

MARKET TRENDS REPORT FALL 2010

Newfoundland & Labrador

St. John's

After four years of unprecedented residential housing activity in St. John's, market conditions have finally shifted in favour of the buyer. Yet, 2,291 homes have changed hands so far this year, a five per cent increase over the 2,183 reported one year ago, while average price has climbed 16 per cent to \$249,263, up from \$214,916 in 2009. More inventory has come on-stream in recent months—with active listings currently up 23 per cent to 1,857. The city recorded the highest consumer confidence in the country in the first quarter of 2010, but levels have softened in recent months due to global economic concerns. No one factor alone has impacted the marketplace—it's simply been an accumulation of many smaller items—including tighter lending policies, and softer housing values in other areas of the country making it more difficult for ex-pats to return to Newfoundland. Days on market are slowly creeping up as a result, sitting at 70 in August. First-time buyers remain the driving force in the market, estimated at 50 per cent—spurring demand for product priced between \$200,000 and \$250,000. Listings ranging in price from \$140,000 to \$190,000 are limited, presenting a challenge to the many purchasers looking for affordable housing. Move-up buyers—especially in the top end of the market—have been active in 2010, with 48 sales occurring over the \$500,000 price point. Certain communities continue to command top dollar, including Clovelly Trails in the city's east end. Established areas are expected to remain popular with consumers, holding their value even in a subdued market. An increase in



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new home inventory has also had an impact on the market, creating more choice for consumers, with builders more willing to negotiate on price point. Vacancy rates are low, which may prompt some renters to pursue home-ownership in the future. Condominiums—while representing a very small percentage of total sales—offer up some of the most affordable housing product in the city. Astute buyers are now starting to enter the market, taking advantage of the opportunities that exist. Economic



fundamentals in St. John's are solid, with a bright outlook expected in 2011 and 2012. Capital works projects alone are encouraging, with \$16 billion slated for Hebron and Long Harbour construction proposed to be up and running in 2012. Employment opportunities abound. By year-end, sales are expected to match or be slightly ahead of 2009, while average price is forecast to climb approximately 12 per cent over last year's levels.

Nova Scotia

Halifax – Dartmouth

The momentum in Halifax-Dartmouth's residential real estate market remains quite steady, virtually on par with year-ago levels. Year-to-date (August), sales are ahead by one per cent, with 4,224 units changing hands versus 4,186 during the same period in 2009. Average price has posted a healthy gain, now at \$252,220 compared to \$237,886 last year—an increase of six per cent. The market remains balanced, with a good selection of inventory available for sale. All segments of the market are working in tandem, but one of the strongest has been the upper end, with sales over \$400,000 up 28 per cent so far this year (355 units vs. 277 units). Consumer confidence is relatively stable, although some buyers are taking a little more time to make their moves in recent months. Days on market have improved, with homes typically taking 89 days to sell vs. 92 last year. Peninsula Halifax is experiencing strong demand, and Downtown Dartmouth is posting solid sales after a modest softening one year ago. As such, the area is experiencing good sale-to-list price ratios. Part of the upswing can be attributed to a growing number of buyers looking to locate centrally to avoid costs and time associated with commuting—particularly given the current economic climate. Some of the downtown neighbourhoods are seeing tightening inventory levels as a result. The most promising growth in Halifax-Dartmouth at present is the development at Dartmouth Crossing.

This up-and-coming area, built around the best modern conveniences, including shops, entertainment, restaurants and medical services, will boast a mix of single family homes and condos and is expected to be a very sought-after once it reaches completion. In anticipation of this, resale properties on the peripheral of Dartmouth Crossing have already experienced a jump in demand. The most popular price range throughout the city is currently \$225,000 to \$350,000. Out of the gate, September marked a notable upswing in activity. On the front lines, calls and showings have picked up, and the housing market is expected to remain stable in the final quarter of 2010.

New Brunswick

Saint John

Momentum in Saint John's real estate market has tapered, moving in line with more traditional levels of activity. Demand has eased year-to-date, with sales off 2009's pace by seven per cent. The slowdown that started in July became more evident in August, with monthly sales down 20 per cent. While overall conditions are relatively healthy, homebuyers are exercising more caution amid rising provincial debt, postponed projects in the oil and gas sector, and concerns regarding increasing property taxes. Average price, however, continues to climb—propped up by significant strength in the upper end—now hovering at \$180,000 versus \$176,000 one year ago. Yet, on the front lines, realtors have started to see price appreciation plateau, with reductions fairly commonplace as vendors adjust to new market realities. Homes that are listed at fair market value continue to move well, in spite of the fact that purchasers are taking more time to make decisions. A rebound in demand—typical of the fall market—was noted during the first two weeks of September, and the fundamentals exist to support a stable market in the coming months. First-time buyers are active, driving sales in the \$130,000



RESIDENTIAL AVERAGE PRICE BY MARKET YEAR-TO-DATE (AUGUST)

