

Please be advised that RE/MAX of Western Canada released the Condominium Market Report to the national news media today. The press release and full report can be found at [www.remax-western.ca](http://www.remax-western.ca).

Below you will find the Agent Template piece, which is a condensed version of the press release. This is for agent use to be cut and pasted directly into newsletters, blogs and websites ect. Be sure to quote the source as RE/MAX Condominium Report, 11/14/2007 - RE/MAX of Western Canada (1998) Inc. The Agent Template can also be downloaded from Mainstreet.

## **Condominiums achieve unprecedented favour among Canadian homebuyers**

### **Double-digit sales gains reported in most major markets in 2007**

After more than three decades of slow but steady growth, the condominium concept has finally clicked with Canadian homeowners. The lifestyle has proven to be a solid investment in housing markets across the country, chalking up some of the most impressive gains in residential real estate in 2007, according to the RE/MAX Condominium Report.

Their universal appeal is substantiated, with every market reporting increased momentum in condominium sales volume over 2006 levels. In fact, 80 per cent of markets surveyed reported double-digit gains in sales year-over-year, with 53 per cent reporting increases over 20 per cent. The greatest growth was experienced in Canada's small to mid-sized markets. Leading the country, in terms of percentage increase in sales so far this year, are Kitchener-Waterloo (+59%), Regina (+57%), St. John's (+54%), and Saskatoon (+33%).

The white picket fence, sprawling green lawn and tidy urban bungalow has become an unattainable ideal for many first-time buyers—especially in the West. By necessity, condominiums have become the only practical means to homeownership for a growing segment of the population. Today's entry-level purchasers aspire to manageable mortgage payments, sunset city views, and the non-stop action and amenities of central core living, all packed into 600 to 800 sq. ft. The momentum of the market in recent decades has redefined the home buying process.

While price appreciation on freehold properties, in particular, was the primary factor in the upswing, the strong desire among baby boomers to lead an active, carefree lifestyle has also driven the concept to unprecedented popularity. The RE/MAX Condominium Report identified Greater Vancouver as the strongest market in the country – where close to 60 per cent of all residential sales now involve a condominium. Condominium presence is also on the rise in centres such as Toronto, Edmonton, Calgary, Regina, Ottawa, and Hamilton-Burlington, where condos now represent 20 to 30 per cent of all MLS sales.

Deteriorating affordability levels in major Canadian centres have led to the resurrection of the condominium lifestyle in recent years. Condominiums are clearly the answer to the skyrocketing cost of land and shelter that has all but eradicated the dream of homeownership for many first-time buyers.

Condominium values were also up from coast-to-coast in 2007, with all major markets reporting an increase in average price. Thirty-three per cent of cities surveyed reported double-digit price appreciation. The most dramatic hikes were seen in Western Canada's red-hot housing markets, led by Saskatoon (+24%), Calgary (+22%), Edmonton (+19%), Kelowna (+16 % for town homes, +12% for apartments), Vancouver (+14 % for town homes, +11% for apartments), and Victoria (+9% for town homes, +12% for apartments).

At the top end of the market, condominium ownership has been equated with lifestyle. Throughout 2007, aging baby boomers fuelled demand for luxury condominium units. Upper-end activity was reported to be on the rise in all markets examined, with the greatest appreciation occurring in Edmonton (+154 %), Greater Toronto (+98 %), Victoria (+85 %), Winnipeg (+58%), Vancouver (+49%) and Kitchener-Waterloo (+39%). The

maintenance-free factor, the ability to travel and to enjoy the best the city has to offer—from restaurants to recreation—were cited in overall condominium appeal.

In years past, there seemed to be a ceiling in terms of what buyers were willing to pay for this type of product. Widespread acceptance has seen that philosophy tossed out the window. In the upper-end especially, buyers have demonstrated a willingness to set new benchmarks, and in some cases, are spending more than what a detached home might cost. Multiple offers, once unheard of, have become a reality in some centres.

New benchmarks for the most expensive apartment-style condominium units ever sold through MLS have been reported in several cities in 2007, including Vancouver (\$18 million), Calgary (\$3.7 million), Edmonton (\$2.3 million), Winnipeg (\$1.25 million), and Kitchener-Waterloo (\$670,000).

Given solid demand through all price ranges, it comes as no surprise that investors have been very active in the majority of markets surveyed, hoping to snap up a piece of the pie while demand remains at peak levels. Yet, with a growing number looking for a quick return on investment, swelling inventory levels have become a serious concern in several markets, most notably in Calgary and Edmonton, and to a much lesser extent, Kelowna.

The impact of speculation, especially in Canada's largest condominium markets, have yet to be determined, but concerns for the future are relevant. In downtown Vancouver, an estimated 50 per cent of sales activity is attributed to investors, whereas as much as 60-85 per cent of new condominiums sales in Toronto's downtown core reportedly involved investors in 2007. This is a major factor that could influence prices in years to come.

For now, a number of market fundamentals point to increased growth in sales, prices and demand well into 2008. These include vibrant economies, Canada's aging population, rising prices, and higher levels of immigration, to name a few.