

# 2016

## HOUSING MARKET OUTLOOK

RE/MAX®



# NATIONAL SUMMARY

## HIGH DEMAND AND LOW SUPPLY CONTINUED TO CHARACTERIZE VANCOUVER'S AND TORONTO'S HOUSING MARKETS THROUGHOUT 2015 AS COMPETITION FROM BUYERS OVER THE LIMITED INVENTORY OF SINGLE-FAMILY HOMES PUSHED PRICES HIGHER.

The average residential sale price increased 17 per cent in Greater Vancouver and 10 per cent in the Greater Toronto Area, to approximately \$947,350 and \$622,150, respectively. As demand shows no signs of waning, these markets are expected to continue to see price appreciation in 2016, of seven per cent in Greater Vancouver and five per cent in the Greater Toronto Area.

In these competitive markets, sellers want to ensure they maximize the value of their homes, while buyers look for guidance during the fast-paced bidding process. In a recent Leger survey conducted for RE/MAX, 70 per cent of homeowners agreed REALTORS® provide value when buying or selling a home.

Regions outside of Canada's highest-priced cities reported a spillover effect from the price increases in Greater Vancouver and the Greater Toronto Area continuing a trend that RE/MAX reported this spring. There were significant year-over-year price increases in Victoria (13%), Fraser Valley (10%), Hamilton-Burlington (12%) and Barrie (8%).

New Canadians and foreign investors continued to be an important demographic of buyers in Toronto, Vancouver and Montreal. Attracted to Canada's stable economy and low Canadian dollar, this trend is expected to continue through 2016.

In Alberta, a year after the sudden drop in oil prices, housing markets in Calgary and Edmonton showed slower activity but haven't experienced significant price adjustments. The average residential sale price in Calgary saw a five per cent decrease, due primarily to a larger

proportion of sales at the lower end of the market. In Edmonton, the average price increased by two per cent despite more inventory on the market. An ongoing \$5 billion development project in downtown Edmonton has stimulated the local economy and helped to keep employment levels up, mitigating the impact of oil industry layoffs. As buyers in these markets continue to feel uncertain, the average sale price is expected to decrease in 2016, by 3.5 per cent in Edmonton and four per cent in Calgary.

Outside of B.C. and Southern Ontario, high inventory continued to be a significant factor affecting the markets in many cities, including Saskatoon, Regina, Montreal, Quebec City, Halifax and St. John's. This is primarily due to a period of increased construction. Though new construction slowed down in most of these cities, it will take some time for the market to absorb the product.

RE/MAX 2016 average residential sale price expectation for Canada is an increase of 2.5 per cent as Canadians continue to see home ownership as an important milestone as well as a good investment.



**91% OF CANADIANS SAY THAT HOME OWNERSHIP IS PART OF THE CANADIAN DREAM**



**MORE THAN TWO-THIRDS OF CANADIANS SAY THAT 10% OR MORE OF THE PRICE OF A HOME IS A GOOD DOWN PAYMENT**



**71% OF HOMEOWNERS AGREE THAT WHEN BUYING OR SELLING A HOME, REALTORS® PROVIDE VALUE**



ONTARIO

## HAMILTON- BURLINGTON

↑ 12%

2015 AVERAGE  
RESIDENTIAL  
SALE PRICE  
**\$436,500**

**HAMILTON'S AFFORDABILITY** relative to the Greater Toronto Area and good supply of single-family homes continued to drive demand in the region throughout 2015. The average residential sale price in Hamilton rose approximately 10 per cent year-over-year to an estimated \$360,275. Sales were up as well: there were 13,910 properties sold between January and October of this year,

compared with 12,504 in the same period in 2014. Brick bungalows on Hamilton Mountain priced around \$350,000 were in highest demand, sought by both young families and downsizers.

In neighbouring Burlington, the average residential sale price rose just over six per cent to approximately \$573,100.



## FUTURE TRENDS

- Expansions to the GO Train service are expected to open up more areas of the city to commuters, and a new LRT line is slated to begin operating in 2019
- The low Canadian dollar may stimulate the manufacturing sector, creating jobs in the region
- A possible expansion of Hamilton's boundary is being explored, which would open up more land for development
- RE/MAX's 2016 average residential sale price expectation for Hamilton-Burlington is an increase of 4.3 per cent

### FIRST-TIME BUYERS

Hamilton's relative affordability and good selection of single-family homes continued to draw first-time buyers to region throughout 2015. Buyers tend to be young couples or families from more expensive nearby regions, such as Burlington, Ancaster and the Greater Toronto Area.

First-time buyers have a good selection of townhouses, semi-detached and fully detached homes to choose from in the \$240,000 to \$350,000 range, depending on condition and location. Hamilton's east end offers particularly good value for these buyers.

### CONDO MARKET

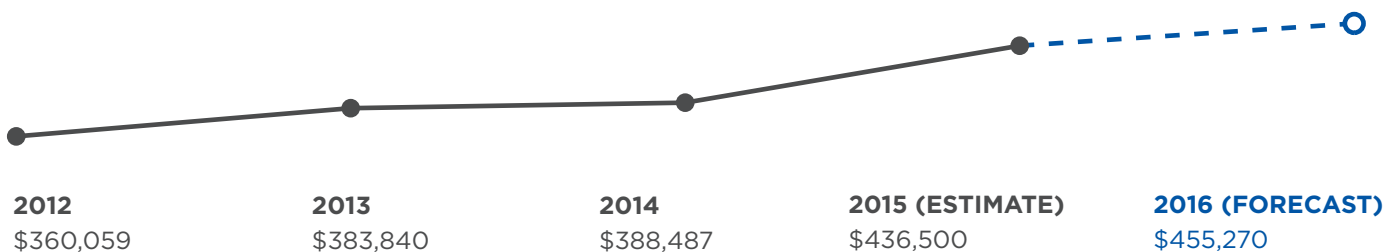
Downtown Hamilton's emerging condominium market primarily appeals to younger buyers looking for a more urban lifestyle.

In Burlington's more established condo market, buyers tend to be local retirees or empty nesters, looking to downsize while remaining in the area.

### LUXURY HOMES

The upper end of the market is healthy; last year saw an increase in sales of homes priced over \$1 million, due to price appreciation throughout the market in Burlington, and more high-end inventory in Hamilton. This year saw particularly high demand for luxury homes in southeast and northeast Burlington, Dundas, Ancaster and by the waterfront in Stoney Creek. Demand is driven primarily by local move-up buyers.

### AVERAGE RESIDENTIAL SALE PRICE (HAMILTON-BURLINGTON)



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.