Market	2010	2009	% +/-
St. John's	\$249,263	\$214,916	16.0%
Halifax-Dartmouth	\$252,220	\$237,886	6.0%
Saint John	\$180,000	\$176,000	2.3%
Greater Montreal	\$288,923	\$266,125	8.7%
London-St. Thomas	\$227,794	\$212,795	7.0%
Barrie	\$265,455	\$250,401	6.0%
Greater Toronto	\$430,055	\$385,978	11.4%
Hamilton-Burlington	\$303,030	\$291,775	3.9%
Kitchener-Waterloo	\$300,774	\$280,600	7.2%
Sudbury	\$228,000	\$202,000	12.9%
Ottawa	\$326,666	\$301,072	8.5%
Winnipeg	\$242,000	\$218,000	11.0%
Regina	\$265,140	\$246,559	7.5%
Saskatoon	\$292,323	\$278,193	5.1%
Edmonton	\$332,789	\$320,289	3.9%
Calgary (Metro)	\$411,233	\$388,302	5.9%
Greater Vancouver	\$667,227	\$574,061	16.2%
Victoria	\$495,993	\$457,698	8.4%
Kelowna	\$418,598	\$392,370	6.7%

Source: Local Real Estate Boards, RE/MAX

to \$200,000 price range. The condominium segment has slowed, given reduced inventory, as conversions that spurred activity last year have now been mostly absorbed. For all residential, year-to-date active listings have fallen 1.7 per cent to 2,871 (versus 2,920). New listings also declined 3.5 per cent (4,161 year-to-date compared with 4,310 in 2009), but an ample supply of product remains available across all price ranges. Consumer confidence is solid in the upper end of the market, with sales of homes priced over \$350,000 up 48 per cent year-over year (58 sales vs. 39). Move-up buyers in the mid-range and retirees continue to give pause, but this segment should gear up in tandem with recovering stock market portfolios. On the whole, Saint John's resale housing sector is expected to stabilize, with sales falling into a more sustainable pace through

year-end 2010 and into 2011. Purchasers will benefit as prices remain in check, after years of strong upward momentum, and interest rates hold steady. A number of positive factors will support the housing sector going forward, including new hiring in the oil and gas sector to replace retiring workers, millions in capital spending—particularly with the construction of the One Mile Interchange and other major infrastructure projects, the opening of the new medical school, an unemployment rate that remains below the national average at 6.2 per cent, as well as immigration.



Québec

Greater Montréal

Seller's conditions prevail in the Greater Montréal real estate market, in spite of softer home-buying activity during the summer months. To date, 31,209 homes have changed hands, an increase of eight per cent over the 28,945 sales reported from January to August 31, 2009. Average price in Greater Montréal shows no sign of abating, with values up nine per cent year-to-date, climbing from \$266,125 one year ago to \$288,923 in 2010. While new listings experienced a nominal increase of six per cent to 5,144 in August, active listings are down three per cent from 2009, hovering at 19,918. First-time buyers remain a force in the market, driving sales of properties priced from \$200,000 to \$350,000. Entry-level product is limited and well-priced listings tend to move in multiple offer situations. As a result, days on market have declined in the single-detached, condominium, and plexes categories. Affordability is top of mind in Greater Montréal and no where is that more evident than in the suburbs. Buyers are flocking to new subdivisions on the outskirts, purchasing both new and resale product at a fraction of what it would cost in the city. In fact, average price is approximately \$60,000 higher on the Island of Montréal—sitting at \$352,240. Condominiums continue to resonate with today's purchasers, representing the first step of homeownership for many. For years, the condominium lifestyle has been popular with empty nesters and retirees. The concept has now gained momentum with first-time buyers who prefer the benefits of homeownership over renting. Condominiums, as a result, represent 30 per cent of all residential sales in the Greater Montréal area so far this year, up from 28 per cent of the market one year ago. On the Island of Montréal, that figure climbs to 47 per cent, up from 45 per cent in 2009. Luxury home sales have also been brisk, with affluent purchasers demonstrating their confidence in the future of housing. Sales over the \$1 million price point are up 20 per cent, rising to 144 between January to August of this year,

up from 120 during the same period one year ago. Although average prices are climbing, Greater Montréal remains undervalued when compared to other areas of the country. Buoyed by solid economic fundamentals, Canada's second largest centre also has one of the greatest affordability levels. Yet homeownership rates are low due to the high percentage of renters. As such, there is tremendous room for growth in the years ahead. The outlook is bright for Greater Montréal, with housing sales expected to finish the year on par or slightly below 2009 levels. Tight inventory levels—particularly in the lower end of the market—are forecast to prop up average price—with the city setting a new record for values by year-end 2010.

Ontario

London – St. Thomas

Strong sales out of the gate in 2010 have helped buoy the market in London-St. Thomas year-to-date. The number of homes that have changed hands is up five per cent (as of the end of August) compared to the same period in 2009, with 5,985 units sold versus 5,688 one year earlier. Average price reflects the overall health of the market, posting an increase of seven per cent year-to-date (\$227,794 vs. \$212,795). Appreciation has been more robust in the city's hot pockets. Active listings are up 21.5 per cent from 2009, bringing the market in balance. Consumer confidence has held relatively firm, despite a typical summer slowdown in July and August, although new lending criteria has served to knock out some buyers. Activity going forward is expected to remain healthy and stable, which is already evident in mid-September sales. New listings continue to come on-stream (up 11.2 per cent in August), and that should hold price appreciation in check for the remainder of the year. Homes that are priced at fair market value are selling well. Those most in demand are priced between \$150,000 and \$225,000. First-time buyers are leading the charge. New construction is holding up,



