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ONTARIO-ATLANTIC CANADA INC.

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Balanced conditions set to return to most Canadian housing markets in 2012, while residential values expected to once again set new records, says RE/MAX

Mississauga, ON (December 6, 2011) – Canadian residential real estate defied conventional logic and outperformed expectations in 2011, posting another solid year of housing activity virtually across the board. The trend is expected to carry forward into 2012 as Canadians continue to demonstrate their faith in homeownership, despite concerns over the European debt crisis and its impact on the global economy, according to a report released today by RE/MAX.

The RE/MAX Housing Market Outlook 2012 examined trends and developments in 26 major markets across the country. Eighty-eight per cent (23/26) anticipated average price increases by year-end 2011—with percentage hikes ranging from one to 16 per cent. The forecast for 2012 shows the upward trend moderating, but still ahead of 2011 figures. Overall home sales are expected to remain on par or ahead of last year's levels in 85 per cent (22/26) of markets in 2011—including Saskatoon with a year-over-year percentage increase of 13 per cent and an eight per cent uptick in Calgary, Winnipeg, Hamilton-Burlington and Sudbury. Almost half of Canadian markets will match the 2011 performance, while the remainder should post increases ranging from one to five per cent next year.

By year-end 2011, an estimated 460,000 homes are expected to change hands, up three per cent from the 447,010 units reported in 2010. Sales are expected to climb one per cent to 464,500 units in 2012. The value of a Canadian home is set to climb to \$363,000 this year—an increase of seven per cent over the \$339,030 posted one year ago. By year-end 2012, the average price in Canada is forecast to appreciate two per cent to \$371,000.

“The Canadian housing market has demonstrated tremendous resilience in recent years, but 2011 stands out,” says Michael Polzler, Executive Vice President, RE/MAX Ontario-Atlantic Canada. “Instead of responding to economic concerns both here and abroad with a retreat in sales and prices, residential real estate markets actually experienced an upswing in the volatile third and final quarters. While clearly not impervious to the impact, Canadian consumers are intent on making their moves now, in advance of higher housing values and rising interest rates down the road.”

Improvement in both provincial and local economies, especially during the second half of 2012, should serve to further stimulate homebuying activity. Calgary, Saskatoon, and Halifax-Dartmouth will likely lead the country in unit sales in 2012, each with a projected increase of five per cent. Regina, Greater Toronto, Saint John, Moncton, and St. John's anticipate a three per cent increase in home sales next year.

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“The economic underpinnings support ongoing demand, particularly as job creation efforts continue and unemployment rates edge down further,” says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “Nationally, we remain on an upward track, and the confidence consumers have demonstrated in housing over the past decade will prove well founded once again next year. The rising belief in homeownership is key, especially among Generation X and Y—some of whom are making their moves sooner. Boomers and retirees are changing, too. They’re healthier and more active, with longer life expectancy. Overall, we’re seeing an extension of the homeownership cycle, and it’s great news for housing.”

While tighter supply levels contributed to steady price appreciation in most major markets across Canada this year, an increase in inventory more in line with years previous should ease upward pressure on average price in the year ahead. The highest appreciation is expected in Regina, where values are forecast to increase eight per cent, followed by Greater Toronto, Halifax-Dartmouth, and St. John’s—each posting a five per cent gain. Overall, 81 per cent of the markets examined are forecast to set new records for average price next year. Noteworthy milestones include Greater Vancouver, which will break the \$800,000 threshold, as well as Regina and Kitchener-Waterloo, which will reach the \$300,000 mark.

“While prices will remain on the upswing, buyers will benefit from greater selection moving forward,” says Sylvain Dansereau, Executive Vice President, RE/MAX Quebec. “Stability or modest growth will characterize sales activity while GDP moves forward at a more muted pace in 2012. Whether markets will meet or potentially exceed projections will hinge largely on consumer confidence. An unexpected call for interest rate hikes could also serve to bolster sales.”

