

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
SUDBURY

↓ **2%**

**2015 AVERAGE
RESIDENTIAL
SALE PRICE
\$251,300**

THE SUDBURY HOUSING MARKET WAS BALANCED IN 2015, despite the low price of nickel, the city's main industry. The average residential sale price decreased modestly by 1.6 per cent year-over-year to approximately \$251,300; the decline was due primarily to slower sales at the high end of the market, while sales at the lower end were brisk.

Sales increased overall: there were 1,914 sales between January and October of 2015, compared to 1,752 during the same period last year. This pace is anticipated to continue into the spring market.

A balanced market is expected to continue into 2016 and the average residential sale price is expected to increase by one per cent.



FUTURE TRENDS

- A number of new infrastructure projects are planned for 2016, including a new school of architecture in the downtown core, new hotels and retail centres
- The RE/MAX 2016 average residential sale price expectation for Sudbury is an increase of one per cent

FIRST-TIME BUYERS

First-time millennial buyers continued to drive demand in the Sudbury market. Motivated by low interest rates and a good selection of affordable options, first-time buyers typically enter the market by purchasing a single-family home in the \$180,000 to \$222,000 price range.

CONDO MARKET

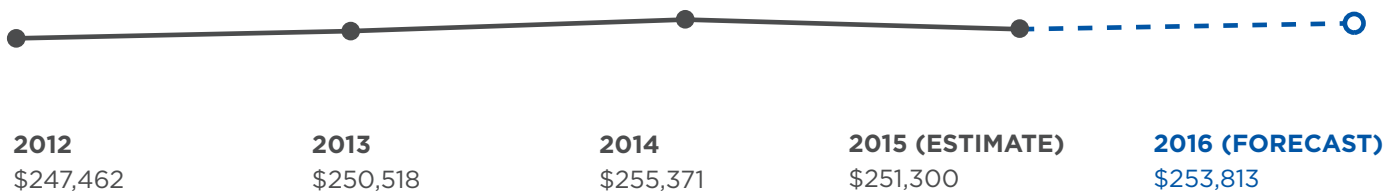
Sudbury's condo market is small, with inventory split between high-end and low-end properties. Detached condo townhouses

are more popular, but do not account for a high volume of overall sales. Inventory and prices are expected to remain stable throughout 2016.

LUXURY HOMES

Sudbury's upper-end market saw a decrease in sales of homes \$750,000 and above in 2015. However, due to a series of new construction builds slated for spring, it is anticipated both the inventory for luxury homes and the value of these homes will increase next year.

AVERAGE RESIDENTIAL SALE PRICE (SUDBURY)



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.



ONTARIO
BARRIE

 **8%**

**2015 AVERAGE
RESIDENTIAL
SALE PRICE
\$345,050**

BARRIE WAS IN A SELLER'S MARKET THROUGHOUT THE YEAR, and homes typically sold over their listing price. The average sale price for a detached home rose seven per cent year-over-year, to approximately \$345,050 from \$319,612 in 2014. Detached home sales increased year-over-year: there were 2,055 sales between January and October of 2015, compared to 1,793 during the same period last year. Detached homes in the \$300,000 to \$350,000 price range

were in the highest demand. Well-maintained, accurately priced homes typically sold within 30 days.

Brisk sales activity and price increases are expected to continue into 2016 thanks to historically low interest rates, the region's affordability in relation to the nearby Greater Toronto Area, and a shortage of inventory that cannot keep up with buyer demand.



FUTURE TRENDS

- While there are developments under construction in Barrie, significant housing stock is not expected to come on the market for a few years, keeping inventory low and demand high in the near future
- The RE/MAX 2016 average residential sale price expectation for Barrie is an increase of five per cent

FIRST-TIME BUYERS

Barrie's proximity to the GTA draws both young families and retirees to the region. Many first-time buyers are professional couples and young families who commute to the GTA. Barrie's affordable prices, proximity to nature and recreational activities, and daily GO Train service to Toronto make the area an attractive place to live.

CONDO MARKET

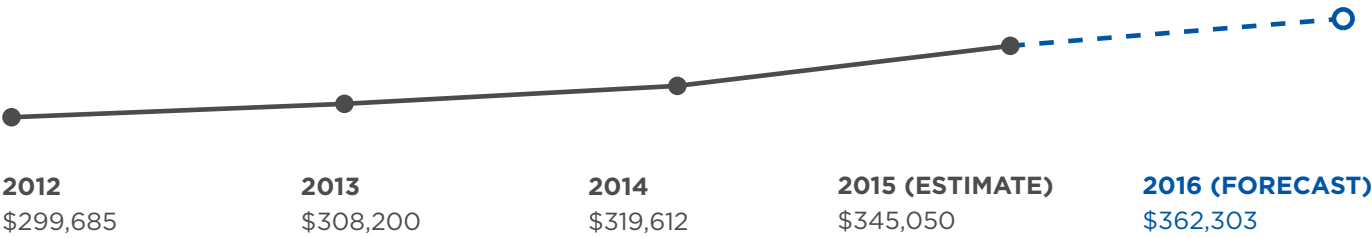
Condominiums represent an increasingly significant market segment in Barrie, attracting both single professional first-time buyers as well as empty nesters. A relatively new

market, many projects are still being built and are not anticipated to come on the market next year, meaning inventory is expected to remain low and prices to continue to rise in 2016.

LUXURY HOMES

This year saw an increase in sales of homes priced \$600,000 and above, rising from 43 sales between January and October of 2014 to 64 sales during the same period in 2015. As more Torontonians desire larger homes and move farther north, it is anticipated they will take advantage of Barrie's value per square foot, driving demand in the region's luxury market.

AVERAGE RESIDENTIAL SALE PRICE (BARRIE)



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.