although some builders have suffered due to the introduction of the Harmonized Sales Tax (HST). The condominium market has out-performed all other forms of residential housing, with price appreciation up close to 10 per cent year-to-date. This is partially due to an influx of higher-quality product in the market and less availability in the lower price points. To date, 1,132 condominiums have moved through MLS versus 1,069 the year previous—a solid increase of almost six per cent. The segment continues to gain ground in London—now representing one in every five homes purchased. Affordability, in general, continues to draw buyers to London-St. Thomas from across the Golden Horseshoe. The upper end has posted an exceptional year, with sales priced over \$500,000 up 55 per cent to date. Two hundred and thirty-four homes changed hands between January and August, up from 151 during the same period in 2009. The strength at the upper price points is expected to hold through to year-end, and a new record for high-end sales is expected. A solid local economy, continued positive in-migration, and good affordability will continue to support homeownership in London-St. Thomas through 2011.

Barrie

Despite a softening in momentum in July and August, residential housing activity remains relatively on par with levels reported one year ago. The city's performance reflects healthy home-buying activity, as 1,916 units have changed hands so far this year—down 6.5 per cent from year-ago levels when 2,048 homes sold. The pace has slowed from the first half of 2010, but should remain steady throughout the final quarter. September sales have already posted a marked improvement over the summer months. Multiple offers continue to occur in Barrie's hot pockets, particularly for homes priced between \$300,000 and \$350,000, located close to schools and commuter access. The market has moved into balanced territory—from buyer's conditions earlier in the year—thanks to a slowdown in new listings. A good supply of homes is available for sale at 1,844

units. Average price rose six per cent year-to-date to \$265,455, propped up by greater strength in the mid-to-upper price points. Demand has tapered for entry-level homes priced from \$200,000 to \$250,000, but has ramped up significantly from \$250,000 to \$350,000 plus, including the top end of the market. To date, 131 sales have been reported for luxury properties, priced over \$500,000, compared to 88 in 2009—a 49 per cent increase. Higher prices for new construction in the upper price points have been a significant boon to the luxury segment, as buyers realize they can get more bang for their buck, without the wait-times, delays and unexpected costs common to custom building. The condominium market has remained fairly stable, with greater supply holding prices in check year-to-date. Demand for waterfront properties has been solid throughout 2010. Overall, consumers in Barrie remain confident in homeownership. The Real Estate Investment Network recently named Barrie as one of the "Top Ten Place to Invest in Canada." The city continues to boast solid economic fundamentals. A number of positive developments are planned or underway, including the addition of a GO station at Allandale—finally connecting commuters and tourists with the city's coveted waterfront. Georgian College's new partnership with Laurentian University, a new training Annex at the hospital, construction of the new business park (including hotels and shopping), and the ongoing revitalization of the downtown core will serve to attract new residents to Barrie for some time to come, in turn supporting steady demand for resale housing into 2011 and beyond. This year, sales will finish out 2010 below levels reported in 2009, but price should post a slight increase year-over-year.

Greater Toronto Area

Despite a slowdown from heated 2009 levels, Toronto's residential real estate market remains very active year-to-date. Momentum has once again shifted back into its historical pattern (cyclical in nature), with sales front-loaded into the first half of the year, followed by a traditional summer slowdown. So far this year, 62,930



homes have changed hands, up close to eight per cent from 2009, when 58,421 sales occurred. While active listings are up 25 per cent in August, new listings have fallen one per cent to 10,488—and a shortage of inventory remains in the city's hot pockets. Buyers continue to vie for choice product, prompting multiple offers. To illustrate, one Riverdale home recently elicited an impressive 13 bids when it hit the market, selling for more than ask price in a matter of days. Pent-up demand continues to be a factor, as confirmed by the city's sale price-to-list price ratios. Year-to-date, 14 TREB districts have maintained sale price-to-list price ratios of 100 per cent or more (E01, E02, E03, E06, W01, W02, W07, C01, C02, C03, C04, C08, C10 and C15), while the vast majority of those remaining posted ratios ranging from 97 to 99 per cent. Year-to-date (for all

residential, including condos), the average sale price-to-list price ratio in Greater Toronto stands at 99 per cent—up from 97 per cent one year ago. Examining days on market provides further evidence of a strong resale housing sector. The average days on market stands at 25, down from 35 in 2009 and 32 recorded during 2007—Toronto's best year ever for residential resale activity. As a result, prices remain on the upswing, with average price now just over \$430,055, up 11 per cent from \$385,978. Even as sales momentum moderates into the last four months of the year, a new record for average price will be posted by year end. All segments of the market continue to work in tandem. First-time buyers are leading the charge, followed closely by move-up purchasers. Homes priced between \$300,000 and \$500,000 remain in greatest demand. Immigration—particularly from

RESIDENTIAL UNIT SALES BY MARKET YEAR-TO-DATE (AUGUST)

