prompted an unprecedented upswing in luxury home sales in major Canadian centres so far this year, according to a report released by RE/MAX.

The RE/MAX Upper-End Market Trends Report examined trends and activity in 16 markets across the country between January and July 2007. Luxury home sales were up over the same period one-year ago in all markets, with percentage increases ranging from 13 per cent in Victoria to 521 per cent in Edmonton. Four markets, including Edmonton, Regina, Saskatoon and Ottawa, reported triple-digit increases while double-digit gains characterized remaining markets. The report also found that the upper-end price points were under stress in most markets surveyed.

"Strong economic performance, especially in Western Canadian provinces, has bolstered consumer confidence levels to such a degree that purchasers in the upper-end are comfortable with a million dollar plus investment in real estate," says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. "Recent volatility in the stock market may trigger further investment in real estate as purchasers move to reallocate their holdings."

Year-to-Date (January to July) Unit Sales by Market

Market	Upper-End Price Point	Unit Sales 2006	Unit Sales 2007	Percent Increase
Vancouver	\$2 million	166	249	48
White Rock	\$1.2 million	73	105	44
Victoria	\$1 million	128	137	13
Kelowna	\$1 million	36	59	64
Calgary	\$1 million	198	311	57
Edmonton	\$900,000	14	87	521
Saskatoon	\$500,000	14	60	328
Regina	\$500,000	2	11	450
Winnipeg	\$400,000	91	170	86
Greater Toronto Area	\$1.5 million	395	505	28
Hamilton-Burlington	\$500,000	342	460	34
Kitchener-Waterloo	\$500,000	87	111	12
London	\$500,000	47	62	32
Ottawa	\$750,000	46	99	115
Halifax	\$350,000	257	376	46
St. John 's	\$350,000	22	53	57

Solid gains in housing values - especially in the top-end of the market - have garnered much attention. The steady upward trending has attracted a growing number of affluent purchasers who are taking advantage of both the increased equity and the capital gains exemption for a principle residence.

"The consumer appetite for luxury property has been insatiable," says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. "Unabated demand throughout the year has created tight market conditions in a number of blue chip neighbourhoods. Limited availability of product has, in turn, placed mounting pressure on housing values. As a result, the million dollar home no longer holds the same cache it once did and in larger markets such as Vancouver, Calgary, and Toronto, it 's simply a starting price."

Out-of-province and international purchasers are active in most markets surveyed, but locals still account for the majority of upper-end sales. Benchmark sales, including one home priced at close to \$16 million in Toronto, are occurring with greater frequency and overall, there are more sales taking place in the very upper reaches of the marketplace this year. In smaller centres, benchmarks have been set throughout the year and although some, such as Regina, have yet to report a \$1 million sale, the day is nearing.

Upscale condominium sales are also climbing as empty-nesters and retirees up the ante for these types of property. The most expensive sale to date occurred in Vancouver at close to \$5 million, while the priciest listing carries a price tag of \$18.2 million in the same centre.

"It appears that a growing percentage of the population has that kind of money to spend," says Polzler. "Growth in market capitalization has generated tremendous wealth in recent years - in fact, both the Dow Jones and S&P 500 reported double-digit growth in 2006. Demand for luxury goods overall - upscale homes, fine art, collectable cars -- is outpacing demand for everyday consumables. Inheritance has played a significant role as well, with the download on an estimated \$1 trillion amount already underway."

"When it comes to shelter, these upscale purchasers clearly want it all," says Ash. "Price is really no obstacle when it comes to creating a legacy."

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Upper-End MarketTrends Report 2007