

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



CONSUMER CONFIDENCE IN THE WINDSOR-ESSEX HOUSING MARKET WAS ESPECIALLY POSITIVE THROUGH

2015; approximately 20 per cent of homes sold at asking price or above and there was a notable increase in price value. A lack of inventory on the market meant homes received multiple offers, putting the region in a seller's market. The weather typically has a significant impact on sales in the region; if this winter is snowy and cold, the market will likely become more balanced at the beginning of next year.

The average sale price for a detached home rose

4.6 per cent year-over-year to approximately \$201,150. Sales increased considerably; there were 6,185 sales between January and October of 2015, compared to 5,257 during the same period last year. Demand was strongest for bungalow ranch and raised ranch style single-family homes.

Demand was driven by out of town buyers, particularly retirees, attracted to the region's affordable pricing. Move-up buyers accounted for the biggest proportion of sales; they have been selling their \$200,000 homes and upgrading to properties in the \$300,000 to \$400,000 range.



FUTURE TRENDS

- Infrastructure projects such as the Gordie Howe International Bridge are underway and are expected to instill more confidence in the economy
- An influx of retirees are expected to continue to populate the area due to Windsor-Essex's low prices and proximity to the U.S. border
- The RE/MAX 2016 average residential sale price expectation for Windsor-Essex is an increase of five per cent

FIRST-TIME BUYERS

Due to historically low interest rates and relatively low prices compared to other areas in the country, first-time buyers in Windsor-Essex were able to purchase larger, higher-end properties than in the past. In some cases, young professional couples bought luxury homes in the \$500,000 and above range, helping drive the upper-end market.

CONDO MARKET

Windsor does not have a significant condo market; however, a large new development in Tecumseh is currently under construction, and units have been selling quickly. As this is the only building currently in development, condo inventory is expected to remain low.

LUXURY HOMES

Luxury home sales were strong; 25 properties sold for over \$1 million between January and October 2015. Low interest rates and high consumer confidence are encouraging move-up buyers to purchase newer, larger homes.



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.



THE LONDON-ST. THOMAS MARKET HAS REMAINED BALANCED for the last five years. Toward the end of 2015 the market tipped slightly towards a seller's market, but enough inventory remained on the market to provide buyers with a good selection. At the end of October, there were approximately three to four months of inventory on the market.

The average sale price for a home rose four per cent year-over-year, to approximately \$265,050 from \$254,141 in 2014. Sales increased as well;

there were 8,206 sales between January and October of 2015, compared to 7,474 during the same period last year. Demand was strongest for detached homes, particularly two-story houses in the \$250,000 to \$326,000 range.

A majority of buyers in London are young families looking to purchase in established neighbourhoods in which they can raise a family. Due to its affordable housing options, the region is attracting increasing numbers of new immigrants to Canada.



FUTURE TRENDS

- More tech-oriented companies are moving to London, creating well-paying jobs in the city, which may attract professionals with larger housing budgets
- Public infrastructure improvements, such as the preliminary planning of a rapid transit system, are expected to make the city more accessible and draw new residents
- The RE/MAX 2016 average residential sale price expectation for London-St. Thomas is an increase of three per cent

FIRST-TIME BUYERS

First-time buyers are the primary drivers of demand in London-St. Thomas. A majority of young families are purchasing homes in the lower bracket, which is causing move-up buyers to purchase larger homes, and in turn, older buyers to shift to smaller, single-story homes.

CONDO MARKET

Townhouses are the most popular condo style in the region, and were selling at an average price of \$151,829 at the end of October 2015. In London, there has been an increase in high-rise luxury condos in the downtown core, many of which are sold privately through the developers. The condo market is expected to remain stable next year.

LUXURY HOMES

London-St. Thomas' luxury market is small but active, and the number of high-end properties is steadily increasing. Between January and October 2015, there were 292 homes sold for \$500,000 and above, compared to 215 during the same period in 2014.



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.



THE KITCHENER-WATERLOO MARKET IS BALANCED WITH A GOOD SUPPLY OF

INVENTORY that will likely increase in 2016. The average price for a freehold property rose 2.6 per cent year-over-year from \$330,772 in October 2014, to \$355,535 in October 2015. Sales are up: there were 4,828 sales between January and October 2015, up from 4,684 during the same period in 2014.

While sales are expected to remain stable in 2016, prices may decrease slightly due to more listings coming on the market. Key drivers of demand in Kitchener-Waterloo are foreign buyers purchasing property for their children to live in while they attend college or university, and newcomers moving to the city for jobs in the growing technology sector.

New Hamburg and Baden, located on the outskirts of Kitchener, are becoming increasingly popular with move-up buyers and retirees. For young families, the areas offer good schools and nice properties at affordable prices, while retirees are attracted to the adult retirement villages, which feature bungalow-style homes, amenities and activities.





FIRST-TIME BUYERS

First-time buyers play an important role in Kitchener-Waterloo. Typically young couples employed in the tech sector, they often prefer condo properties in the downtown core that require little maintenance.

CONDO MARKET

A number of high-rise condominium buildings, mainly targeted at post-secondary students, are currently being constructed in the downtown core and are primarily selling to investors. Condo prices are expected to increase in 2016 as demand from first-time buyers continues.

LUXURY HOMES

The luxury market in Kitchener-Waterloo is expected to soften a little in 2016. A decline of high-income residents due to layoffs at BlackBerry has led to a less demand for luxury homes.

FUTURE TRENDS

- A new light rail transit system (LRT) and development in Kitchener-Waterloo's downtown core is expected to increase the appeal of downtown living
- The Kitchener-Waterloo housing market is expected to remain balanced in 2016
- The RE/MAX 2016 average residential sale price expectation for Kitchener-Waterloo is a one per cent decrease

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