Market	2010	2009	% +/-
St. John's	2,291	2,183	5.0%
Halifax-Dartmouth	4,224	4,186	0.9%
Saint John	1,436	1,550	-7.4%
Greater Montreal	31,209	28,945	7.8%
London-St. Thomas	5,985	5,688	5.2%
Barrie	1,916	2,048	-6.5%
Greater Toronto	62,930	58,421	7.7%
Hamilton-Burlington	9,259	8,612	7.5%
Kitchener-Waterloo	4,616	4,371	5.6%
Sudbury	1,876	1,599	17.3%
Ottawa	10,747	10,721	0.2%
Winnipeg	8,620	8,663	-0.5%
Regina	2,628	2,659	-1.2%
Saskatoon	2,527	2,696	-6.3%
Edmonton	11,773	13,694	-14.0%
Calgary (Metro)	12,511	14,317	-12.6%
Greater Vancouver	22,022	23,158	-4.9%
Victoria	4,856	5,521	-12.0%
Kelowna	2,728	2,523	8.1%

Source: Local Real Estate Boards, RE/MAX



China—continues to provide a solid boost to the real estate sector, with an increasing number of wealthy new Canadians settling in Toronto. The city's condominium market has fared very well in 2010, with sales of apartment and townhomes up 14.5 per cent over 2009 levels (year-to-date August), with 20,455 units changing hands versus 17,681. Condo prices, however, are poised to soften given rising inventory levels and the number of new projects coming on stream. Sales in Toronto's luxury segment have been exceedingly robust, with total single-family homes (including condos) priced over \$1 million up 52.4 per cent (2,135 units vs. 1,401 units) between January and August of this year—and poised to set a new record in 2010. High-end condominiums have demonstrated even greater strength, up 63.6 per cent year-to-date (126 units vs. 77 units). While there's no question that sales will be more muted through to year-end (in comparison to the first half and exceptional year-ago levels), overall, Greater Toronto is expected to round out 2010 posting a near-record performance. A more moderate pace will set the tone in 2011, both in sales and price appreciation.

Hamilton – Burlington

While sales dipped during the traditionally slower summer months, Hamilton-Burlington's residential real estate market is gearing up for a healthy fall market. Residential sales are up seven per cent year-over-year, with 9,259 homes changing hands between January and August 2010, up from 8,612 one year ago. Average price has climbed close to four per cent to \$303,030, an increase over the 2009 figure of \$291,775 during the same period. Listings—while up over last year—are still lower than pre-recession levels. Consumer confidence remains strong overall and homeownership remains a priority in Hamilton-Burlington. Interest rates are attractive for most purchasers, despite the threat of hikes earlier in the year. Tighter lending criteria appears to have little impact—given that five-year closed rates hover at four per cent—and those that have been knocked out of the market are looking at innovative new mortgage products such as Rent to Own. Softer housing values—

after the summer lull—have also encouraged buyers to enter the market. Balanced conditions currently exist, but in some instances tend to favour the buyer. First-time purchasers are starting to take advantage of opportunities in both Hamilton and Burlington. Affordable product, representing good value, can be found in coveted areas such as central Burlington, starting at \$290,000 to \$310,000. Inventory at the lower-price points is considerably tighter, with townhouse condominiums in Burlington in high demand. Starter product can also be found in Hamilton East from \$180,000, Hamilton Mountain at \$250,000, and Hamilton West at \$300,000. Those who qualify for a little more are looking at areas like Waterdown and Northeast Burlington, where prices start at \$360,000 for a decent-sized, entry-level home. Condominium apartments and town homes have also experienced an upswing in activity, with 2010 sales in Burlington sitting at 875 (up from 669 one year ago) and Hamilton at 761 (up from 728). The strongest segment of the market by far—while statistically representative of a very small component of the overall market—is the top end. Sales of luxury homes valued at \$750,000 plus in Hamilton are up 47 per cent year over year, rising from 36 units in 2009 to 53 units in 2010. The same scenario exists in Burlington where 33 homes have sold over the \$1 million benchmark, up 94 per cent from 17 one year ago. In fact, Burlington just recorded its highest sale, priced at \$10,350,000. A continuation of current economic fundamentals is expected to support a healthy residential housing market moving forward, with unit sales and average prices forecast to remain steady for the remainder of the year.

Kitchener – Waterloo

Consumer confidence remains buoyant in Kitchener-Waterloo, despite a seasonal slowdown in July and August. While activity was strong out of the gate in September, the momentum is now more temperate, as some first-time buyers have been squeezed out of the market. Tighter lending criteria will likely affect mid-range vendors/buyers somewhat in the coming weeks and/or months. At the moment, purchasers continue to dem-



onstrate their faith in homeownership. Year-to-date (August) sales are up close to six per cent, with 4,616 properties changing hands, compared with 4,371 during the same period in 2009. The board is reporting its second best performance on record on a year-to-date basis. The introduction of the Harmonized Sales Tax (HST) has drawn buyers from new construction to the resale sector, increasing demand for newer resale properties. Average price continues its upward momentum, now hovering at \$300,774 year-to-date for all residential—an increase of seven per cent from \$280,600 one year earlier. Overall, the market remains balanced, with an ample supply of inventory across the board. Days on market are up slightly, now at 52 versus 45 in 2009. Multiple offers are still occurring in hot pockets, particularly in Uptown Waterloo, where a shortage of inventory exists. Demand is also on the upswing in Downtown Kitchener, in light of ongoing revitalization in the area. Savvy buyers and investors continue to seek out homes with good bones and potential in order to renovate, breathing new life into the area. The condominium lifestyle is growing increasingly popular in the city, with promising new construction planned and some currently underway. One project that recently came on-stream on the west side of Kitchener-Waterloo—with prices ranging from \$150,000 to \$400,000—has already pre-sold 150 units. In Uptown Waterloo, a 25-storey hotel and condo tower—yet to break ground—is expected to be well-received, offering a good mix of mid-range and luxury units. Currently, pressure is greatest on units in Uptown Waterloo or Downtown Kitchener, priced between \$175,000 and \$250,000, due to limited supply. Move-up purchasers are active in the marketplace with sales from \$250,000 to \$500,000 particularly strong, yet it's the upper end of the market that has been most vibrant year-to-date, rising 145 per cent (54 sales over \$750,000 vs. just 22 in 2009). A robust technology sector which continues to hire workers locally and attract skilled workers from abroad, in addition to positive population growth, good affordability and a diversified economy will continue to be the solid underpinnings supporting housing demand into 2011. Meanwhile, sales will remain healthy throughout the final quarter—

