

2015

HOUSING MARKET OUTLOOK REPORT



RE/MAX®

TABLE OF CONTENTS

3	CANADIAN OVERVIEW	29	QUEBEC
5	INFOGRAPHIC	29	MONTREAL
		30	QUEBEC CITY
6	BRITISH COLUMBIA	31	NEW BRUNSWICK
6	VICTORIA	31	FREDERICTON
7	GREATER VANCOUVER AREA	32	SAINT JOHN
8	ABBOTSFORD	33	MONCTON
9	CHILLIWACK	34	NOVA SCOTIA
10	KELOWNA	34	HALIFAX-DARTMOUTH
11	ALBERTA	35	PEI
11	CALGARY	35	CHARLOTTETOWN
12	EDMONTON	36	NEWFOUNDLAND
13	SASKATCHEWAN	36	ST. JOHN'S
13	SASKATOON	37	CONTACT LIST
14	REGINA		
15	MANITOBA		
15	WINNIPEG		
16	ONTARIO		
16	WINDSOR-ESSEX		
17	LONDON-ST. THOMAS		
18	SUDBURY		
19	KITCHENER-WATERLOO		
20	HAMILTON-BURLINGTON		
21	BARRIE		
22	ST. CATHARINES		
23	GREATER TORONTO AREA		
24	MISSISSAUGA		
24	OAKVILLE		
25	BRAMPTON		
26	DURHAM		
27	KINGSTON		
28	OTTAWA		



CANADIAN OVERVIEW

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%).

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 an increase of 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 prices is expected in Winnipeg, Saskatoon and St. John's.

Condominiums continued to grow their



share of the market in many regions. In Toronto and Vancouver, higher prices and limited inventory for single-family homes mean that condominiums are becoming a practical choice for many young buyers looking to enter the market. In Montreal, Kingston, Burlington, and Victoria, condos are increasingly attracting Baby Boomers looking for affordability and amenities within walking distance.

Many first-time buyers continued to feel the impact of the Canada Mortgage and Housing Corporation's tightened lending criteria, which were revised in 2012. The new mortgage lending regulations have delayed the entry of first-time buyers into the market in many regions, thus slowing down the rest of the market. Regina and Saskatoon were exceptions; well-paying jobs and a good availability of affordable

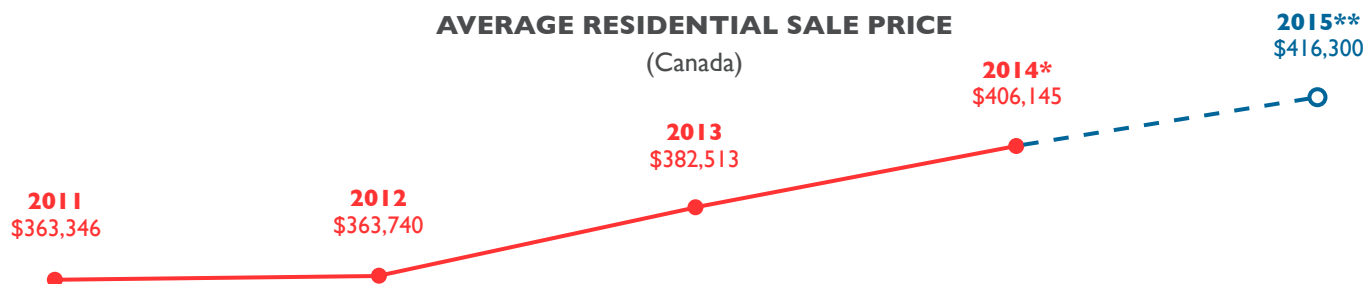
options meant that young buyers were typically able to qualify for a mortgage for their choice of home in these markets. The new mortgage rules will likely have less of an effect in the coming year as buyers adapt to the new regulations and make the necessary changes to meet the criteria.

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.

The economic outlook for Canada in 2015 is stable. The Bank of Canada has projected GDP to grow by approximately 2.5 per cent, a rate that is roughly on par with 2014's growth. Small increases in employment rates and wages are anticipated as well. Canada expects to welcome between 260,000 and 285,000 new permanent residents in 2015, which should positively impact the residential real estate market.

AVERAGE RESIDENTIAL SALE PRICE (Canada)



*August Year-to-Date **Forecast - 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.

RE/MAX HOUSING MARKET OUTLOOK

Most regions across Canada posted modest gains in average residential sale price in 2014. Prices are expected to remain stable, despite an increase in inventory.



After a harsh winter and late spring, market activity picked up in the late summer and fall.



WESTERN CANADA

High demand created a seller's market in B.C. and Alberta, while the market was more balanced in Saskatchewan and Manitoba.



EASTERN CANADA

Higher inventory created a buyer's market in many regions. Toronto was the exception with low inventory and high demand.

ECONOMIC OUTLOOK



Low interest rates, GDP growth and immigration continue to drive demand.



The Bank of Canada has projected GDP to grow by approximately 2.5 per cent, a rate that is roughly on par with 2014's growth.



Canada expects to welcome between 260,000 to 285,000 new permanent residents in 2015.

PROJECTIONS FOR 2015

Increase in average residential sale price

VANCOUVER
3%

EDMONTON
4%

CALGARY
3%

TORONTO
4%

MONCTON
6%





VICTORIA

Considered to be one of Canada's most desirable cities to live in, Victoria's real estate market remained strong throughout the year. It mirrored the 2013 market, with a modest increase in activity. The rise in activity was attributed to the harsh winter in Alberta, causing some residents to reconsider their locale and make the move to Victoria. Another contributing factor was the prolonged stability of interest rates.

The average residential sale price in Victoria increased 3.6 per cent from 2013, rising to an estimated \$493,800 from last year's \$476,568. Inventory of available properties for sale decreased nine per cent to 3,927 in October of

2014 from 4,322 in October of 2013. The total number of sales at the end of October jumped to 5,844 – an 11 per cent increase from 2013's total of 5,231.

Interest rates are anticipated to be the predominant factor in the 2015 housing market, coupled with the lack of available affordable housing. The market should largely resemble 2014 in regards to price appreciation. It is also expected to remain balanced, not favouring the buyer or the seller.

Demand from first-time buyers should play a significant role in Victoria's real estate market in 2015. These buyers often enter the market by purchasing a condominium. There is currently a good selection of condominiums, as well as new projects under development, creating

enough product to fulfill high demand.

Victoria sees a large number of Albertans choosing to relocate to the city, and this may be enhanced by the recent troubles in Alberta, such as the 2013 floods. Victoria's market should see an increase in demand as a result.

With its well established tourism industry and thriving technology sector, the economic outlook for Victoria is healthy. The region is expecting a four per cent increase in the average residential sale price as well as a 10 to 12 per cent increase in unit sales. As weather conditions across North America are proving increasingly unpredictable, Victoria stands out as an attractive city to live in.

AVERAGE RESIDENTIAL SALE PRICE (Victoria)



*Estimate **Forecast - 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.



GREATER VANCOUVER AREA

Greater Vancouver maintained its status as the most expensive region in Canada for residential real estate in 2014. The average residential sale price was approximately \$838,400 in 2014, an increase from \$781,517 the previous year.

Off-shore buyer demand from Mainland China continued throughout the year. Activity for detached houses was strong. Some properties are still attracting multiple offers and selling for above the list price, which is a sign of continued buyer demand.

Towards the end of 2014, condos in East Vancouver were showing typical healthy activity. Well-priced homes often sold within one to two weeks, whereas the average market time for condos was 45 days.

In 2015, RE/MAX expects that there will continue to be upward pressure on detached house prices in the Westside due to high demand and low inventory. However, the condo and townhouse markets will likely sustain a more balanced market. For detached homes, unit sales from August to October were down three per cent from the same three-month period last year due to lack of inventory. Condo unit sales were up 19 per cent for the same period, and townhouse unit sales were up 17 per cent.

It is projected in Greater Vancouver, the number of unit sales should remain largely the same, while house prices will see an increase of around three per cent.

After losing multiple offer bids for detached houses in East Vancouver, buyers may become more hesitant to continue their pursuit of buying a detached home in 2015. However, as those potential buyers move to the sidelines and wait for the market to stabilize, the pipeline of demand for the region will continue to grow.

Long-time homeowners of detached homes in the Westside will continue to sell their homes as they look to downsize into retirement, whereas homeowners who entered the market more recently may wish to sell to take advantage of



the substantial increases in their home's value. On average, price appreciation has increased 48.3 per cent over the past five years.

Across Vancouver, young families and equity downsizers will drive demand. Buyers who cannot afford detached Westside homes will take advantage of the relative affordability of townhouse living. Demand for Westside homes will continue to be driven by off-shore buyers who can afford to pay the two million dollar-plus price tag.

Continued economic strength, consumer confidence and off-shore buyers will continue to drive demand for the Westside upper-end housing market in 2015. Upscale condo units are selling briskly in the downtown core, and new

luxury homes are being built on small and medium sized lots in the Westside by those who want the location, but not an older home.

Interest rates have not shown any sign of change, and this stability creates optimism for East Vancouver's housing market in 2015. Year-over-year, demand for housing in Vancouver continues to grow. There has been no substantial pullback to that demand as Vancouver is recognized locally and internationally as a very desirable place to live. Affordability remains an issue for many who simply cannot afford even a condo on the Westside or downtown.

ABBOTSFORD

Abbotsford's residential market activity remains stable across all segments. Year-

over-year unit sales have increased by seven per cent since 2013, rising to 1,798 sales from 1,684. The average price for a residential unit in Abbotsford climbed five per cent to approximately \$388,500 in 2014.

Based on year-end estimates, the average residential sale price is projected to increase by 0.5 per cent in Abbotsford. The flux of interest rates and ripple effect from off-shore buyers in larger markets like Vancouver and Surrey may affect Abbotsford's sales and price activity.

