



For immediate release

Residential values expected to climb further in 2011 as housing sales stabilize in most major centres, says RE/MAX

Mississauga, ON (December 7, 2010) -- Although improved economic fundamentals will have a positive impact on Canadian housing markets moving forward, the forecast for residential real estate sales remains static in most major centres in 2011, according to a report released today by RE/MAX.

The RE/MAX Housing Market Outlook 2011, examining trends and developments in 26 major centres across the country, found that home-buying activity in 2010 fell short of 2009 levels. Housing values, however, continued to climb, with virtually all areas reporting an upswing in average price, ranging from just under one per cent to 15 per cent this year. Lower inventory levels in many markets offset the effects of diminished demand, propping-up price in almost every instance. Kitchener-Waterloo, Quebec City, and St. John's saw the greatest increases in average price this year, while Eastern Canadian markets including Hamilton-Burlington, Sudbury, Windsor, Moncton and Prince Edward Island were the only markets that bucked the downward trending in home sales in 2010.

By year-end, approximately 441,000 homes are expected to change hands nationally, a five per cent decline from the 465,251 sales reported in 2009. Housing values are forecast to continue to climb, up an estimated seven per cent to \$340,000, compared with \$320,333 one year earlier.

"In terms of resale housing activity, what many are talking about as the new normal is actually a return to the traditional real estate cycle," says Michael Polzler, Executive Vice President, Regional Director, RE/MAX Ontario-Atlantic Canada. "The past decade was truly unprecedented—never before have we experienced a run up that was as strong or lasted as long. As we have digressed from the typical pattern, people have forgotten what the usual healthy cycle looks like, but all the hallmarks are there. Ample inventory levels, steady demand, and moderate growth, both in terms of sales and prices, will characterize the market in 2011. While the pace may appear lackluster in comparison to what we've grown accustomed to, it underscores the principles of real estate 101: The market is cyclical. All boats rise and fall with the tide."

Greater stability is expected to characterize the markets in 2011, with Canadian housing sales predicted to mirror 2010 levels at 441,000 next year, while average price is forecast to escalate three per cent to \$350,000 by year-end 2011.

"Looking forward, we see steady improvement in provincial and local economies—which will bode well for housing markets across the board," says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. "The relentless drive in the market reminiscent of years past will be gone and instead, we can expect to see more normal, balanced market conditions, with buyers maintaining a slight edge."

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Markets in British Columbia are forecast to lead the country in terms of percentage increases in sales activity next year, with Greater Vancouver expected to climb 10 per cent, followed by Victoria at eight per cent and Kelowna at six per cent. After a prolonged period of economic hardship, Windsor is once again on track for growth, with residential home sales predicted to climb five per cent.

Almost all markets are reporting an anticipated increase in housing values next year, with St. John's in Newfoundland-Labrador in front with an estimated eight per cent hike in average price in 2011. The value of homes in Greater Vancouver, Kelowna, Regina, Saskatoon, London-St. Thomas, Ottawa, Sudbury and Greater Montreal is also predicted to climb five per cent.

"Low interest rates and improving consumer confidence levels should stimulate home-buying activity at all price points next year," says Sylvain Dansereau, Executive Vice President, RE/MAX Quebec. "Overall gains will be more muted—a welcome reprieve for purchasers. 2011 will be a year that will see more widespread recovery across a broader array of economic sectors, setting the stage for a better 2012."

In the meantime, a number of factors will continue to support sustained sales and price growth in the months and years ahead:

- Land scarcity, intensification, urban renewal, infill and renovation will continue to drive up values—regardless of supply and demand—in major metropolitan areas. The Canadian housing stock is ever-evolving, particularly in the central core of each city. With average price pushing closer to or well past the \$300,000 mark in the vast majority of major centres, and affordability of single-family homes diminishing, the demand for attainable product will rise in tandem, bolstering the growing condominium segment in the years ahead.
- The upper-end of the market continues to be a strong indication of the overall health of Canada's housing sector. Typically the first segment to soften in a downturn, luxury homes posted record sales activity in 2010, and demand is expected to remain solid in 2011. Strong sales in the high-end will continue to prop up average prices.
- Immigration will remain a serious force stimulating demand, particularly given the penchant for homeownership among today's new Canadians. While the formation of new households used to take an average of five years, a growing number of newcomers arrive skilled, financially secure, and ready to make their home-buying moves. It is estimated that Canada will average 250,000 new immigrants annually.
- In the year ahead, federal, provincial and local stimulus in the form of continued infrastructure spending and capital projects will be a considerable boon to economic stability and employment, providing consumers the confidence to move forward with real estate purchases.
- Volatility in the money markets will continue to drive buyers to the tangibility of homeownership, both as a reliable long-term investment and a form of shelter, particularly given low vacancy rates and a lack of new rental construction in a number of major centres.