marking a more moderate pace as is traditional in the second half—easing pressure on prices. A near record performance is expected in terms of sales by year-end, coming in slightly ahead or on par with 2009, while prices post a five to six per cent gain.

Sudbury

Despite peaking in June, resale housing activity in Sudbury remains exceptionally vibrant, posting a 17 per cent increase in sales year-to-date (August). In line with the rest of Canada, the city marked a slowdown in July and August—a return to the traditional real estate cycle. The Harmonized Sales Tax (HST) may have also played a role, as buyers experienced a temporary period of adjustment before moving forward with the realization that the impact on the resale sector is relatively minimal. As a result, momentum rebounded in September—albeit at a slightly more moderate pace—and remains quite busy. Year-to-date, 1,876 homes have changed hands in Sudbury compared to 1,599 during the same period in 2009. The ongoing strength of the market has propped up average price, which has sustained double-digit appreciation for several years now. Currently, average price hovers at \$228,000, up from \$202,000 one year ago—an impressive climb of close to 13 per cent. Increased inventory is allowing purchasers more time in the home-buying process. Buyers are now viewing more homes and carefully weighing their options. Consumers remain steadfast in their confidence in homeownership, with all segments working in tandem. Move-up buyers have led the charge, with sales from \$250,000 to \$350,000 remarkably robust—304 homes sold in that price range to date vs. just 194 in 2009—an increase of close to 55 per cent. Yet, this pales in comparison to the vibrancy of the upper end, where sales of luxury homes priced between \$500,000 and \$750,000 have experienced a year-to-date upswing of 193 per cent (44 units vs. 15). New Sudbury and the south end, where multiple offers are occurring with some frequency, remain most sought after. A positive outlook exists for Sudbury's condominium market, with two new towers being built—one



in the downtown core and another in the city's south-east end—with starting prices ranging from \$200,000 to \$400,000 per unit. The condominium lifestyle is increasingly well received in the city, with the two towers built last year now virtually sold out. The resale market in Sudbury is forecast to remain steady throughout the last quarter of 2010, with activity settling into a more sustainable pace going forward. This should reduce pressure on average price, which is expected to finish the year with a 13 to 15 per cent gain. First-time buyers will continue to drive the \$170,000 to \$200,000 price point, while move-up buyers once again fuel the \$250,000 to \$350,000 range and the luxury segment. Solid fundamentals remain in place, which will bode well for housing into 2011—not the least of which is the contract struck between Inco and its striking workers, after more than a year in limbo. This stability may serve to boost demand over the coming months by those who held off on purchasing decisions. Sudbury also continues to experience positive in-migration and has been increasingly successful at attracting and retaining university graduates and skilled professionals to its workforce, supporting new household formation and the demand for homeownership.

Ottawa

Stability has characterized Ottawa's residential housing sector in 2010, with the number of homes sold slightly ahead of levels reported one year ago. The city saw 10,747 homes move through its MLS system, compared with 10,721 during the same period one year earlier. Values have posted an increase of 8.5 per cent year-to-date, with average price rising to \$326,666, up from \$301,072 in 2009. Active listings have been building, up 11 per cent to 6,557, bringing the market into balanced territory. Consumer confidence remains high in Ottawa, propped up by a solid high-tech and government base. Demand remains strong in all segments of the market, with move-up purchasers most active. The introduction of the Harmonized Sales Tax (HST) caused some hesitation among purchasers in both July and August, although buyers have since moved

forward. Single-family detached homes continue to account for the lion's share of activity, but inventory has held values in check with average price—at \$340,294—on par with 2009 levels. Multiple offers continue with some frequency in the city's hot pockets, including Westboro, Golden Triangle and Glebe. The condominium market has experienced robust growth year-over-year, with average price rising close to 15 per cent (now at \$253,823 year-to-date vs. \$221,742 in 2009). Real values have increased more moderately, as much of the increase can be accounted for by an influx of higher-end product. Developers have responded to strong demand for units at all price points, with new condominium construction occurring throughout the city. Inventory levels are growing as these new projects come to completion, which is expected to prompt some leveling in price in 2011. This is already evident in the downtown core, where condominium suites have experienced an upswing in days on market. Demand is strongest for units in the city's established west end and downtown neighbourhoods. Despite tighter lending criteria, small investment product and properties with income potential remain highly sought-after. Investors and end users are vying for rare duplex properties, driving values a significant 21 per cent ahead of one year ago, while sales have remained on par (84 units in 2010 vs. 82 one year ago). The average duplex now commands \$406,039, up from \$334,892 last year. While activity has begun to moderate into the final quarter, the upper end of the market has surged ahead. Sales of homes priced over \$500,000 are up 42 per cent (820 units vs. 579), while million-dollar-plus sales have climbed 56 per cent year-over-year (42 vs. 27). Demand is not expected to fall off any time soon in the top 10 per cent of the market. Overall, the most active price point is between \$300,000 and \$400,000. Affordable entry-level product will continue to be sought-after in the \$200,000 to \$250,000 range. By year-end, Ottawa will see sales come in slightly below or on par with 2009 levels, while average price pulls slightly ahead of the year-ago figure, setting a new record for the Ottawa market.