New infrastructure built to connect Abbotsford to other cities such as Surrey, Langley and Richmond should continue to increase sales. This includes the South Surrey Perimeter highway connecting to Richmond and additional highway

AVERAGE RESIDENTIAL SALE PRICE (Greater Vancouver Area)



*Estimate **Forecast - 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.



lanes going to Langley. As buyers age, they see greater opportunity to stretch their dollar and settle in Abbotsford. The average sale price for detached houses this year is approximately \$451,900 with minimal price increases expected next year.

In 2015, inventory levels are expected to decrease with days on the market to follow suit. In October 2014, there were approximately 9,000 listings, indicating Abbotsford's market is moving towards a favourable predicament for sellers. Without significant development planned across all segments, the oversupply of inventory is catching up to the demand. Townhouses are preferred over condominiums as families and first-time home buyers command the lion's share of the market. The second largest group is owners who have a dual income and no children. Women are also more active in the residential housing market than men.

Upper-end housing plays a small role in Abbotsford's market. Detached houses with acreage represented approximately four per cent of all sales this year. Sales are projected to be stable in 2015.

While buyers flock towards newer condos, older apartments tend to sit on

the market for longer. As the availability of newer condos decreases, sales activity in older apartments should see a boost. Additionally, older apartments should gain a pricing advantage as many sellers have received their depreciation reports and are actively renovating to remain competitive.

CHILLIWACK

The average residential sale price in Chilliwack rose to an estimated \$307,000 in 2014, an increase of three per cent over the previous year. Unit sales increased 15 per cent, to 2,395 sales in 2014 from 2,074 in 2013, with September and October seeing a lot of activity. Chilliwack's housing market is expected to continue to grow in 2015. Sales are anticipated to increase six to 10 per cent, and the average price is expected to rise three to four per cent to \$317,750.

As the market started to heat up towards the end of summer, days on the market decreased and the market is moving from a balanced to a seller's market. There was an adequate availability of all property types in 2014, including a selection of condominium inventory in particular. The condo market is expected to remain flat in the coming year, with no change in average price anticipated. In the upper-

end of the market, price appreciation of four to five per cent is expected for the coming year, and sales are anticipated to remain on par with 2014.

As an increased number of first-time buyers enter into the market, move-up buyers are able to realize the sale of their home and move to the next level. Another trend noted in the Chilliwack market comes from Vancouver homeowners who are retiring and selling their properties. The additional equity after purchasing a place in Chilliwack provides a comfortable retirement fund. Many of the first-time buyers work in trades and fly in and out of northern British Columbia. A growing sense of consumer confidence is fuelled by buyers' financial security and a strong economy.

Consumer confidence, strength of the economy and new construction in areas like south Chilliwack, prompt optimism for the residential real estate market in 2015. Developments in Garrison Crossing, previously an army base, are adding a mix of inventory including rental space, row houses, condominiums and townhouses. The award-winning designs and walkability of the community continued to draw the attention of first-time home buyers and move-up buyers alike.



KELOWNA

Kelowna's current housing activity remains strong. The 2014 average residential sale price is estimated to be \$428,000, a rise of eight per cent over the previous year. The 2014 housing market was exceptionally active with an increase of 23 per cent year-over-year in unit sales. The region is projected to continue on this upward trend. Due to reduced inventory, the average residential sale price is expected to increase by seven per cent in 2015.

While sales have increased, inventory has not maintained pace, with active listings down 16 per cent compared to last year. This lack of supply has resulted in multiple offers, as buyers compete for attractive, well-priced properties. 2015 inventory levels are expected to remain on par with 2014, which should result in upward pricing pressure as buyers continue to compete for well-appointed

residences in desirable neighbourhoods. The days on market decreased by approximately 16 per cent in 2014, and they are expected to decrease five to 10 per cent in 2015.

Given this fall's year-over-year real estate board data for unit sales and average price, it is anticipated that unit sales should increase 10 per cent in 2015.

Move-up buyers drove demand in 2014, and they are expected to do so in 2015. First-time home buyers may also continue to be a key factor in demand, as they take advantage of low interest rates.

The upper-end of the market has shown steady signs of recovery since 2013. To date, the market has seen 132 unit sales, and it is predicted that there should be increased unit sales of 10 per cent in 2015.

Condominiums make up a significant portion of Kelowna's real estate market,

comprising 34 per cent of sales. In 2014, apartment unit sales have increased approximately 35 per cent, followed by townhouse sales at approximately 30 per cent. Kelowna's market is anticipated to see steady growth and price appreciation in this particular domain in 2015.

Low inventory should continue to have a significant impact on Kelowna's real estate market well into 2015, as well as low interest rates. Low interest rates fuel the increase of unit sales as well as price, enabling buyers to afford more expensive listings. Sales activity has continued to be strong this fall, and it is projected to carry forward in the next year.

There is considerable optimism in Kelowna's 2015 real estate market, as consumer confidence continues to rebound as a result of low interest rates, steady job growth, and a strong prairie resource market.

AVERAGE RESIDENTIAL SALE PRICE (Kelowna)



**Estimate **Forecast - 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.*

CALGARY

Calgary's housing market had another year of healthy price appreciation as the average residential sale price has grown and is expected to finish off 2014 with an approximate six per cent gain to \$483,000 from \$456,000 in 2013. House price increases have been attributed to good employment in the energy sector driving migration to the city.

A city-wide Civic Census showed that in April 2014, Calgary saw the migration of approximately 28,000 people to the area in the past 12 months, an increase of about 1,800 compared to the previous year. Migration has significantly impacted the real estate market fueling Calgary's consistent strong performance over the past few years. However, in the fall of 2014, the housing market started to show a shift from a seller's market to a more balanced market, likely due to a decrease

in oil prices.

The price adjustment in the energy industry should likely have an impact on the 2015 Calgary housing market. While it is still expected to see a slight increase in price, it is anticipated to be less active as potential buyers wait to see if lower oil prices result in more favourable house prices. However, RE/MAX expects 2015 to be a balanced market, creating a more level playing field for buyers and sellers.

A combination of oil prices and dollar value should have the greatest impact on Calgary's housing market in 2015. One advantage is that most oil industry corporations are being paid in the American dollar, thereby lessening the current effect of the low Canadian dollar.

Calgary is projected to see a four per cent increase in unit sales and a more modest three per cent increase in average residential sale price increasing to \$497,500.

Buyers who are looking to move up are likely to drive demand in Calgary's real estate market in 2015. Also, the low vacancy rate for rentals has made potential tenants look at purchasing sooner than they anticipated.

Condominiums and townhouses are expected to represent a growing share of the active marketplace, as long as they are priced competitively. With increasing house prices, condominiums and townhouses are an affordable way to purchase real estate in the city.

The city's growth is prompting optimism for its housing market in 2015. Today, the population is close to 1,195,000, and growing. There is a mild concern as to how the city will keep up with such growth, as new infrastructure will be required. Despite this need, it is anticipated that Calgary's real estate market should continue to flourish throughout 2015.

AVERAGE RESIDENTIAL SALE PRICE (Calgary)



*Estimate **Forecast - 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.



EDMONTON

Demand for residential real estate in Edmonton shows no signs of slowing down. Low unemployment levels, strong economic performance in the oil and gas sector and Canada's westward migration contributed to an upswing in the number of homes sold. Average prices increased for all product types, with the average residential sale price sitting at approximately \$374,000, up \$23,000 from last year.

Alberta leads the way in inter-provincial migration with an estimated 30,000 people settling in the Greater Edmonton Area in the past year alone. Demand from new residents increased sales by 10 per cent in the region. The growth is anticipated to be sustained over the next few years as \$5.2 billion in construction projects, such as Rogers Place, Stantec, Royal Alberta Museum, and Delta Hotels and Resorts, are currently under construction in the downtown core.

Sellers dominate in homes priced below \$400,000, which accounts for 65 per cent of the market. Multiple offers are common in the lower end of the market and pushed some first-time buyers to consider properties in the move-up market, where there is more inventory. This competition has also caused a tremendous resurgence in the condominium market.

The closure of City Centre Airport last year created development opportunities as previous height restrictions due to air traffic safety have been lifted. The first

38-storey high-rise condominium, Pearl Tower, is anticipating occupancy at the end of 2014.

Condominiums represent a growing share of the marketplace in all price ranges as construction continues in the downtown core with 18 cranes and eight projects underway. In particular, in the luxury market, pent houses in the Pearl Tower sold between \$1 - 2.5 million.

Edmonton's luxury market has been setting new sales records over the last three years. At the end of the third quarter of 2014, Realtors Association of Edmonton reported a 29 per cent increase in sales over \$1 million compared to last year. The Symphony Tower, located in River Valley, is slated for construction for early 2015 with four units already sold for more than \$1.5 million each. Record sales of multi-million dollar listings are expected to continue into 2015.

The outlook in Edmonton is optimistic with the inter-provincial migration decreasing the average age of residents. This younger demographic with well-paying employment is attracting more mixed-use community developments with residential, retail and commercial components. As affordability has reduced in the region over the past few years, prices are projected to climb four per cent, while inventory levels are expected to be similar to the past two years, trending slightly downwards.

AVERAGE RESIDENTIAL SALE PRICE (Edmonton)



**Estimate **Forecast - 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.*

SASKATOON

The housing market in Saskatoon continued to be balanced in 2014, and is expected to see little change in the coming year. The average residential sale price in 2014 was approximately \$333,900, a slight 1.3 per cent decrease from \$338,309 in 2013. Total sales increased modestly year-over-year, from 2,756 sales in 2013 to 2,965 in 2014. This housing market is expected to continue to be balanced in 2015 with no anticipated change in average residential sale price.

Inventory was higher than normal by approximately 15 to 18 per cent, which affected both price and days on market, though only slightly. A high level of inventory is expected to continue to have an impact on the market in 2015, though should affect days on market more than price. In 2014, residential properties typically stayed on the market

for 45 to 60 days, and this is projected to increase by 15 to 20 days in 2015. An oversupply may put downward pressure on prices; however, with Saskatoon's healthy economy, steady demand and an anticipated slowdown in new builds, any impact on price is expected to be minor.