Other highlights include:

- Population growth and immigration are major factors expected to prop-up housing demand and household formation in the coming years. Since 2000, Canada’s population has experienced double-digit growth of 11 per cent. By 2031, over 42 million people are expected to call Canada home.
- Investment will also continue in Canada’s major centres, with income-producing properties at the top of the most wanted list. Low vacancy rates and stock market volatility reinvigorated this segment of the market in 2011 and the very same factors are forecast to influence sales moving forward.
- Condominiums are expected to gain an increasing share of the marketplace, particularly in Western Canada and Ontario. A focus on higher density urban growth is impacting purchasing patterns and introducing new, affordable options—critical to the attainability of homeownership as prices continue to move upward.
- Housing stock in major Canadian centres will improve as municipalities focus on redevelopment and revitalization.

RE/MAX is Canada’s leading real estate organization with over 18,500 sales associates situated throughout its more than 700 independently-owned and operated offices in Canada. The RE/MAX network, now in its 38th year, is a global real estate system operating in 80 countries, with over 6,200 independently-owned offices and over 89,000 member sales associates. RE/MAX realtors lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral, and asset management. For more information, visit: www.remax.ca.

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RESIDENTIAL AVERAGE PRICE BY MARKET								
2007 - 2012								
Market	2007	2008	2009	2010	2011*	% +/-	2012**	% +/-
BRITISH COLUMBIA								
Greater Vancouver	\$570,795	\$593,767	\$592,441	\$675,853	\$790,000	16	\$820,000	4
Victoria	\$466,974	\$484,898	\$476,137	\$504,561	\$504,000	PAR	\$504,000	PAR
Kelowna***	\$410,175	\$430,755	\$400,450	\$419,884	\$405,000	-4	\$412,000	2
ALBERTA								
Edmonton	\$338,636	\$332,852	\$320,378	\$328,803	\$326,000	-1	\$326,000	PAR
Calgary***	\$416,399	\$407,149	\$387,413	\$401,186	\$405,000	1	\$417,000	3
SASKATCHEWAN								
Regina	\$165,613	\$229,716	\$244,088	\$258,023	\$278,000	7	\$300,000	8
Saskatoon	\$232,754	\$287,803	\$278,895	\$296,764	\$308,600	4	\$318,000	3
MANITOBA								
Winnipeg	\$170,502	\$196,940	\$207,342	\$228,706	\$240,000	4	\$247,000	3
ONTARIO								
Hamilton-Burlington	\$268,857	\$280,790	\$290,946	\$311,683	\$335,000	7	\$346,750	3.5
Kitchener-Waterloo***	\$250,589	\$267,255	\$266,385	\$289,338	\$298,000	2	\$300,000	1
London-St. Thomas***	\$202,256	\$210,888	\$213,127	\$228,114	\$233,000	2	\$238,000	2
Ottawa	\$272,618	\$290,483	\$304,801	\$328,439	\$345,000	5	\$355,000	3
Sudbury***	\$186,401	\$216,769	\$203,941	\$225,088	\$235,000	4	\$243,000	3
Greater Toronto***	\$376,236	\$379,943	\$395,460	\$431,463	\$465,000	7	\$488,000	5
Barrie & District	\$258,999	\$264,034	\$263,959	\$281,961	\$290,000	2	\$295,000	2
St. Catharines	\$217,841	\$222,104	\$225,421	\$237,376	\$240,000	1	\$240,000	PAR
Kingston***	\$222,381	\$235,519	\$242,986	\$252,431	\$265,000	5	\$275,500	4
Windsor-Essex***	n/a	\$162,599	\$156,615	\$163,054	\$169,500	4	\$174,000	3
QUEBEC								
Montreal***	\$251,418	\$262,611	\$274,787	\$297,588	\$313,000	5	\$320,000	2
Quebec City***	\$181,183	\$197,450	\$212,203	\$237,309	\$246,000	4	\$251,000	2
NEW BRUNSWICK								
Saint John***	\$150,176	\$168,965	\$179,762	\$178,867	\$179,000	1	\$180,000	0.5
Moncton***	\$152,258	\$156,336	\$162,564	\$166,209	\$172,000	3	\$177,000	3
Fredericton	n/a	\$152,268	\$159,219	\$165,175	\$173,000	4	\$171,300	-1
NOVA SCOTIA								
Halifax-Dartmouth	\$216,339	\$232,106	\$239,158	\$253,610	\$263,000	4	\$276,000	5
PRINCE EDWARD ISLAND***								
	n/a	\$148,499	\$151,672	\$155,589	\$163,000	5	\$166,000	2
NEWFOUNDLAND & LABRADOR								
St. John's***	n/a	\$187,571	\$218,862	\$251,191	\$266,500	6	\$279,000	5
CANADA								
	\$307,265	\$303,594	\$320,367	\$339,030	\$363,000	7	\$371,000	2
* Estimate **Forecast ***Historical values, estimate and forecast based on local board statistics								
Source: RE/MAX, CREA, Local Real Estate Boards								