Manitoba

Winnipeg

While tighter lending policies and the land transfer tax have impacted the first-time buying segment of the housing market, trade-up purchasers continue to make their moves in Winnipeg. Year-to-date sales have experienced a modest decline, down from 8,663 units between January and August 2009 to 8,620 units during the same period this year. Average price remains strong, up 11 per cent over last year at \$242,000. Active listings are up 15 per cent, although a shortage of well-kept and updated homes has been responsible for numerous multiple offer situations in recent months. In fact, a staggering 32 per cent of properties sold for over list price in August. Yet affordability remains front and centre with purchasers in Winnipeg—given that housing values have nearly tripled over the past 10 years. Condominiums are a popular choice with entry-level buyers, with 60 per cent of condominium apartments and town homes selling under the \$200,000 price point. More upscale condominium developments—offering product in the mid-to-upper price ranges—have experienced a slowdown this year, with units taking longer to sell. The traditional audience—empty nesters and retirees—are now looking at bungalows when they downsize. Sales of luxury homes, on the other hand, continue to surge, with 188 sales recorded over the \$500,000 price point this year, up from 92 units one year earlier. Winnipeg boasts some of the soundest economic fundamentals in the country, including an unemployment rate of six per cent in August. However, uncertainty created and accentuated by a dismal American economic rebound has given purchasers reason to pause. The market overall is expected to be balanced for the remainder of the year, leaning in favour of the seller. Housing sales are forecast to remain stable, while prices level off from earlier peak levels.

Saskatchewan

Regina

While Regina's solid economic performance—and job creation program—continue to lead the country, an unusually wet summer dampened home-buying activity to some extent. The market has since started to turn around, with the number of transactions gaining momentum. Two thousand, six hundred and twenty-eight homes changed hands between January and August 2010, almost on par with the 2009 figure of 2,659 for the same period. Pressure on average price remains steady, with values up eight per cent to \$265,140 year-to-date from \$246,559 one year ago. Inventory levels currently match those recorded in 2009, but listings are considerably less than reported in 2008. Overall supply is balanced—a far cry from 2006 and 2007 when vendors were looking at as many as 20 offers and taking hundreds and thousands of dollars over ask price. First-time buyers, move-up purchasers, and ex-pats returning from other parts of the country in search of employment are all contributing to the overall health of the marketplace. While affordability has diminished in recent years, homeownership is still within reach for many. Condominiums cover the gamut for many purchasers—offering entry-level product priced competitively, as well as upscale units selling for \$750,000 and more. Empty nesters and retirees are particularly active in the market, with many choosing to buy a condominium in Regina and spend winters down south, as opposed to travelling to popular retirement destinations in the West. The upper end of the market is exceptionally vibrant, with luxury sales up 72 per cent over one year ago. Ninety-one properties—including the city's first million-dollar-plus sale—moved over the \$500,000 price point this year, up from 53 in 2009. Regina's housing market has shown remarkable resilience—bolstered by an economy that continues to fire on all cylinders. The city has the best seasonally adjusted employment rate in the country at 4.8 per cent and has created 6,000 jobs this year alone. Regina is expected to lead the country in GDP growth



UPPER-END RESIDENTIAL SALES BY MARKET YEAR-TO-DATE (AUGUST)

Market	2010	2009	% +/-	Upper-End Price Point
St. John's	48	30	60.0%	\$500,000
Halifax-Dartmouth	355	277	28.2%	\$400,000
Saint John	58	39	48.7%	\$350,000
Greater Montreal	144	120	20.0%	\$1,000,000
London-St. Thomas	234	151	55.0%	\$500,000
Barrie	131	88	48.9%	\$500,000
Greater Toronto	2,135	1,401	52.4%	\$1,000,000
Hamilton	53	36	47.2%	\$750,000
Kitchener-Waterloo	54	22	145.5%	\$750,000
Sudbury	44	15	193.3%	\$500,000 - \$750,000
Ottawa	820	579	41.6%	\$500,000
Winnipeg	188	92	104.4%	\$500,000
Regina	91	53	71.7%	\$500,000
Saskatoon	31	18	72.2%	\$750,000
Edmonton	240	190	26.3%	\$700,000
Calgary	242	194	24.7%	\$1,000,000
Greater Vancouver	1,356	940	44.3%	\$1,500,000
Victoria	172	134	28.4%	\$1,000,000
Kelowna	29	11	63.6%	\$1,000,000

Source: Local Real Estate Boards, RE/MAX

in 2011—at a phenomenal 6.3 per cent. Optimism abounds and that enthusiasm will be reflected in sales figures in the final quarter of the year. The number of homes sold in Regina will be on par or slightly ahead of 2009 levels, while average price will continue to climb, hovering at five to seven per cent above last year's figure.

