

Canada's housing market projected to increase 2.5% in 2015, according to RE/MAX

Vancouver and Toronto expected to see another year of healthy gains in 2015 as inventory remains too low to meet demand

Toronto, Kelowna and Laval, Dec. 10th, 2014// Most regions posted modest gains in average residential sale price, despite increased inventory in many of Canada's housing markets. Residential property markets in Toronto, Vancouver and their surrounding areas, as well as Calgary and Edmonton, continued to see prices and sales rise. The greater areas of Vancouver and Toronto saw inventory of single-family houses remain at a record low, while demand continued to climb. Prices in these markets are expected to continue to increase in 2015, by approximately three per cent in the Greater Vancouver Area and four per cent in the Greater Toronto Area. Healthy gains are also anticipated in Kelowna (7%), Victoria (4%), Windsor (5%) and Moncton (6%).

"Canada's housing market is mirroring the resilience of our economy," said Gurinder Sandhu, EVP/Regional Director, RE/MAX INTEGRA | Ontario-Atlantic. "Housing demand is being supported by steady employment and immigration, while our GDP is expected to grow another 2.5 per cent in 2015. This is mitigating the effects of higher inventory, which many markets have been experiencing due to increased development."

Outside of B.C., Alberta and some areas of Southern Ontario, higher inventory levels was a significant trend characterizing much of the Canadian housing market in 2014. In some markets, the long, cold winter and late start to the spring season created a build-up of listings on the market, which continued to have an impact throughout the year, but also resulted in higher than usual activity in the fall as buyers came back to the market. In many cities in Canada, notably St. John's, Quebec City, Ottawa and Halifax, increased construction over the past several years contributed to higher inventory. However, with construction of new buildings winding down, inventory levels are expected to balance within the next couple of years without having a notable impact on property prices.

With an increased supply of inventory on the market going into the new year, the average sale price is expected to remain stable or rise modestly in most cities in 2015. Montreal (1%), Quebec City (1.5%), Ottawa (1.6%) and Sudbury (1.6%) are expecting a modest rise in average residential sale price, while little change in price is expected in Winnipeg, Saskatoon and St. John's.

"As affordability becomes an issue in urban centres, first-time buyers are looking towards condominiums both for lifestyle and for value," said Elton Ash, Regional Executive Vice President of RE/MAX of Western Canada. "Feeling the pressure from tightened CMHC lending criteria, many in this demographic delayed purchasing property in order to continue to save for their down-payment. The new mortgage rules will likely have less of an effect in the coming year as buyers adapt to the new regulations and make the necessary changes to meet the criteria."

The historically low interest rates of the past several years have helped sustain demand, and have mitigated the impact of the tightened lending criteria. The Bank of Canada has hinted at a rate increase in late 2015, and some experts have speculated that the increase could come as early as May. An interest rate hike could potentially result in a spike in buying activity, as buyers rush to secure their

mortgage before the increase comes into effect. Overall, a rate increase is not anticipated to have a dramatic effect on the real estate market, as it would likely be minor and rates would continue to be low.

In addition to projected GDP growth, small increases in employment rates and wages are anticipated as well. Immigration should continue to drive demand across Canada. Canada expects to welcome between 260,000 and 285,000 new permanent residents in 2015, which should positively impact the residential real estate market.

For the full 2015 RE/MAX Housing Market Outlook report, [click here](#).

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AVERAGE RESIDENTIAL SALE PRICE 2011-2014 AND 2015 OUTLOOK							
Market	2011	2012	2013	2014	2014/2013(%)	2015	2015/2014 (%)
Canada	\$363,346	\$363,740	\$382,513	\$406,145***	6.2%	\$416,300**	2.5%
Victoria	\$498,300	\$484,164	\$476,568	\$493,800*	3.6%	\$513,600**	4.0%
Greater Vancouver Area	\$779,730	\$730,063	\$781,517	\$838,400*	7.3%	\$863,600**	3.0%
Kelowna	\$404,756	\$400,027	\$397,000	\$428,000*	7.8%	\$458,000**	7.0%
Calgary	\$402,851	\$412,315	\$456,000	\$483,000*	5.9%	\$497,500**	3.0%
Edmonton	\$325,395	\$334,318	\$351,000	\$374,000*	6.6%	\$389,000**	4.0%
Saskatoon	\$309,823	\$331,867	\$338,309	\$333,900*	-1.3%	\$333,900**	0.0%
Regina	\$276,469	\$301,332	\$320,385	\$333,200*	4.0%	\$346,500**	4.0%
Winnipeg	\$241,409	\$255,058	\$274,373	\$285,800*	4.2%	\$285,800**	0.0%

**AVERAGE RESIDENTIAL SALE PRICE
2011-2014
(continued)**

Market	2011	2012	2013	2014	2014/2013 (%)	2015	2015/2014 (%)
Windsor-Essex	\$170,034	\$175,581	\$183,518	\$192,200*	4.7%	\$201,800**	5.0%
London-St. Thomas	\$232,387	\$238,822	\$245,737	\$254,200*	3.4%	\$260,500**	2.5%
Sudbury	\$234,544	\$247,462	\$250,518	\$255,400*	1.9%	\$259,500**	1.6%
Kitchener-Waterloo	\$301,010	\$311,006	\$323,771	\$336,900*	4.1%	\$342,800**	1.8%
Hamilton-Burlington	\$333,498	\$360,059	\$383,840	\$406,900*	6.0%	\$417,900**	2.7%
Barrie	\$287,588	\$299,685	\$308,200	\$318,700*	3.4%	\$320,900**	0.7%
St. Catharines	\$244,630	\$253,469	\$258,595	\$269,800*	4.3%	\$283,300**	5.0%
Greater Toronto Area	\$465,412	\$497,150	\$522,963	\$566,400*	8.3%	\$589,100**	4.0%
Kingston	NA	\$280,095	\$287,567	\$292,700*	1.8%	\$298,600**	2.0%
Ottawa	\$344,791	\$352,610	\$353,881	\$359,500*	1.6%	\$365,300**	1.6%
Montreal	\$308,854	\$321,059	\$323,966	\$329,300*	1.6%	\$332,600**	1.0%
Quebec City	\$245,462	\$257,879	\$276,294	\$265,800*	-3.8%	\$269,800**	1.5%
Fredericton	NA	NA	\$170,058	\$183,300*	7.8%	\$177,800**	-3.0%
Saint John	\$177,328	\$174,026	\$179,351	\$176,800*	-1.4%	\$177,500**	0.4%
Moncton	\$158,361	\$158,107	\$171,000	\$176,900*	3.5%	\$187,500**	6.0%
Halifax-Dartmouth	\$260,950	\$270,742	\$278,783	\$273,000*	-2.1%	\$275,000**	0.7%
Charlottetown	\$149,617	\$152,250	\$167,535	\$172,600*	3.0%	\$174,300**	1.0%
St. John's	\$268,608	\$285,529	\$301,000	\$313,000*	4.0%	\$313,000**	0.0%

Estimate **Forecast *August Year-to-Date - Source: Historical values are sourced from CREA or Local Board statistics. Estimates and forecasts are based on the opinion of independent RE/MAX broker/owners and affiliates.*

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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.