

RE/MAX 2016

# SPOTLIGHT ON LUXURY



THE  
**RE/MAX**  
COLLECTION®  
*Fine Homes & Luxury Properties*



## Spotlight Summary

Sales of homes priced over \$1 million were up year-over-year in Toronto, Vancouver, Calgary, Victoria and Oakville in the first nine months of 2016. In the Greater Toronto Area and Vancouver, Canada's largest high-end housing markets, sales of \$3 million-plus homes saw significant increases, of 86 per cent in the GTA and 41 per cent in Vancouver.

While Vancouver sales of \$1 million properties were up by three per cent overall, single-family home sales in that range declined by seven per cent year-over-year. One factor contributing to this decrease is the foreign buyer tax implemented by the provincial government in August, which has resulted in slowing demand for single-family detached homes from off-shore buyers. Additionally, higher inventory of luxury homes may be lessening buyers' sense of urgency.

The Greater Toronto Area's market has experienced continued strong demand for luxury properties, with sales of homes over \$3 million rising by 86 per cent year-over-year. This is largely attributable to overall price appreciation in the market, driven by low inventory and high demand for single-family homes, which has resulted in more homes meeting the higher dollar threshold. Additionally, significant price appreciation throughout the housing market has

allowed move-up buyers to build up enough equity in first or second homes to purchase a high-end home. Demand is driven mainly by local move-up buyers, though foreign buyers play a role as well. While there has been speculation that Toronto would see an increase in off-shore buyers as a result of the recently implemented foreign-buyer tax in British Columbia, this effect has not been noted to date.

High demand in the GTA and Vancouver has resulted in a spillover effect in neighbouring luxury markets, as buyers look further out for more selection and value. Victoria saw sales of properties over \$1 million increase 82 per cent over the same period in 2015, driven primarily by downsizers relocating from Vancouver for retirement. In Oakville, an affluent suburb to the west of the GTA, sales of \$1 million-plus homes increased by 111 per cent year-over-year, driven by price appreciation throughout the market, as well as increased interest from foreign buyers.

Calgary's luxury market has stabilized over the first nine months of 2016, and after a period of decline, sales of \$1 million-plus homes were up 13 per cent year-over-year. There have been fewer luxury homes

coming on the market, as sellers hold back until values rebound. Meanwhile, buyers have increasingly looked to take advantage of lower prices for luxury properties. If these trends continue, Calgary's luxury market is expected to remain stable with properties holding their value for the remainder of the year and into 2017.

Sales of luxury condominiums in Canada's two largest luxury markets have experienced significant growth in 2016, driven by increasing demand from downsizers, as well as limited inventory of single-family homes. Condos sold for over \$2 million rose by 42 per cent in Toronto, while Vancouver saw sales grow by 60 per cent compared to the same period in 2015.

Luxury market trends seen in Canada's major markets during the first nine months of the year are expected to continue through the end of 2016 based on interviews with RE/MAX brokers and associates.

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*In the Greater Toronto Area and Vancouver, Canada's largest high-end housing markets, sales of \$3 million-plus homes saw significant increases, of 86 per cent in the GTA and 41 per cent in Vancouver.*

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\*Sample size not large enough for year-over-year comparison

**NUMBER OF PROPERTIES SOLD YEAR-OVER-YEAR  
(JANUARY 1 TO SEPTEMBER 30)**

**HIGHEST SOLD  
(JANUARY 1 TO SEPTEMBER 30)**

	NUMBER OF PROPERTIES SOLD YEAR-OVER-YEAR (JANUARY 1 TO SEPTEMBER 30)									HIGHEST SOLD (JANUARY 1 TO SEPTEMBER 30)	
	1M+			2M+			3M+			2016	2015
	2016	2015	YOY	2016	2015	YOY	2016	2015	YOY	2016	2015
VANCOUVER	3,470	3,357	3%	1,708	1,465	17%	1,034	731	41%	\$31,100,000	\$23,888,000
Freehold	2,608	2,805	-7%	1,518	1,346	13%	946	676	40%	\$31,100,000	\$23,888,000
Condominium	862	552	56%	190	119	60%	88	55	60%	\$16,600,000	\$7,750,000
VICTORIA	615	337	82%	81	47	72%	15	14	n/a*	\$11,000,000	\$7,288,000
Freehold	528	286	85%	72	42	71%	15	11	n/a*	\$11,000,000	\$7,288,000
Condominium	87	51	71%	9	5	n/a*	0	3	n/a*	\$2,500,000	\$5,300,000
CALGARY	382	338	13%	40	25	60%	9	9	n/a*	\$8,389,500	\$5,200,000
Freehold	371	323	15%	37	24	54%	7	6	n/a*	\$4,775,000	\$5,200,000
Condominium	11	15	n/a*	3	1	n/a*	2	3	n/a*	\$8,389,500	\$3,769,500
GREATER TORONTO AREA	15,022	8,879	69%	2,388	1,343	78%	662	356	86%	\$26,800,000	\$15,000,000
Freehold	14,534	8,552	70%	2,320	1,295	79%	642	335	92%	\$26,800,000	\$15,000,000
Condominium	488	327	49%	68	48	42%	20	21	-5%	\$6,280,000	\$5,800,000
OAKVILLE	1,195	567	111%	180	80	125%	45	16	n/a*	\$8,300,000	\$26,000,000
Freehold	1,169	549	113%	173	76	128%	45	16	n/a*	\$8,300,000	\$10,500,000
Condominium	26	18	n/a*	7	4	n/a*	0	0	n/a*	\$2,850,000	\$26,000,000

Source: Historical values are sourced from CREA or local board statistics.

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