Saskatoon

Although economic concerns have hampered home-buying activity to some extent, year-to-date sales are just marginally off 2009 levels in Saskatoon. To date, 2,527 homes have changed hands, down from 2,696 between January and August of 2009. Average price, however, continues to climb—up eight per cent in August to

more than \$305,000—and \$292,323 year-to-date, an increase of five per cent over the same period last year. Greater sales in the mid-to-upper end of the market have contributed to the upswing in housing values. The seasonal summer slowdown has spilled over into September. Inventory levels are climbing (up 25 per cent in August). Saskatoon also lost 2,000 jobs in August, raising the unemployment level to 5.7 per cent. First-time buyers are driving the market, fuelling activity for homes priced between \$300,000 to \$350,000. Condominium product, priced between \$150,000 and \$250,000, has also been a popular choice with consumers, with one and two bedroom condominiums experiencing strong demand. Overall sales are down in the condo segment, with a slight oversupply of units on the market. Prices are expected to hold steady as some



product comes off the market. Investors typically take their properties off the market if they don't sell, with most putting their units into a rental pool. New construction activity is up and holding stable. While investors have been less active in the condominium segment than in years past, demand for revenue properties continues to be solid. Financing appears to be a non-issue as most buyers are moving forward with their purchases. Homes that are priced at fair market value are selling, although time on market has edged up slightly. Housing sales in Saskatoon are expected to finish the year down modestly from 2009 levels, while average price is forecast to move ahead in 2010.

Alberta Edmonton

The urgency in Edmonton's residential housing market, prompted by tighter lending policies and the threat of higher interest rates earlier in the year has subsided, giving way to more stable conditions heading into the final quarter of 2010. Year-to-date sales have slipped 14 per cent to 11,773 units, compared to 13,694 during the same period one year ago. The sales-to-listing ratio, sitting at 47 per cent, is down from 59 per cent in 2009, but up from the 42 per cent recorded in 2008. Average price is holding steady, rising close to four per cent to \$332,789 in 2010, approximately \$12,000 higher than one year ago. Inventory levels are up marginally over last year, but are well-off peak levels reached in 2007 and 2008. As a result, the housing market has been characterized as balanced, slightly favouring the buyer. First-time purchasers remain most active, driving sales of single-family homes priced between \$250,000 and \$350,000. Condominiums—now representing 34 per cent of residential sales—continue to be a popular choice for those looking for affordable options. An influx of new units in recent months has inflated inventory levels, creating some downward pressure on condominium pricing. Changes to lending criteria have also impacted

this segment, with a 20 per cent down payment requirement proving to be detrimental to investment activity. One area of the market that has outperformed all others is the upper end. Sales of homes priced in excess of \$700,000 are up 26 per cent over 2009—with 240 up-scale properties changing hands in 2010, compared to 190 units one year ago. Fifty-five homes have sold over the \$1 million benchmark. While most Albertans acknowledge that the province is not out of the woods just yet, concerns over the economy are starting to fade. Positive announcements in the oil and gas sector should spur renewed activity in residential real estate—as evidenced in the first few weeks of September. Despite recent hikes, interest rates remain attractive, with a five-year closed hovering at four per cent. The outlook for the remainder of the year is stable, with no real fluctuations in either sales or price.

Calgary

After four months of hesitation and month-over-month declines in activity, homebuyers in Calgary are finally showing signs of renewed confidence. While some concerns still exist about sluggish economic growth in Canada and the U.S., buyers who are moving forward have been enticed by lower prices, greater selection, favourable borrowing conditions, and a healthier outlook for the future. Year-to-date sales of single-family and condominium homes in the Calgary Metro area are down 12.6 per cent, with 12,511 properties changing hands vs. 14,317 in 2009. Affordability has kept the condominium segment slightly more buoyant, with sales down just under 10 per cent year-to-date versus almost 14 per cent in the single-family home category, while the average condominium price posted a modest four per cent gain. Average residential price in the Calgary Metro area, (single family and condominiums combined) however, is up a solid six per cent year-to-date to \$411,233 compared with the year-ago figure of \$388,302. This has been pulled up by the strength of the upper end, as well as the fact that more homes sold at the lower end of the spectrum one year ago.



On the front lines, realtors have been noting softer values with reductions relatively commonplace. This is reflected by the city's year-to-date median sale prices. The median price for single family homes in the Calgary Metro area is now \$387,000 (down six per cent from \$412,500 in 2009), while the median price for condominiums now stands at \$258,000 (a four per cent decrease from the year-ago figure of \$269,000). Currently, nearly 7,500 listings are available for sale, with supply more than adequate. First-time buyers are most active, driving sales at the \$300,000 to \$400,000 price point. Move-up buyers are starting to follow suit, albeit with a measure of caution. That growing influx, combined with any positive economic news, should help to kick start momentum going forward. The upper end remains a bright spot in Calgary's real estate market, with year-to-date sales over \$1 million surging 25 per cent ahead of 2009 levels (242 units vs. 194 units), as buyers take advantage of the current window of opportunity. Investors have also recognized their advantage, snapping up condos and half duplexes throughout the city. Multiple offers are still occurring on quality product that is priced precisely at fair market value and in an excellent location. Conditions are firming up in Calgary and buyers are starting to take notice. The market is expected to remain steady going forward, in line with the healthier September momentum, closing some of the gap between year-over-year sales. Ultimately, sales will remain off 2009 figures, but average price will level out and post a modest gain.