RESIDENTIAL UNIT SALES BY MARKET								
2007 - 2012								
Market	2007	2008	2009	2010	2011*	%+/-	2012**	%+/-
BRITISH COLUMBIA								
Greater Vancouver	38,978	25,149	36,257	31,144	32,700	5	33,000	PAR
Victoria	8,403	6,171	7,660	6,169	5,500	-11	5,500	PAR
Kelowna***	5,584	3,445	3,660	3,289	3,350	2	3,350	PAR
ALBERTA								
Edmonton	20,427	17,369	19,139	16,403	16,850	3	16,850	PAR
Calgary***	31,897	22,931	24,711	20,801	22,500	8	23,600	5
SASKATCHEWAN								
Regina	3,957	3,338	3,704	3,581	3,850	7	4,000	3
Saskatoon	4,446	3,540	3,834	3,574	4,050	13	4,250	5
MANITOBA								
Winnipeg	12,319	11,854	11,509	11,572	12,500	8	12,500	PAR
ONTARIO								
Hamilton-Burlington	13,866	12,110	12,680	12,934	14,000	8	14,100	1
Kitchener-Waterloo***	6,811	6,047	6,347	6,388	6,200	-3	6,000	-3
London-St. Thomas***	9,378	8,395	8,113	8,128	8,100	PAR	8,100	PAR
Ottawa	14,739	13,908	14,923	14,586	14,600	PAR	14,600	PAR
Sudbury***	2,637	2,351	1,941	2,218	2,400	8	2,450	2
Greater Toronto***	93,193	74,552	87,308	86,170	90,500	5	93,000	3
Barrie & District	5,017	4,058	4,326	4,105	4,200	2	4,300	2
St. Catharines	3,258	2,894	2,808	2,940	2,950	PAR	2,950	PAR
Kingston***	3,794	3,540	3,487	3,386	3,400	PAR	3,400	PAR
Windsor-Essex***	5,387	4,376	4,586	4,791	4,800	PAR	4,850	1
QUEBEC								
Montreal***	43,666	40,440	41,753	42,299	41,000	-3	39,000	-5
Quebec City***	7,954	7,838	7,962	7,073	7,100	PAR	6,750	-5
NEW BRUNSWICK								
Saint John***	2,603	2,559	2,283	2,017	1,835	-9	1,890	3
Moncton***	3,226	2,937	2,662	2,703	2,725	1	2,800	3
Fredericton	n/a	2,160	2,166	2,086	2,100	PAR	2,100	PAR
NOVA SCOTIA								
Halifax-Dartmouth	7,261	6,472	6,062	5,944	6,200	4	6,500	5
PRINCE EDWARD ISLAND***								
	1,480	1,237	1,208	1,237	1,260	2	1,260	PAR
NEWFOUNDLAND & LABRADOR								
St. John's***	n/a	3,835	3,642	3,470	3,600	4	3,700	3
CANADA								
	520,747	434,477	465,068	447,010	460,000	3	464,500	1
* Estimate ** Forecast ***Historical values, estimate and forecast based on local board statistics.								
Source: RE/MAX, CREA, Local Real Estate Boards								