



For immediate release

**Canada's luxury home market on a clear, upward trajectory,
marked by record sales in most major centres in 2013, says RE/MAX**

Accelerated demand pushing five-year growth rates into double and triple-digit territory

Mississauga, ON (January 28, 2014) -- Significant gains at the top end of the country's housing market continued to demonstrate the overall strength of Canadian real estate in 2013, according to a report released today by RE/MAX.

The RE/MAX Upper End Report, highlighting trends and developments in 16 major Canadian centres, revealed that:

- Seventy-five per cent of markets experienced year-over-year percentage increases in sales—including eight markets that posted double-digit gains. Greater Vancouver led the charge with a 36 per cent increase in luxury sales last year, followed by Calgary at 34 per cent, Edmonton at 32 per cent, Hamilton-Burlington at 31 per cent, Kitchener-Waterloo at 27 per cent, Winnipeg at 26 per cent, Greater Toronto at 18 per cent, and Saskatoon at 15 per cent.
- Over two-thirds of markets set new records for high-end sales in 2013. Markets included St. John's, Quebec City, Greater Toronto, Hamilton-Burlington, Kitchener-Waterloo, London-St. Thomas, Winnipeg, Regina, Saskatoon, Edmonton, and Calgary.
- Luxury sales have close to quadrupled since 2009 in Regina (up 288 per cent), tripled in St. John's (219 per cent), and more than doubled in Winnipeg (189 per cent), Hamilton-Burlington (173 per cent), Saskatoon (157 per cent), the Greater Toronto Area (147 per cent), Greater Vancouver (125 per cent), and Calgary (115 per cent). London-St. Thomas was up 90 per cent, Ottawa increased 86 per cent, Edmonton rose 81 per cent, while Quebec City jumped 76 per cent and Montreal climbed 61 per cent in the five-year period.

"Canada's luxury housing market has undergone serious transformation in recent years, setting a new standard for lifestyles of the rich and famous," says Gurinder Sandhu, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. "High-end homes are commanding top dollar in blue chip neighbourhoods from coast to coast. Condominiums are hitting price points that rival single-detached homes. The market is maturing and the appetite is unprecedented."

Last year's relatively low interest rate environment, substantial equity gains in Canadian real estate markets, stellar performance in US equities, and improving economic conditions contributed to the upswing in luxury home sales, driving close to 70 per cent of Canadian markets to new heights in 2013.

Diminished supply of single-family homes—particularly in markets like the Greater Toronto Area and Greater Vancouver—contributed to steady homebuying activity, as pent-up demand persisted. Yet, most purchasers remained grounded, especially at higher price points, and the climate proved fundamentally healthy.

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Greater Vancouver experienced the largest bounce back in 2013, with sales of luxury homes posting the second highest level on record. Western Canada claimed the country's top three high-end markets in 2013. Ontario continued to demonstrate strength in the upper end, especially in Hamilton-Burlington and Kitchener-Waterloo. Canada's largest real estate market—the GTA—also reported healthy activity in 2013. Quebec held its own, with luxury sales outperforming overall residential market activity in both Greater Montreal and Quebec City. Atlantic Canada experienced solid demand in St. John's, where upper end sales were up, but posted a decline in Halifax-Dartmouth.

UPPER-END RESIDENTIAL SALES - January 1 to December 31

Market	Price Point	Sales '09	Sales '10	Sales '11	Sales '12	Sales '13	% +/-
St. John's	\$500,000	54	86	115	161	172	7%
Halifax-Dartmouth	\$500,000	181	205	291	299	268	-10%
Quebec City	\$500,000	116	150	150	196	204	4%
Greater Montréal	\$1 million	251	330	406	436	405	-7%
Ottawa	\$750,000	210	244	360	392	390	-1%
Greater Toronto	\$1.5 million	774	1069	1391	1617	1908	18%
- Oakville	\$1.5 million	74	74	95	131	156	19%
Hamilton-Burlington	\$750,000	160	194	249	334	436	31%
Kitchener-Waterloo	\$750,000	n/a	81	86	83	105	27%
London-St. Thomas	\$500,000	107	167	185	194	203	5%
Winnipeg	\$500,000	152	290	359	349	439	26%
Regina	\$500,000	80	127	198	303	310	2%
Saskatoon	\$500,000	197	232	332	440	507	15%
Edmonton	\$750,000	202	248	220	277	365	32%
Calgary	\$1 million	340	367	447	548	732	34%
Greater Vancouver	\$2 million	715	1008	1880	1184	1609	36%
Victoria	\$1 million	219	240	229	227	200	-12%

Source: RE/MAX, Local Real Estate Boards

The surge in high-end homebuying activity dovetails with growing strength in global markets, including London (where sales of homes priced in excess of \$8 million are up 24 per cent), and the US, where sales at high end of the market—homes priced at \$1 million or more—are selling at nearly triple the pace of everything else.

“Canada offers up some world-class real estate at affordable prices and, as such, we should see continued upward pressure on both sales and values in the years ahead,” says Sandhu. “Certainly, that has been the experience south of the border where prices for luxury product have climbed as high as \$90 million for a penthouse in New York City. By comparison, Canada's priciest sales in 2013 included a \$25 million condominium and an \$18.6 million compound offering mountain and water views in Greater Vancouver, a smaller version of France's Palace of Versailles in the Greater Toronto Area that moved at just over \$13.4 million, and an \$11.1 million estate in Calgary. Given the prices commanded in other global centres, it's clear that there is still room for growth in Canadian real estate markets.”

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Local purchasers continue to be the primary drivers in the upper end of the market, as Canadian affluence climbs. The ranks of Canadian millionaires are growing—up approximately 6.5 per cent to 298,000 individuals in 2012 (over 2011)—and with it, the undeniable appeal of bricks and mortar. The CapGemini report also found that Canadian wealth expanded to \$897 billion in 2012—with investment in equities and real estate contributing to the upswing in growth. Some foreign investment was also noted in 2013, most prevalent in markets such as Greater Vancouver and the Greater Toronto Area.

“Improving economic fundamentals will continue to support confidence among Canada’s high-end home purchasers, buoying overall intentions moving forward,” explains Sandhu. “In the meantime, strength demonstrated at the upper-end remains a positive indicator of the real estate sector’s broader health.”

About the RE/MAX Network

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Forward Looking Statements

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Data Source: Historical data is sourced from Local Real Estate Boards. Estimates and forecasts are based on the opinion of independent RE/MAX broker/owners and affiliates.

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