The higher than normal level of inventory had the greatest impact on the upper-end market in 2014. The ample supply meant that buyers were in no hurry. While there were potential buyers who were interested in moving up and could afford to do so, the lack of urgency many buyers felt meant that these sales took longer than usual. Saskatoon is also a traditionally conservative market, where buyers are careful with their money and take their time when making a purchase.

Activity in the lower end of the housing market remained brisk. Unlike other Canadian markets, the first-time buyer market in Saskatoon has not felt much of an impact from CMHC's tighter

restrictions on mortgage lending. First-time buyers in Saskatoon are generally able to meet the lending criteria and secure a mortgage to purchase their home. Many first-time buyers in 2014 were single professionals purchasing a new condo in one of Saskatoon's up-and-coming neighbourhoods.

The Saskatoon economy is robust and is projected to continue to grow in the coming year. Its three main industries, farming, mining, and oil and gas, are steady and continue to employ many residents in well-paying jobs. Unemployment is low, and the population is growing as workers from other parts of the country are moving to Saskatoon to fill newly-created jobs.

AVERAGE RESIDENTIAL SALE PRICE (Saskatoon)



*Estimate **Forecast - 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.



REGINA

The average residential sale price in Regina increased four per cent over the previous year to approximately \$333,200, despite a higher than normal number of listings for most of the year. The year started slowly, with the cold weather delaying the normally busy spring market. This created a build-up of listings, which had a psychological impact on the market. Though demand remained strong, there was no pressure on buyers. Summer and early fall were slower than usual, and up until October 1, the market was substantially down compared to 2013. A fast-paced October nearly caught 2014 up to the previous year's sales, and the year is expected to finish on par with 2013.

High inventory was the most significant factor impacting the market in 2014, and although inventory is expected to remain high in 2015, a slowdown in new development projects should help stabilize the market. Regina is expected to shift from a buyer's market to a balanced market by the end of next year.

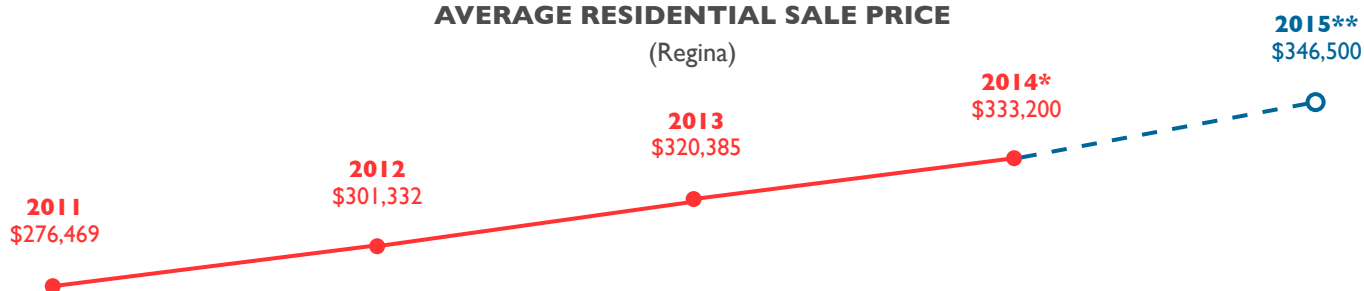
The upper-end market was balanced in 2014, and no change to this market segment is expected for next year. Regina's upper-end market is made up primarily of resale properties, and includes large bungalows, two-storey houses and two-storey splits. This market has grown over the past several years as Reginans, traditionally conservative with their savings, have become more comfortable with the idea of spending more on their homes.

As the economy in Saskatchewan has picked up and new jobs have been created, Regina is seeing people who grew up in the city moving back home from Calgary or Edmonton. This is encouraging the older generation to stay in the city after retirement in order to be near their children and grandchildren. Many of these retirees are choosing to sell their house and downsize to a condo in Regina and a second home somewhere warm, such as Arizona.

Unlike in many other markets, first-time homebuyers in Regina haven't been affected by tightened mortgage lending criteria. Well-paying jobs and a good availability of affordable homes mean that young couples and singles are generally able to qualify for a mortgage for the home of their choice.

The overall outlook for Regina next year is positive. The economy is strong and stable, and though lower oil prices do have an impact, the economy is fairly diversified, with gold, potash and manufacturing playing an important role. Two large construction projects, a new football stadium and a wastewater treatment plant, are expected to bring new jobs to the city.

AVERAGE RESIDENTIAL SALE PRICE (Regina)



**Estimate **Forecast - 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.*

WINNIPEG

Winnipeg began 2014 as a seller's market, but by the fall, an influx of inventory had shifted it to a balanced market. Towards the end of 2014, there was an abundance of choice for buyers. If the trend continues, Winnipeg will likely be a buyer's market in 2015.

Despite an increase in inventory, the average sale price for both detached houses and condominium units rose modestly. The average sale price for a detached house rose to approximately \$290,490 in 2014 from \$282,894 in 2013, while the average sale price of condo units rose to approximately \$236,639 from \$227,511. Prices are expected to remain flat in 2015; high inventory should keep prices stable, but likely will not reduce prices.

Much of the of inventory on the market

in 2014 were condos. Most of these are new builds that are either still under construction or were recently completed. However, some of these listings are for units in older developments, coming on the market as their owners, having downsized to a condo from a house a decade ago, are moving into retirement communities. In September, the average number of days on the market for condo units was 40, up from 30 the previous year.

The CMHC's stricter lending criteria have had an impact on the first-time buyer's market in Winnipeg. Manitoba's land transfer tax, whose rates were set in the 1990s and haven't been adjusted for today's house prices, is a significant burden for these buyers as well. These two financial hurdles have made it difficult for first-time buyers to enter Winnipeg's housing market in the past few years, and this is not expected to change in 2015.

Despite the challenges, two key groups

of first-time buyers are driving the market in Winnipeg. One of these is new immigrants, who tend to prioritize home ownership when choosing how to invest their savings. The other group is young, two-income couples from Winnipeg who work in service industries. With the federal government's plan to bring more immigrants to Winnipeg next year, the market should remain robust and sales are expected to increase.

The outlook for Winnipeg is generally positive. Its well-diversified economy is steady and no significant changes are expected in the coming year. The return of its NHL team and the new Canadian Museum for Human Rights show that Winnipeg is becoming a destination city.

AVERAGE RESIDENTIAL SALE PRICE (Winnipeg)



*Estimate **Forecast - 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.

WINDSOR-ESSEX

Windsor-Essex's fall housing market recovered by the end of 2014 from a long winter and delayed spring. Increasing consumer confidence from buyers and sellers buoyed the housing market as it returned to its norm after a slow year. Year-over-year sales data indicated that the market remained stable, as sales in 2014 were very similar to 2013. The average residential sale price in Windsor-Essex County increased five per cent in 2014, rising to approximately \$192,200 from \$183,518 in 2013.

There was a slight inventory shortage in 2014, and the housing market in the coming year is expected to experience a similar shortage. However, if demand for new homes continues to grow, pressure should be taken off of the resale market,

motivating more resale properties to come on the market. Windsor-Essex is slowly recovering from a larger inventory shortage in 2013 and it is expected to require another year to fully balance.

First-time buyer activity has increased due to favourable interest rates. Affordability in the region is good for this demographic and increased affordability because of low interest rates mean that first-time buyers can purchase homes with higher value than the lower range. As such, the greatest market activity is in properties resting near the average price range in Windsor-Essex, between \$100,000 and \$200,000.

Consistency and balance should characterize Windsor-Essex's housing market throughout 2015. Property values are expected to increase roughly five per cent in 2015. New homes continue to earn market share and often come with much higher price tags. In fact, compared to previous years, the market has seen

more homes selling in higher price ranges. Upper-end properties are selling more quickly and easily in Windsor-Essex than they ever have before. Twenty-five homes listed at \$400,000 and above have sold to date in 2014, much more than in previous years. Many attribute this to a broadly-accepted positive sentiment both buyers and sellers have towards the market. A strong economy, favourable interest rates and encouraging industry expansion in Windsor-Essex have put the market on the rebound and are motivating buyers and sellers to engage with the market.

AVERAGE RESIDENTIAL SALE PRICE (Windsor-Essex)



*Estimate **Forecast - 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.



LONDON-ST. THOMAS

Residential property sales in Ontario's London-St. Thomas area remained stable throughout 2014. A fall surge of market activity made up for a slow spring due to a longer than expected winter. By the end of October, sales exceeded last year's benchmark. In fact, October 2014 saw more market activity than any previous October since 2007. The average residential sale price in London-St. Thomas increased a modest 3.4 per cent in the past year, rising to \$254,200 from \$245,737. With 7,474 units already sold by the end of October, compared to 6,947 in 2013, the market is expected to even out with approximately 8,300 sales by the end of the year.

The economic outlook of London-St. Thomas has been increasingly

positive, making sellers optimistic when approaching the housing market. London experienced greater industrial investment in the previous year, partly due to a lower Canadian dollar compared to the U.S. dollar across the border. Additionally, interest rates have stayed relatively low since 2008 and are continuing to encourage activity in London's balanced market. A slowly strengthening U.S. economy, affordable housing, and market optimism have all positively impacted the residential housing market. With London's stable economy, move-up buyers and first-time homebuyers continue to increase their share of market activity. The majority of transactions involving this group occurs in the \$200,000-\$300,000 range, which is the most popular range for housing sales.

The London-St. Thomas residential housing market is expected to maintain its stability throughout 2015, with a modest average price increase of two to three per cent anticipated. This

would bring the average residential property price in London-St. Thomas to approximately \$260,500. If the unemployment rate continues to decrease in London-St. Thomas, and interest rates stay low, the area is expected to maintain its balanced market. London-St. Thomas continues to draw the attention of buyers from cities such as Toronto, who are drawn to the area for its affordable housing. These buyers are expected to further explore London's housing market throughout 2015.