RE/MAX is Canada's leader with over 18,000 sales associates situated throughout its more than 690 independently-owned and operated offices in Canada. The RE/MAX network, now in its 37th year, is a global real estate system operating in 80 countries, with over 6,300 independently-owned offices and over 92,000 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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Christine Martysiewicz
RE/MAX Ontario-Atlantic Canada
905.542.2400

Eva Blay/Charlene McAdam
Point Blank Communications
416.781.3911

RESIDENTIAL AVERAGE PRICE BY MARKET							
2007 - 2011							
Market	2007	2008	2009	2010*	% +/-	2011**	% +/-
BRITISH COLUMBIA							
Greater Vancouver	\$570,795	\$593,767	\$592,441	\$665,000	12	\$698,250	5
Victoria	\$466,974	\$484,898	\$476,137	\$505,000	6	\$505,000	PAR
Kelowna***	\$410,175	\$430,755	\$400,400	\$425,000	6	\$446,250	5
ALBERTA							
Edmonton	\$338,636	\$332,852	\$320,378	\$330,000	3	\$339,000	3
Calgary***	n/a	\$403,155	\$391,058	\$402,000	3	\$410,000	2
SASKATCHEWAN							
Regina	\$165,613	\$229,716	\$244,088	\$265,000	8.5	\$278,000	5
Saskatoon	\$232,754	\$287,803	\$278,895	\$295,000	6	\$310,000	5
MANITOBA							
Winnipeg	\$170,502	\$196,940	\$207,342	\$228,000	10	\$235,000	3
ONTARIO							
Hamilton-Burlington	\$268,857	\$280,790	\$290,946	\$311,000	7	\$320,000	3
Kitchener-Waterloo***	\$248,882	\$254,771	\$261,379	\$300,000	15	\$305,000	2
London-St. Thomas***	\$202,256	\$210,888	\$213,127	\$230,000	8	\$241,500	5
Ottawa	\$272,618	\$290,483	\$304,801	\$325,000	7	\$340,000	5
Sudbury	\$186,276	\$211,614	\$200,947	\$219,000	9	\$230,000	5
Greater Toronto***	\$376,236	\$379,943	\$395,460	\$430,000	9	\$440,000	2
Barrie & District	\$258,999	\$264,034	\$263,959	\$284,000	8	\$290,000	2
St. Catharines	\$217,841	\$222,104	\$225,421	\$239,000	6	\$246,000	3
Kingston***	\$222,346	\$241,034	\$255,293	\$266,000	6	\$266,000	PAR
Windsor-Essex	n/a	\$162,599	\$156,615	\$163,000	4	\$170,000	4
QUEBEC							
Montreal***	\$229,902	\$258,041	\$271,727	\$291,000	7	\$305,000	5
Quebec City***	\$177,228	\$191,119	\$213,718	\$247,000	15	\$247,000	PAR
NEW BRUNSWICK							
Saint John***	\$140,544	\$158,117	\$179,700	\$180,000	0.2	\$183,600	2
Moncton	n/a	\$143,173	\$150,135	\$154,500	3	\$159,000	3
Fredericton	n/a	\$152,268	\$159,219	\$179,600	13	\$185,000	3
NOVA SCOTIA							
Halifax-Dartmouth	\$216,339	\$232,106	\$239,158	\$250,000	4.5	\$251,000	0.4
PRINCE EDWARD ISLAND***							
	n/a	\$148,499	\$151,672	\$154,000	2	\$155,500	1
NEWFOUNDLAND & LABRADOR							
St. John's***	n/a	\$187,571	\$218,862	\$251,000	15	\$271,000	8
CANADA							
	\$307,265	\$303,594	\$320,333	\$340,000	7	\$350,000	3
* 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 - 2011							
Market	2007	2008	2009	2010*	% +/-	2011**	% +/-
BRITISH COLUMBIA							
Greater Vancouver	38,978	25,149	36,257	30,000	-17	33,000	10
Victoria	8,403	6,171	7,660	6,000	-22	6,500	8
Kelowna***	n/a	3,773	3,924	3,775	-4	4,000	6
ALBERTA							
Edmonton	20,427	17,369	19,139	16,000	-16	16,000	PAR
Calgary	n/a	23,059	24,583	19,200	-22	19,200	PAR
SASKATCHEWAN							
Regina	3,957	3,338	3,704	3,475	-6	3,550	2
Saskatoon	4,446	3,540	3,834	3,500	-9	3,600	3
MANITOBA							
Winnipeg	12,319	11,854	11,509	11,500	PAR	11,500	PAR
ONTARIO							
Hamilton-Burlington	13,866	12,110	12,680	12,930	2	12,930	PAR
Kitchener-Waterloo***	6,811	6,107	6,467	6,300	-3	6,350	1
London-St. Thomas***	9,378	8,395	8,113	8,030	-1	8,030	PAR
Ottawa	14,739	13,908	14,923	14,200	-5	14,200	PAR
Sudbury	2,632	2,396	1,977	2,400	21	2,450	2
Greater Toronto***	93,193	74,552	87,308	85,500	-2	83,000	-3
Barrie & District	5,017	4,058	4,326	3,950	-9	3,950	PAR
St. Catharines	3,258	2,894	2,808	2,800	PAR	2,800	PAR
Kingston***	4,222	3,377	2,525	2,400	-4	2,400	PAR
Windsor-Essex***	5,387	4,991	5,243	5,500	5	5,800	5
QUEBEC							
Montreal	55,776	40,916	41,802	41,000	-2	42,500	3
Quebec City***	8,110	12,567	13,386	13,000	-3	13,000	PAR
NEW BRUNSWICK							
Saint John***	2,265	2,289	2,283	2,050	-10	2,100	2.5
Moncton	n/a	2,663	2,386	2,400	0.6	2,400	PAR
Fredericton	n/a	2,160	2,166	2,150	-1	2,200	3
NOVA SCOTIA							
Halifax-Dartmouth	7,261	6,472	6,062	5,800	-4	5,900	2
PRINCE EDWARD ISLAND***							
	n/a	1,252	1,177	1,230	5	1,230	PAR
NEWFOUNDLAND & LABRADOR							
St. John's***	n/a	3,835	3,642	3,600	-1	3,600	PAR
CANADA	520,747	434,477	465,251	441,000	-5	441,000	PAR

* Estimate ** Forecast ***Historical values, estimate and forecast based on local board statistics.

Source: RE/MAX, CREA, Local Real Estate Boards