British Columbia

Vancouver

While sales have slowed from heated post-recession levels, residential home-buying activity is alive and well in Greater Vancouver. The combination of first-time buyers, empty nesters, and new immigrants now play a crucial role in today's housing market, fuelling demand for homes priced from \$300,000 to \$3 million and more.

Although year-to-date sales have softened from one year ago, with 22,022 homes changing hands between January and August—down from 23,158 units during the same period one year earlier—average price, while down from peak levels reported in April, is still 16 per cent ahead of 2009 levels, hovering at \$667,227 (vs. \$574,061 in 2009). Housing values are expected to hold steady in the months to come as fewer new listings—down 17.5 per cent in August—come on-stream and existing resale properties are absorbed. Despite the lull in the market, consumer confidence is solid, with reduced values drawing purchasers into the market in early September. Conditions remain balanced, leaning slightly in favour of the buyer. The condominium segment continues to be vibrant, leading sales in August. Condominium apartments and towns now represent one in two residential sales in Vancouver—their universal appeal attracting entry-level purchasers to affluent, experienced buyers. The market for high-end properties is also robust. So far this year, 1,356 sales occurred—priced in excess of \$1.5 million—compared to 940 properties in 2009. Wealthy Chinese immigrants are driving luxury sales, bolstered by China's strong economy, and this phenomenon is expected to continue into 2011. The strength of the first half has moderated and the upward pressure on price has subsided. The summer months were dampened by the introduction of the Harmonized Sales Tax (HST) and the confusion that followed. Purchasers are just now realizing that the HST applies to new construction only—which has been a boon to the resale market. Demand has since improved, with activity strongest in the lower price points. While the number of homes sold by year-end may be off 2009 levels, average price is poised to set a new record in the Greater Vancouver Area in 2010.



Victoria

After an exceptionally strong start to the year, Victoria's housing market has returned to more normal levels of activity. Year-to-date sales hover at 4,856 units, down from the 5,521 reported between January and August of 2009. Average price, bolstered by the momentum earlier in the year, remains more than eight per cent higher than last year at \$495,993, an increase of close to \$40,000 over the 2009 figure. Inventory has increased year-over-year, although the supply of homes listed for sale is well under levels recorded during the recession. Market conditions in Victoria are currently balanced, leaning slightly in favour of the buyer. Home-buying activity has subsided since the first quarter when purchasers moved to secure homeownership ahead of tighter lending criteria, higher interest rates, and the Harmonized Sales Tax (HST). Fewer buyers overall are in the market, and of those that are able to buy, many are impacted by new calculations on residual income on in-law suites—which raises the amount needed to qualify for a mortgage. Still, consumers remain confident and homes that are well-priced continue to sell. Days on market are down from last year, with most homes moving within 53 days. The top end of the market has been surprisingly active, with sales of million dollar plus homes up 28 per cent over one year ago. To date, 172 high-end properties have changed hands, an increase from 134 during the same period one year ago. The upswing has been attributed to softer luxury housing values, which have prompted savvy purchasers to take advantage of the opportunities that currently exist in the marketplace. Affordability remains top of mind and resale condominiums—especially those priced from \$250,000 to \$350,000—and single-detached homes priced between \$450,000 and \$550,000—are in high demand and short supply. Activity is expected to pick-up as the traditional fall market gets underway. Attractive interest rates and stable housing values should prompt home-buying activity in the final quarter, although volumes will pale in comparison to last year's frenzied pace.

Kelowna

A significant summer slowdown has done little to dampen year-to-date activity in Kelowna's housing market, as sales up to the end of August remain eight per cent ahead of 2009 levels (2,728 units vs. 2,523). Yet, economic concerns—both in Canada and south of the border—have affected consumer confidence, with buyers growing more cautious. The introduction of the Harmonized Sales Tax (HST) served to dampen demand for residential properties, before purchasers finally realized there would be little impact on resale product and moved forward. As a result, activity continues to gain momentum, with sales posting an encouraging September start. While average price appreciation has begun to moderate—up close to two per cent in August—the average residential value remains nearly seven per cent ahead of year-ago levels at \$418,598. Attractive interest rates, a great selection of product and buyer's market conditions continue to draw purchasers into the fold. Active listings remain on a downward trend, now at 5,309 units (more than ample), with buyers maintaining the advantage. While some trepidation exists, those who are moving forward seem confident in their decisions, reflected by a contraction in days on market—now at 90 days from 97 one year ago. Homes ranging from \$400,000 to \$500,000 in price are in greatest demand, with those priced at fair market value moving well. The condominium market has posted a three per cent gain, with sales edging ahead of year-to-date 2009 levels (1,702 vs. 1,655). The average price of a condominium has held firm as well, posting a two per cent gain to \$258,000—up from \$253,000 on year earlier. The luxury home segment has been especially resilient. Twenty-nine properties priced over \$1 million have sold to date, up from 11 in January to August of 2009—an increase of 163 per cent. Overall, activity in Kelowna's residential housing market is expected to maintain a healthy pace and remain stable through the final quarter and into 2011.

MARKET TRENDS FALL 2010

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