AVERAGE RESIDENTIAL SALE PRICE (London-St. Thomas)



*Estimate **Forecast - 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.

SUDBURY

The northern Ontario city, known as Canada's nickel capital, had a slow start to the year as the long and cold winter deterred potential buyers and sellers from entering the real estate market. This resulted in a 14 per cent decline in units sold between January and April of 2014, compared to the same period the previous year. The market picked up considerably through the summer, and by the end of October, the year-over-year decrease in sales had narrowed to 9.6 per cent.

Despite fewer sales, the average residential sale price increased in 2014 to approximately \$255,400 from \$250,518 the previous year. This increase of around two per cent was due to a proportionately higher number of sales at the higher-end of the market. In 2015, prices are expected to rise by one to two per cent and an increase in listings is anticipated. The market is expected to remain balanced, though shift slightly toward favouring the buyer.

Wages in Sudbury are expected to remain strong for the foreseeable future, sustaining the ability of residents to continue purchasing new and resale homes. New construction is expected to grow by two per cent following weak demand in 2014. A proposed increase in development charges in 2016 is likely to spur the construction of a higher than usual number of detached homes in the third quarter of 2015. The average number of days on market is expected to remain steady at around 73 days, despite

a rise in inventory.

First-time homebuyers are expected to continue to play a large role in the market, with interest from investors cooling off as vacancy rates increase. Sales in the upper-end market should also remain strong.

As in any resource-based economy, Sudbury's real estate market is heavily tied to the performance of nickel and copper. The outlook for the coming year is optimistic. The newly reopened Totten nickel mine, Sudbury's first new mine in 40 years, should create employment and Laurentian University's new School of Architecture is expected to draw people to the city.

AVERAGE RESIDENTIAL SALE PRICE (Sudbury)



*Estimate **Forecast - 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.

KITCHENER-WATERLOO

The residential real estate market in Kitchener-Waterloo was very active through 2014 and is expected to remain healthy in 2015. The average residential sale price for a single family dwelling rose to an estimated \$336,900 in 2014, an increase of approximately 4 per cent over the previous year. Residential unit sales increased by approximately three per cent in 2014 and are expected to increase by approximately two per cent in 2015, with a one per cent increase in unit sales.

Kitchener-Waterloo's transformation into a high-tech hub began more than a decade ago. While BlackBerry, once a global technology powerhouse, put the region on the map, the dozens if not hundreds of established and emerging

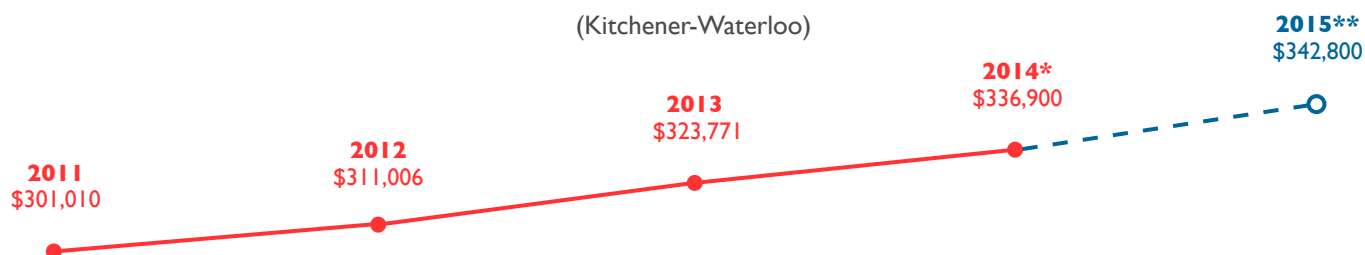
technology companies more than picked up the slack when BlackBerry's fortunes turned a number of years ago. In addition, there is an established insurance industry in Kitchener-Waterloo, which also helps diversify the local economy. Well-paying jobs and well-educated workers should continue to drive the real estate market.

Kitchener-Waterloo is in a balanced market. While multiple offer scenarios present themselves occasionally, there is usually a good selection of listings for buyers. Recent municipal elections saw new mayors for both cities, both of whom support the construction of a new planned light rail line. This has already boosted real estate prices around the corridor through which the line is expected to run. In addition, Google is expected to move into new facilities in Kitchener in 2015, bringing new, well-paying jobs.

Kitchener-Waterloo is home to two universities and one college creating a

significant demand for student housing each year. While student housing historically spilled into established residential neighbourhoods, purpose-built developments are being planned to accommodate students. Parts of the Northdale area near the University of Waterloo, for example, are being redeveloped complete with high-rise buildings. While there is a sense that the condominium market may slow down in the near term, condos should represent a growing share of the market, particularly around the light rail corridor.

AVERAGE RESIDENTIAL SALE PRICE (Kitchener-Waterloo)



*Estimate **Forecast - 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.



HAMILTON-BURLINGTON

The major trend characterizing Hamilton's real estate market in 2014 was an influx of buyers from the Greater Toronto Area looking to the city for more affordable single-family homes. This increase of activity in the Hamilton real estate market has spurred development, particularly in the city's historic downtown. The average residential sale price in Hamilton in 2014 is an estimated \$319,300, and it is expected to increase by approximately three per cent in 2015.

In neighbouring Burlington, situated to the east of Hamilton, demand for condos downtown and on the waterfront has greatly increased. The average number of days on market for these units has been steadily decreasing over the past three to five years, and new projects coming onto the market are renewing interest. Downtown Burlington's vibrant mix of shopping, restaurants, and culture is drawing buyers, particularly Baby Boomers, to condo units in the area. The average residential sale price was approximately \$512,500 in 2014, and is anticipated to increase by approximately two per cent next year.

Burlington, with its closer proximity to the Greater Toronto Area, is typically the more expensive of the two cities. However, in October 2014, the average sale price in Ancaster, an area of Hamilton, was \$541,922 – higher than in Burlington in the same period (\$539,363), which has never happened in the past.

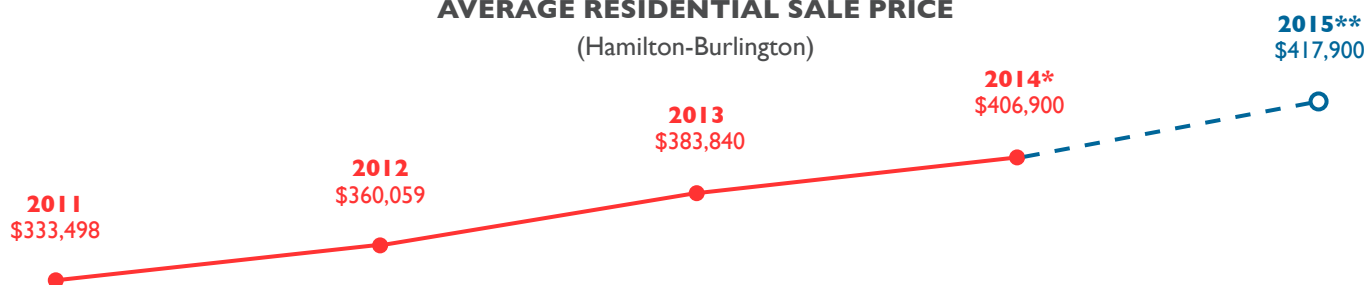
Demand was very high in 2014 for

properties in Hamilton Mountain, and multiple offers were common. Its older homes and vibrant communities make it a desirable destination for buyers from the GTA looking to get more space for their money. The increase of buyers from the GTA is a key driver of demand in Hamilton and this is expected to continue to represent an increasing market segment in the coming year. The luxury market, particularly those properties priced between \$750,000 and \$1 million, was brisk in 2014, with sales up approximately 30 per cent year-over-year.

The overall outlook for the region is bright. Health care is the region's largest sector, and a newly-opened hospital should continue to bring new jobs to the area. There was a five per cent increase of full-time jobs in Hamilton in 2014, which should have a positive impact on the housing market. The overall average residential sale price in the Hamilton-Burlington region was approximately \$406,900 in 2014, an increase from the previous year, and it is expected to rise between two and three per cent in 2015.

Most of the region was a seller's market in 2014, and 2015 should likely see the region move into a balanced market, especially for upper-end properties.

AVERAGE RESIDENTIAL SALE PRICE (Hamilton-Burlington)



*Estimate **Forecast - 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.

BARRIE

The average residential sale price in Barrie was approximately \$318,700 in 2014, an increase of an estimated 3.4 per cent over 2013. An increase of approximately one per cent in average residential sale price is projected in 2015, continuing Barrie's steady growth over the past several years.

Barrie's proximity to the Greater Toronto Area draws both young families and retirees to the area. Many first-time buyers are professional couples who commute to the GTA for work, and are purchasing a home in order to start a family. They often plan to move back to the GTA, but become attached to the lifestyle Barrie offers, such as the proximity to nature and recreational activities, and end up moving up within Barrie instead. Go Train service, which began operating in 2012, has made the

commute to downtown Toronto easier for these residents.

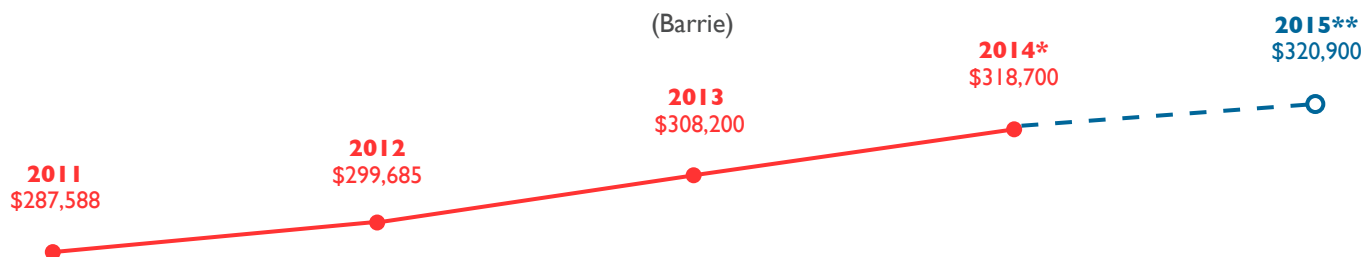
Retirees from the GTA are another demographic driving demand in Barrie. These buyers are looking for a quieter community, but want to be near family and friends in the city. These two groups of buyers from the GTA are expected to continue to drive demand in the coming year.

Supply has been generally low in Barrie for the past decade and active residential listings were down in 2014 from the previous year. Demand is high, creating a seller's market for properties that are priced well. Buyers in this market are savvy, and while multiple offers are common for properties that are priced correctly, listings that are not well-priced can remain on the market for several months. Barrie is expected to remain a seller's market for well-priced properties in 2015.

The condo market is starting to emerge in Barrie, drawing both the single professional and empty nesters. Market Town Condominiums, a multi-residential development currently under construction, has been performing well in pre-sales. Other condominium developments are being planned for the next several years, as the city aims to increase its density by building up.

Several factors prompt optimism for Barrie's residential real estate market next year and in the years to come. The Go Train is continually adding lines in the region, opening more areas to commuters. There have been preliminary discussions about widening Highway 400 from six lanes to ten between Highway 89 and the 400/11 split, which would decrease commute times and make the area more attractive to buyers. Barrie's proximity to the GTA is expected to continue to drive demand in the region and keep the residential real estate market vibrant in 2015.

AVERAGE RESIDENTIAL SALE PRICE (Barrie)



*Estimate **Forecast - 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.

ST. CATHARINES

Due to an extended winter and a shorter than usual spring in 2014, St. Catharines experienced its usual spring activity in early fall. Throughout 2014, sales increased by approximately two per cent. This coincided with an increase in the average residential sale price to an estimated \$269,800 in 2014 from \$258,595 in 2013, an increase of 4.3 per cent. The increase in sales activity and slight increase in value resulted in an 11.4 per cent decrease in average days on the market.

In 2014, there were several major investments in the St. Catharines region. Most recently, the General Motors plant sold to developers expecting to use the 54 acres for mixed use, potentially including research, industrial and

residential development. St. Catharines has drawn other significant investments including the Meridian Centre, Niagara Outlet Mall (Canada's largest open-air shopping mall), the continued expansion of the Niagara Health System, and a new downtown campus of Brock University.

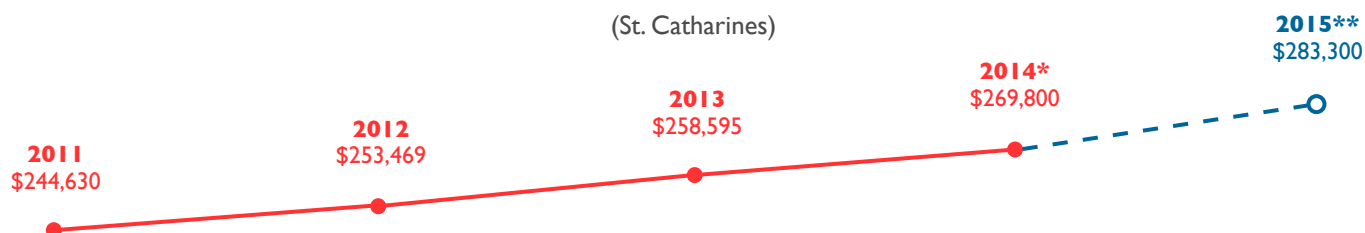
Good health-care resources, combined with affordable property values, are encouraging retirees from Mississauga and Toronto to pursue residential properties in St. Catharines. Additionally, postsecondary institution expansion has brought an influx of students. Demand from students looking for rentals has drawn the attention of out-of-town investors looking to develop residential rental properties in the area.

In the condominium market, high fees have encouraged buyers to pursue home ownership for similar prices. The condominium market remains stable, but not growing. On the other hand, the upper-end market is rapidly growing

as out-of-town investors recognize the value of St. Catharines' real estate. Over the past year, St Catharines has seen a substantial increase in homes priced over \$1 million, and an increase of 22 per cent in homes priced between \$500,000 and \$900,000. The upper-end market is expected to continue growing throughout 2015.

Inventory is projected to decrease in 2015, lowering the average number of days on the market. As in 2014, homes priced appropriately between \$250,000 and \$300,000 should continue to command the most attention by buyers.

AVERAGE RESIDENTIAL SALE PRICE (St. Catharines)



*Estimate **Forecast - 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.

A photograph of a modern dining room. In the foreground, a wooden dining table is set with a white bowl and a candle. Several white upholstered chairs are tucked under the table. Above the table, three white conical pendant lights hang from the ceiling. In the background, a window with white curtains is visible, and a blue sofa is partially seen in the lower right. The wall is a light color with two small framed pictures.

GREATER TORONTO AREA

The residential real estate market in Canada's largest city continued showing healthy market activity in 2014, with both the average residential sale price and the number of transactions showing an increase over the previous year. Inventory continued to be very low among freehold properties and average days on the market fell from 25 the previous year to 23. The average residential sale price is projected to increase four per cent in 2015. With rising prices and limited inventory, potential buyers will need to be well prepared and informed when entering the housing market next year.

In the past, modest, but under-valued, homes sold for hundreds of thousands of dollars above asking price in some areas of the city and the effect was that buyers entered the market with no certainty about what kind of home they could afford. In turn, sellers came to the conclusion that their homes were all of sudden worth more than they actually were.

More realistic pricing in 2014 has inspired confidence among buyers—a trend that is expected to continue in 2015. Toronto should remain a seller's market, although the condominium market is projected to be more balanced as developers release inventory and investors seek to unload their units. Many first-time buyers should continue to look to the condominium market, attracted by affordable options in convenient locations. Downsizers may not play as much of a role in this market as had once been expected, as many buyers in this group have been deterred by unpredictable assessment funds and condo fees.

The recent municipal election has brought a feeling of stability to the city, which generally proves well for local real estate. With political stability and the city set to be showcased by the 2015 Pan AM Games, pent-up demand may result in strong price appreciation in the latter portion of 2015. The luxury market will continue to display strength, as wealthy buyers are comfortable



absorbing any modest price fluctuations. However, as inventory for freehold homes continues to be at historic lows, the city is projected to be poised to have another strong year of price appreciation.

MISSISSAUGA

Mississauga, which borders the City of Toronto on the west, has grown by leaps and bounds over the past several decades. While its growth is typified by suburban developments, the city also boasts leafy neighbourhoods, lakefront properties and a burgeoning downtown. These factors, along with its transit links to downtown Toronto, are driving demand for residential property in Mississauga among a range of buyers.

Mississauga's real estate market picked up in the second half of 2014 following a long and cold winter and historically late start to the market. Typically, the spring buying and selling season begins in February, whereas last year it started in May. Pent-up demand made for a busy summer season and more fall activity than is typical. The average residential price is expected to rise between two and three per cent in 2015 with inventory levels remaining steady.

New luxury homes on leafy lots in neighbourhoods such as Lorne Park and parts of Port Credit are enticing wealthier buyers and bringing a more multicultural character to the area. A regular train service from Port Credit to Toronto and new condominiums in

downtown Mississauga are attracting younger buyers to those areas.

In Mississauga's brisk housing market, well-priced homes sold within days in 2014, although properties over \$1 million typically had listing periods of between one and two months. A seller's market is expected to continue through to 2015 but soften modestly, especially in the luxury segment where it is moving closer to a balanced market.

OAKVILLE

The market for residential real estate in Oakville, an affluent community situated on the shores of Lake Ontario between Toronto and Hamilton, showed strong growth in 2014. The average residential

AVERAGE RESIDENTIAL SALE PRICE (Greater Toronto Area)



*Estimate **Forecast - 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.



sale price rose 12 per cent over the previous year, to approximately \$800,000 in 2014 from \$715,000 in 2013. With less inventory on the market than in the previous year, days on the market fell from an average of 32 in 2013 to 27. Oakville's residential real estate market is expected to remain robust in 2015, with the average sale price increasing by an estimated five per cent.

While Oakville remained a seller's market in 2014, it began shifting to a more balanced market in the late summer and fall. Appropriately priced homes moved quickly and with competing offers, while homes priced above their market value were slow to sell. First-time homebuyers play a very marginal role in driving this market, as most properties are comparably expensive.

What would be considered a luxury home in many communities across Canada is typical in Oakville. Entire neighborhoods comprise homes over 3,000 square feet outfitted with premium finishes like walk-in closets and chef's kitchens—and price tags around \$1 million. The luxury market is driven by buyers who value the quality of the area's schools, amenities and lakefront.

New Canadians from China are playing a growing role in the market as well, purchasing lakefront properties, some of which exceed \$10 million.

All signs point to continued strength in the Oakville market in 2015. While the number of listings is expected to remain consistent, a decrease in inventory is projected to result in an increase in the average residential sale price. New construction in the north end of Oakville and a soon-to-be-completed hospital is expected to play a role in driving demand.

BRAMPTON

The residential real estate market in Brampton, a growing city bordering northwest Toronto, is set to finish 2014 strong and carry momentum into 2015. While low interest rates have positively influenced the market, the arrival of more and more newcomers has also played a role in growing this multicultural community. The market is anticipated to calm to a degree in 2015 and an increase in the average residential sale price of between five and 10 per cent is anticipated.

Brampton is home to many South Asian

Canadians, and it is not uncommon for these buyers to prefer large homes to accommodate multi-generational and extended families. However, some seniors, who have come to Canada under family sponsorship, are using their savings as down payments and moving from apartments to condominiums, challenging the notion of what it means to be a first-time homebuyer.

Move-up buyers continued to drive the market in Brampton, with lending conditions favourable enough for buyers to hold on to two properties. The coming year should move from a seller's market to a more balanced market as inventory is projected to increase.

Luxury sales are expected to remain robust in the coming year. Homes in this segment are typically set on one to two-acre lots. Many prospective buyers in this market segment are entrepreneurs who have found success in the tool and die, automotive or trucking industries.

The real estate market in Brampton could suffer if the municipal government were to implement a land transfer tax similar to Toronto. Conversely, any one of a number of factors, such as a new

university or the opening of a major plant, could positively impact demand and lead to further price increases.

DURHAM

Located east of Toronto along Highway 401, Durham comprises several communities linked to downtown Toronto by regular commuter train service. In 2014, house prices in Durham Region remained more affordable than in other parts of the GTA—a trend that will continue to drive demand in the area. The average residential sale price in 2014 rose an estimated 9 per cent from the previous year.

Offsetting a longer commute time into Toronto is the fact that a detached house—at \$396,300 in October—cost 55 per cent of what one would cost in Toronto. The relative value makes Durham a popular choice for first-time homebuyers. Like the rest of the Greater Toronto Area, the growth Durham is experiencing is in large part driven by the large number of new Canadians who come here each year.

While Durham Region and other outlying areas of the Greater Toronto Area are considered commuter communities by many, Durham's larger municipalities—Ajax, Oshawa, Whitby and Pickering—have been recently revitalized. Local employment has increased as well. Highway 407, a privately-owned toll road, will be extended to run into the north part of Durham Region, increasing demand for housing in the area.

Demand is expected to remain healthy in 2015. First-time homebuyers, immigration and low interest rates were the primary drivers of demand in this market in 2014 and are anticipated to continue drive the market in 2015.



KINGSTON

After experiencing lower than typical sales from January through the summer, Kingston's housing market recovered from its slow start to the year. An estimated four per cent decrease in sales over 2013 led to an inventory increase of six per cent in 2014. Many potential sellers held back their listing hoping to enter the market during a more competitive spring. Despite the higher volume of inventory, the average residential sale price increased by approximately two per cent, to approximately \$292,700 in 2014 from \$287,567 in 2013.

Kingston is one of Canada's fastest growing retirement communities and this demographic represents the single largest influence on the housing market. Retirees from major city centres such as Toronto, Montreal and Ottawa are

attracted to residential properties near Kingston's illustrious waterfront. This has coincided with an increase in condos in the heart of Kingston. While the number of condominiums did not rapidly expand in the past year, condos continue to represent a growing share of the market. Market demand for Kingston condominiums continues to rise. In Kingston's upper-end market, demand outstrips supply. In the rare case that an upper-end property becomes available it quickly exchanges hands to awaiting buyers. These properties tend to be located in Kingston's downtown core near Queen's University and Kingston General Hospital.

Kingston and the surrounding area is home to several post-secondary institutions, hospitals, correctional facilities and a military base. Each institution has a unique influence on the housing market and provides various employment opportunities, a major draw to the region. In 2014, Kingston's military

base, for example, saw a sharp decline in military transfers (down nearly 60 per cent). This resulted in significantly fewer military personnel moving laterally or vertically in the housing market of Kingston's east side. This decrease contributed to the drop in sales in 2014 and is expected to continue to be a factor through 2015.

Looking to 2015, low interest rates are expected to maintain a balanced market, potentially leaning towards a buyer's market, and a modest increase in average sale price is expected. This increase is expected to remain consistent with year-over-year price increases Kingston and the surrounding area has recently experienced. Additionally, the construction of an Ontario Power Generation plant in Bath and the move of Strathcona Solar's head office to Nappanee are projected to improve local employment and demand in the housing market.

AVERAGE RESIDENTIAL SALE PRICE (Kingston)



*Estimate **Forecast - 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.

OTTAWA

October was a record month for property transactions in Ottawa, helping the market recover from a slower spring as a result of a long winter. Year-over-year sales remained stable and consistent in 2014. The market is expected to reach 13,300 sales before year end, which is just slightly less than typical for this region.

In the past year, sellers were sometimes too optimistic with pricing. They often overvalued their properties, which resulted in them remaining on the market longer than expected. As such, average days on the market increased from 47 in 2013 to 51 in 2014. Property values increased slightly but less than expected, making an almost two per cent gain

in average sale price to approximately \$359,500 in 2014 from \$353,881 in 2013. With six months of inventory sitting on the market, Ottawa can be characterized as a buyer's market.

Sellers have recently been turning to the rental market as they wait for demand to improve. Although the rental market has been slow, it has remained consistent with previous years. First-time buyers have excellent selection in condominiums as an abundant supply has been released on the market. However, with ongoing attractive interest rates, potential home buyers are motivated to pursue freehold homes. As such, the greatest demand for properties is for single-family homes.

The housing market in 2015 is expected to remain stable and consistent with

previous years. The average residential sales price is expected to increase at a similar rate to 2014. Historically, Ottawa's housing market experiences small and gradual periods of growth. This is expected to continue through 2015. Market activity is expected to be strong throughout the beginning of 2015 as more serious players approach a market characterized by less competition in the winter months.

AVERAGE RESIDENTIAL SALE PRICE (Ottawa)



**Estimate **Forecast - 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.*

MONTREAL

Softer demand and an increase in inventory characterized the Montreal residential market in 2014. The average residential sale price in Greater Montreal increased slightly to an estimated \$329,300 in 2014, up 1.6 per cent from the previous year. A modest increase in sales activity is expected for 2015, and prices should remain fairly stable, with an anticipated increase of one per cent.

In 2014, January and February sales in the first-time homebuyers' market were brisk, but this busy start was not reflective of activity for the remainder of the year. After those first two months of activity, sales slowed down significantly, affected by high unemployment and political uncertainty leading up to the provincial election in April. Sales started to pick up again in October, and though they were down three per cent over the previous year at the end of September, 2014 is expected to finish roughly on par with the previous year.

Inventory has risen steadily in the past five years and is expected to continue to increase in 2015. This is particularly true in the condo market, where overbuilding has led to a surplus of listings, particularly in downtown Montreal. While condo developments continue to be built and finished, new pre-sales have slowed down considerably, though it will take several years for the market to absorb the inventory. Many of the buyers for existing condo units are Baby Boomers looking to downsize, but not necessarily downscale, in order to enjoy a downtown lifestyle

after their children have moved out.

Despite a good supply of inventory in all housing categories, there are frequently multiple offers on houses, and some properties sell above asking. These properties are typically those that have been well-listed and are in move-in condition. Sales in Montreal tend to close quickly, with buyers looking to move right away.

Overall, a balanced market is anticipated for 2015, with a slight increase in sales and average residential sale price. The political uncertainty that held the market back in 2014 is not projected to be a factor next year. The economic outlook is positive and the employment rate is improving, though the provincial government's current austerity budget may limit economic growth.

AVERAGE RESIDENTIAL SALE PRICE (Montreal)



*Estimate **Forecast - 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.

QUEBEC CITY

The average residential sale price in Quebec City was approximately \$265,800 in 2014, and sales activity increased by an estimated one per cent over the previous year. The first half of the year was very slow, dampened by the cold winter and the political uncertainty leading up to the spring provincial election. Sales activity began to pick up in June and by fall sales were brisk, with September posting an 11 per cent gain over the previous year.

The Quebec City market for freehold houses was balanced, though more listings than in previous years meant that houses took longer to sell, with days on the market for detached homes averaging 114. Sellers have adjusted to this change, and approach the market with patience, understanding that despite the longer sell

times, listings hold their price. The market is expected to remain balanced in 2015, with average residential sale price rising slightly by 1.5 per cent.

In the condo market, a surplus of inventory created a buyer's market. Development has slowed down in most areas of the city, but there is enough existing inventory to potentially favour the buyer through to the end of 2015. Condo units averaged 150 days on the market in 2014 and that is expected to remain unchanged next year.

Move-up buyers purchasing their second or third home are the primary drivers of Quebec City's housing market. These buyers are typically young families with two incomes and school-aged children. First-time buyers in Quebec City have been greatly impacted by the CMHC's tightened lending criteria, and often struggle to secure a mortgage loan. Their entry into the housing market is often delayed by a year to 18 months.

The upper end of the market remained healthy in 2014. These houses are typically resale properties located on the North Shore. It is expected that the upper-end market in 2015 should be similar in price and sales activity compared to 2014.

Quebec City has a good employment rate, and upcoming commercial and development projects in the areas surrounding the city are maintaining consumer confidence. Overall, the housing market is expected to be balanced in 2015.

AVERAGE RESIDENTIAL SALE PRICE (Quebec City)



*Estimate **Forecast - 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.

FREDERICTON

The average residential sale price in Fredericton increased modestly last year, to approximately \$183,300 in 2014 from \$179,058 in 2013. Sales were down compared to the previous year, and are expected to remain relatively low in 2015. It is projected that the average residential sale price will decrease by approximately three per cent in the coming year due to a high level of inventory on the market.

2014 was an election year in New Brunswick, which always has a significant impact on the housing market in Fredericton. Elections cause job insecurity for the significant number of workers employed in the public sector, so the market was very slow leading up to the provincial election in September. This insecurity should not be a factor in 2015, though as unemployment remains high, an increase in the number of sales is not expected.

The principal employers in the region are the provincial government, the University of New Brunswick, the nearby military base and the RCMP headquarters. Jobs for younger workers, in particular, are in limited supply, and many young people from New Brunswick are choosing to leave the province.

The first-time homebuyer's market in Fredericton continued to feel the impact of the CMHC's 2012 changes to the mortgage lending regulations. The entry of these buyers in the market has been delayed, which has had a significant impact on the move-up market as well. The new

financing rules are expected to have less of an impact beginning in late 2015 and 2016, as potential buyers adjust and save accordingly.

In 2014, most first-time buyers were couples in their 30s with children, and young families drove the move-up market as well. Properties most in-demand were those priced at \$200,000 and under, while homes in the \$300,000 to \$350,000 range sold well too.

Inventory levels were high, and are expected to increase in 2015. The average number of days on market was 122, and that is anticipated to increase slightly next year as inventory increases. Overall, the Fredericton residential real estate market was a buyer's market, and is expected to remain so through to the end of next year.

Though it won't have an impact on the coming year, the proposed Energy East pipeline project could be significant for the Fredericton job market in the near future, and is keeping many residents optimistic for a brighter economic future.

AVERAGE RESIDENTIAL SALE PRICE (Fredericton)



*Estimate **Forecast - 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.

SAINT JOHN

The long, harsh winter and late spring meant that sales activity in Saint John had a later start than usual. While overall sales volume was down compared to the previous year, most of the decrease was in the first half of the year, and sales picked up significantly between July and October. The average residential sale price in Saint John decreased slightly in 2014, to approximately \$176,800 from \$179,351 the previous year. Both the average residential sale price and sales activity are expected to remain stable in 2015.

A good supply of inventory in the Saint John market created buyer's market conditions in 2014. Though demand was fairly stable compared to the previous year, listings stayed on the market longer.

Sales activity was most active in the

upper-end of the market. In 2014, 82 properties in the price range of \$350,000 and up sold between January and October, and increase from 76 the previous year. The past year saw fewer spec homes in this market than in previous years, and most of the houses that sold in this price range were resale properties. This trend is expected to continue in 2015.

First-time buyers in Saint John are typically native to New Brunswick, and are professionals or tradespeople. With a good variety of affordable properties on the market, these buyers are generally able to secure a mortgage for the home of their choice, despite stricter lending criteria. However, high unemployment in the region has prompted many young workers to leave the province, and the first-time buyer's market was slower in 2014 than in past years. This had an impact on move-up buyers as well, as they had difficulty finding buyers for their homes.

Several projects on the horizon are keeping residents optimistic about the future. If approved, the proposed Energy East pipeline and its spin-off development should bring significant economic benefits to the region. A proposed fertilizer plant and a plan to develop Saint John's waterfront would also create new jobs in the community.

AVERAGE RESIDENTIAL SALE PRICE (Saint John)



*Estimate **Forecast - 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.

MONCTON

Moncton's inventory was higher than normal in 2014, creating a buyer's market. Properties took longer to sell than in previous years, but with Moncton's stable economy and steady demand, this did not put downward pressure on prices. Inventory is expected to stabilize next year as new development slows down.

The average sale price of residential property in Moncton increased modestly last year, to an estimated \$176,900 in 2014 from \$171,000 in 2013. Sales were up as well; at the end of October, there was a five per cent increase in the number of sales compared to the same time the previous year. Both the average residential sale price and the number of sales are expected to increase by approximately six per cent in 2015, as inventory levels off and more people from other parts of the province move to

the city.

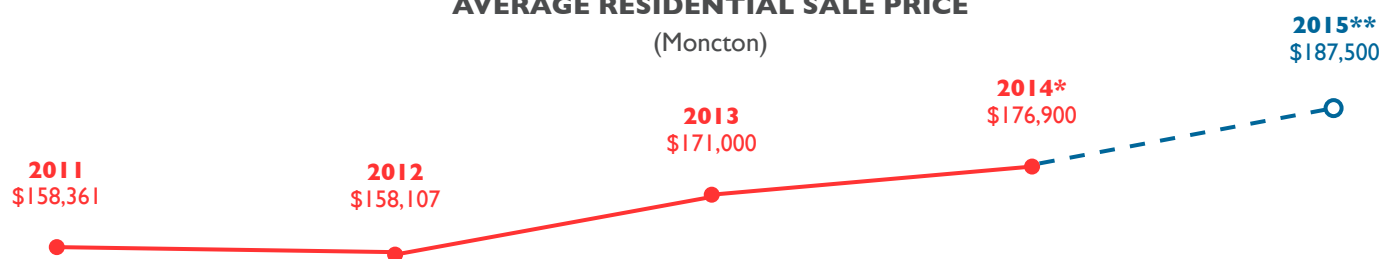
Some of the increase in listings can be attributed to the Baby Boomers looking to downsize. Increasingly, recent retirees are choosing to stay in Moncton in order to be near their children and grandchildren. Many of them are looking to downsize to smaller detached houses or newly-built townhouses, but are having trouble finding buyers for their homes, as many first-time and move-up buyers in this market prefer new builds.

Unlike in other markets, tightened lending criteria have had a bigger impact on move-up buyers than first-time buyers. Move-up buyers looking to upgrade from a small semi-detached to a larger detached house can struggle to qualify for a mortgage, while with many affordable options available to them, first-buyers are generally able to enter the market.

Moncton tends to have a very stable economy, as unlike other towns and

cities in Atlantic Canada, it is not tied to a single industry, and no one industry represents more than 25 per cent of the total economy. Moncton's main employers include the city's three universities and two community colleges, two large hospitals, an international airport, and a healthy manufacturing sector. Its central location in Atlantic Canada has made it a hub for the trucking industry as well. The outlook for 2015 is bright, as the economy is expected to continue to grow at a steady pace, and a new civic centre, scheduled to begin construction next year, should add new jobs.

AVERAGE RESIDENTIAL SALE PRICE (Moncton)



*Estimate **Forecast - 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.

HALIFAX-DARTMOUTH

A high level of inventory in Halifax-Dartmouth created a buyer's market in 2014, and that is expected to continue through to the end of 2015. However, there are different sectors in the Halifax-Dartmouth region, and certain property types that continue to sell quickly, at or above their asking price. These are detached houses in move-in condition (often with renovations), in prime locations such as Halifax's North End and other parts of the Peninsula, along with Fairview, and areas of Dartmouth such as the downtown core, Southdale, Manor Park, and Woodlawn. Waterfront properties and high-value income properties, which come on the market only occasionally, continued to sell quickly and increase in price.

Demand in the Halifax-Dartmouth housing market was softer in 2014, and the average residential sale price declined slightly, to approximately \$273,000 in 2014 from \$278,783 in 2013. The average residential sale price is expected to stabilize and begin to recoup in 2015, yielding an increase of approximately one per cent. The average number of days on the market increased from 91 in 2013 to 101 in 2014, and is expected to remain unchanged in 2015.

New construction, which created a lot of the inventory over the past several years, has slowed down considerably. This should stabilize the amount of inventory on the market over time, but is not likely to have much of an effect in the coming year.

Last year saw fewer first-time buyers, as CMHC and financial institutions tightened mortgage lending criteria making it difficult for these buyers to secure a mortgage. This slowed down the market overall, as many move-up purchases are conditional on the buyer selling their current home. Despite this, move-up buyers, typically families purchasing their second or third home, are the primary drivers of the market. The tighter lending criteria are expected to have a lesser effect next year as buyers adapt to the new regulations and make the changes necessary to qualify for a mortgage.

Prices and sales are expected to remain stable in 2015, and the outlook is generally positive. The federal government's relocation of 1,000 employees and the closure of BlackBerry's Halifax offices had an impact on sales in 2014, but are unlikely to affect sales next year. Private-sector projects on the horizon are creating a general atmosphere of optimism. Offshore oil exploration and recent investment in land leases in the Shelburne Basin has been in the billions of dollars with more expected in the next several years. An Irving Shipbuilding contract is projected to ramp up in 2015, creating new jobs in the area.

AVERAGE RESIDENTIAL SALE PRICE (Halifax-Dartmouth)



*Estimate **Forecast - 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.

CHARLOTTETOWN

Sales activity in the Charlottetown residential real estate market is expected to remain fairly stable in 2015, with both the average residential sale price and the number of sales remaining fairly consistent with 2014. Although the region is expecting little change in price in 2015, the average residential sales price may rise as much as two per cent depending on the overall economic conditions on the island.

There was good availability of inventory on the market in 2014 for all product types. First-time homebuyers, move-up buyers, downsizers and luxury buyers all had a number of options available to them. The high level of inventory was an advantage to buyers in 2014. Charlottetown and area is expected to favour the buyers through 2015.

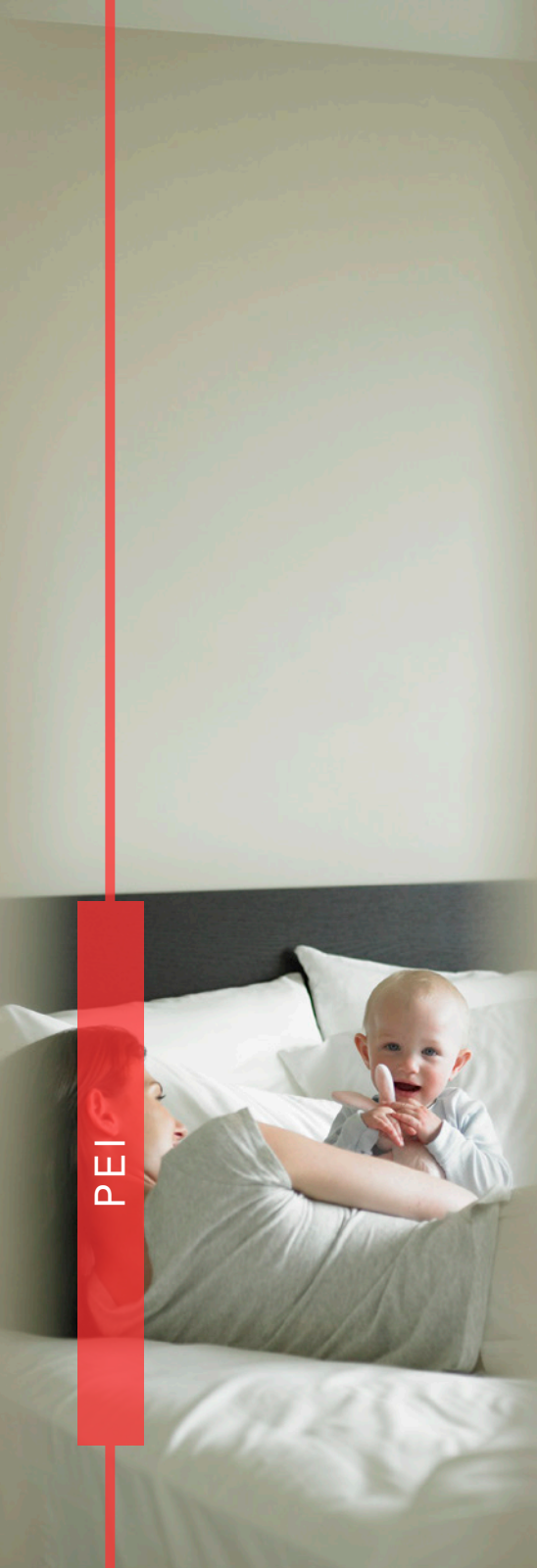
In recent years, natives to the province who moved away for entry-level career opportunities have chosen to move back now that they have more work experience. These buyers are looking to settle down and raise families in their hometown to be close to their families. However, demand from first-time homebuyers in 2015 should continue to be restrained by the limited employment opportunities available to younger workers in Charlottetown and area.

Baby Boomers are increasingly looking to Charlottetown and area as a retirement destination. Its affordability, walkability and proximity to good hospitals and recreation activities makes it an appealing

choice for this demographic.

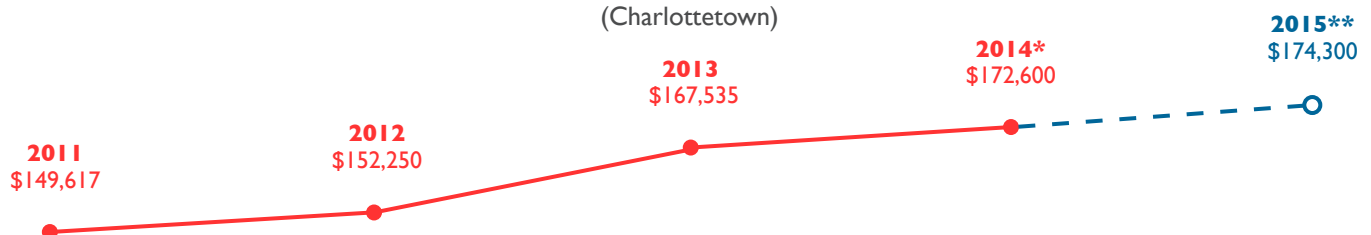
In the condominium market, there is a good supply of units in newly-built developments on the market. Many of these developments were built for the expected demand from seniors downsizing, but this demographic has not embraced the condo lifestyle.

Charlottetown and its surrounding areas are also drawing people who work remotely. These buyers enjoy the affordability, convenience and recreation that the Charlottetown area offers, while using technology to telecommute. This is a fairly new trend, and one that is expected to continue next year.



PEI

AVERAGE RESIDENTIAL SALE PRICE (Charlottetown)



*Estimate **Forecast - 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.

ST. JOHN'S

In the past year, the St. John's housing market saw an 18.3 per cent increase in listings. This influx in inventory created buyer's market conditions in 2014, and by the end of October, there was enough of a build-up in listings on the market to sustain a buyer's market throughout 2015.

Despite the rise in inventory, properties on the market maintained their price last year, and the average residential sale price in St. John's increased to approximately \$313,000 in 2014 from \$301,000 the previous year. The average residential sale price is expected to remain stable in 2015.

Many of the listings on the market in 2014 were newly built properties, both within St. John's proper and just outside the city. Several new subdivisions were completed in the past few years, and

many of these have been very slow to sell. Because of the downturn in sales for new builds, condo projects that were scheduled to begin construction next year were put on hold.

Many buyers and sellers in the St. John's market are oil and gas or mining workers, who regularly transfer in and out of the city. The university and hospital are big employers as well, and many first-time buyers work in education or health care. The tightened mortgage lending criteria had a significant impact on this group when the new regulations were introduced in 2012, but the impact has lessened as buyers have adapted to the new rules. In 2014, the impact of the lending criteria was mostly felt in the investment property and second home markets. Parents purchasing a house for their children while they were in university and people buying cabins as recreation properties were two buyer categories that decreased significantly in the past few years.

At the upper-end of the market, there was an abundance of selection in the \$400,000 range. Newly built homes priced around \$600,000 sold well, typically to buyers who work in the oil industry and were either moving up within St. John's, or had relocated from outside the province. Resale properties in the upper-end of the market sold well too. In King William Estates, an established high-end area in St. John's East End, on the rare occasion that houses do come on the market, they sell very quickly. The upper-end market is expected to remain stable in 2015, provided the builders continue to delay new development projects.

Overall, St. John's is projected to see stability in 2015. Provided that building slows down, as is expected, inventory should start to diminish, days on market decrease, and average price should remain stable.

AVERAGE RESIDENTIAL SALE PRICE

(St. John's)



*Estimate **Forecast - 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.

NATIONAL CONTACTS

Wade Paterson | 250-860-3628
RE/MAX of Western Canada

Shelby Schneider | 905-542-2400
RE/MAX INTEGRA, Ontario-Atlantic Canada

Jessica Lavoie | 450-668-7743
RE/MAX Québec Inc.

Sarah Louise Gardiner | 416-644-2907
FleishmanHillard

BRITISH COLUMBIA

VICTORIA

Ray Blender | 250-744-3301
RE/MAX Camosun

EAST VANCOUVER

Corey Raven | 604-220-9399
RE/MAX Select Realty

WEST VANCOUVER

Steve Jamieson | 604-307-9167
RE/MAX Crest Realty Westside

GREATER VANCOUVER

Richard Laurendeau | 604-273-2828
RE/MAX Westcoast

KELOWNA

Cliff Shillington | 250-717-5000
RE/MAX Kelowna

ABBOTSFORD

Ron Todson | 604-589-2341
RE/MAX Little Oak Realty

CHILLIWACK

Alex McDonald | 1-800-830-7175
RE/MAX Nyda Realty

ALBERTA

EDMONTON

Greg Steele | 780-641-1341
RE/MAX Excellence

CALGARY

Lowell Martens | 403-247-5171
RE/MAX Real Estate (Mountain View)

SASKATCHEWAN

REGINA

Ron Nisbett | 306-789-7666
RE/MAX Crown Real Estate

SASKATOON

Larry Stewart | 306-242-6000
RE/MAX Saskatoon

MANITOBA

WINNIPEG

Cliff King | 204-387-9808
RE/MAX Executive Realty

ONTARIO

WINDSOR

Glen Muir | 519-944-5955
RE/MAX Preferred Realty Ltd.

LONDON

Troy Couwenberghs | 519-649-6000
RE/MAX Advantage Realty Ltd.

SUDBURY

Cathy Gregorchuk | 705-560-5650
RE/MAX Crown Realty

KITCHENER-WATERLOO

Adrian Bass | 519-579-4110
RE/MAX Twin City Realty Inc.

ST. CATHARINES

Phyllis Gleeson | 905-641-1110
RE/MAX Garden City Realty Inc.

BARRIE

Corrie Holliday | 705-722-7100 ext. 3073
RE/MAX Chay Realty Inc.

HAMILTON-BURLINGTON

Conrad Zurini | 905-545-1188
RE/MAX Escarpment Realty Inc.

KINGSTON

Cindy Haggerty | 613-389-7777
RE/MAX Realty Concepts Corp.

OTTAWA

Joanne Goneau | 613-721-5551
RE/MAX Absolute Realty Inc.

TORONTO

John Meehan | 416-928-6833
RE/MAX Unique Inc.

MISSISSAUGA

Ryan Gilmour | 905-855-2200
RE/MAX Realty Enterprises Inc.

OAKVILLE

Claudia DiPaola | 905-338-9000
RE/MAX Aboutowne Realty Corp.

BRAMPTON

Gordy Khuman | 905-673-8500
RE/MAX Gold Realty Inc.

QUEBEC**MONTREAL**

Caroline Salette | 514-779-9058
RE/MAX Royal (Jordan) Inc.

QUEBEC CITY

Julie Larochelle | 418-832-1001
RE/MAX Avantages

NEW BRUNSWICK**FREDERICTON**

Shawna Roy | 506-452-9888
RE/MAX Group Four Realty Ltd.

MONCTON

Fern Gagnon | 506-384-3300
RE/MAX Quality Real Estate Inc.

SAINT JOHN

Gordon Breau | 506-634-8200
RE/MAX Professionals Saint John

NOVA SCOTIA**HALIFAX**

Ryan Hartlen | 902-468-3400
Stephen Bellefontaine | 902 456-9712
RE/MAX Nova

PRINCE EDWARD ISLAND**CHARLOTTETOWN**

Linda Anderson | 902-892-2000
RE/MAX Charlottetown Realty

**NEWFOUNDLAND
& LABRADOR****ST. JOHN'S**

Keith Bradbury | 709-364-8848
RE/MAX United Inc.

This press release includes "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate", "believe", "intend", "expect", "estimate", "plan", "outlook", "poised", "should" and "project" and other similar words and expressions that predict or indicate future events or trends or that are not statements of historical matters. Forward looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward looking statements. Such risks include, without limitation, those described in the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of

Operation in RE/MAX Holdings Inc.'s registration statement on Form S-1 filed with the United States Securities and Exchange Commission ("SEC") and (1) changes in business and economic activity in general, (2) changes in the real estate market, including changes due to interest rates and availability of financing, and (3) changes in laws and regulations that may affect our business or the real estate market. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Except as required by law, RE/MAX Holdings Inc. does not intend, and undertakes no duty, to update this information to reflect future events or circumstances. Investors are referred to in RE/MAX Holding Inc.'s registration statement on Form S-1 and subsequent reports filed with the SEC.

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.