MARKET TRENDS REPORT SPRING 2012

Newfoundland & Labrador

St. John's

Solid economic performance and record low interest rates have prompted strong residential sales activity in St. John's out of the gate in 2012. Over 400 homes changed hands so far this year, up 12.5 per cent over the same period in 2011 (404 units vs. 359 units). The upswing in confidence that motivated buyers en masse also resulted in an influx of new listings coming on-stream in January, but listings slowed in February (down 12 per cent). Overall, the number of homes available for sale remains up over last year and buyer's conditions remain in place. Yet, with the sales momentum continuing strong into March, the market may finally start edging closer to balanced territory in the months ahead. For now, average days on market have inched up in tandem with inventory levels, currently sitting at approximately 70 days. Sellers will need to price their properties correctly to succeed in the more competitive spring marketplace. First-time purchasers continue to lead the charge, but the ripple effect has also bolstered the move-up segment. The city's average price rose 10 per cent to $278,893, up from $253,879 one year ago, and at this rate, may well top $300,000 in short order. Exceptional price appreciation has undeniably been pulled up by the higher cost of new construction. It's estimated that real prices have increased more moderately, based on comparables, and appreciation in the neighbourhood of five to six per cent is a realistic projection for 2012. Demand remains very strong for entry-level product, especially if priced in the $200,000 to $275,000 range. Multiple offers are occurring in

some areas on homes that are priced under $200,000. There has been an increase in buyers looking to properties that offer basement apartments to offset carrying costs. Condominiums are also gaining greater momentum, as prices track upward and the population ages. A growing number of long-time homeowners are opting to trade in their larger, single-family homes, purchase low-maintenance condominiums and establish a solid nest egg for retirement. Developers are more in tune

with the need for affordable options, introducing condominium projects addressing the entry-level and move-down market, located in the heart of St. John's. The upper-end remains quite resilient in both the new and resale categories. The enthusiasm of the resale market has been mirrored by the new homes segment—housing starts in St. John's are up 46.5 per cent year-to-date (230 units vs. 157)—an indication that many are anticipating another healthy year of real estate activity. With a very robust local economy—and several billion-dollar capital works projects supporting job and income growth—there's no question that St. John's is well-positioned for a lively spring market.

New Brunswick

Saint John

Residential real estate activity in Saint John is off to a strong start in 2012, building on the healthy momentum demonstrated in the final quarter of 2011. The combination of low interest rates and attractive housing values has been a considerable impetus. As a result, year-to-date home sales have returned to more typical levels (209 units), compared with the weak start in 2011 (174 units). This represents a significant 20 per cent increase and stands as the third-highest gain in the country year-to-date. A clear, albeit cautious, optimism is building, moving into the traditionally busy spring season. That confidence is most evident among first-time buyers, who are fuelling activity for entry-level properties priced between $120,000 and $160,000. In fact, sales under $160,000 accounted for 44 per cent of total MLS sales year-to-date, compared with just 25 per cent in 2011, underscoring the significance of the entry-level enthusiasm. Most buyers are taking their time making decisions, looking at a good number of homes before they commit. Offers to purchase are typically conservative as a result, with purchasers moving on when sellers appear unwilling or unable to negotiate. Some entry-level purchasers are looking at properties outside of Saint John proper, where the tax rate is substantially lower. Despite a greater number of sales in the lower end, average price has held up well—climbing half a per cent year-to-date to $178,594 from $177,744. The top end of the market was on the upswing in February—another example of higher confidence. So far this year, 12 sales over $350,000 have been recorded, versus 10 sales one year earlier. Overall inventory is slightly ahead of last year's levels, with some tightening at the $180,000 - $230,000 price point. Demand for waterfront properties has been brisk, with baby boomers from out-of-province—many returning to Saint John to retire—leading the trend. A stable local economy and job security remain first and foremost with today's real estate consumer. While not directly impacted by global economic uncertainty, the lack of projects on the horizon has given some purchasers cause for concern. An improved economic outlook should serve to further bolster the residential market moving forward. Buyer's market conditions remain in place, although healthy spring sales could inch the market closer toward balanced territory.

Nova Scotia

Halifax – Dartmouth

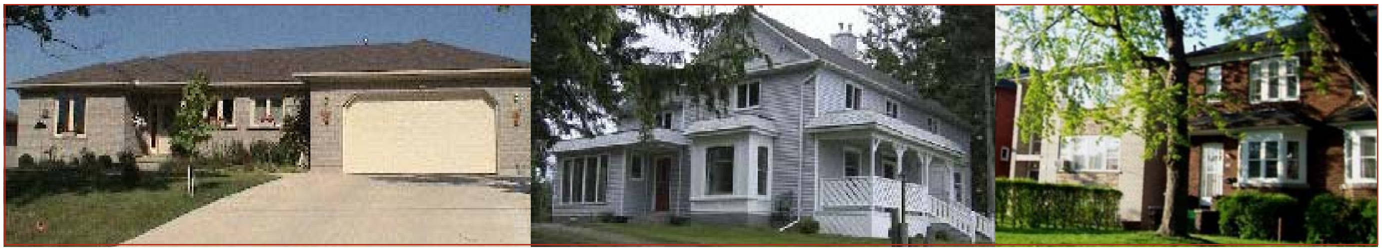
Residential real estate activity in Halifax-Dartmouth has come in like a lion, with February year-to-date sales up 35 per cent (896 units vs. 663 units). Consumer confidence, bolstered by last fall's shipbuilding announcement, continues to rise, prompting many buyers into the market to take advantage of exceptionally favourable interest rates. While new listings jumped 13 per cent in February, active listings are down five per cent, resulting in a more competitive marketplace overall. Days on market have also fallen considerably compared to last year. Multiple offers are occurring on well-priced, choice product throughout the city, but the trend is most noticeable in Peninsula Halifax,

where supply is tight and prices have experienced stronger than average appreciation. Overall average price in Halifax-Dartmouth now hovers at $263,001 year-to-date, up two per cent from $257,370 during the same period one year ago. The market is now working in tandem, with buyers at all ends of the price spectrum ramping up activity. Sales of new single-family homes have been reinvigorated as well, with presales on the upswing. Entry-level buyers have felt the pinch of an increasingly competitive market more than most, with inventory tightest for bungalows and townhomes priced between $200,000 and $250,000. More stringent lending criteria has also factored in, but most are finding ways to adjust. A shortage of quality homes, priced from $350,000 to $450,000, is increasingly evident in Downtown Dartmouth. As a result, prospecting in the form of door-knocking and cold calls is not unheard of to drum up listings. Despite the tight start to the year, more listings started to flow in February. However, with transfer season about to get underway, there is some concern that inventory may struggle to keep pace with strong demand. The stage could be set for a record-breaking spring in 2012, barring any further storms on the global economic front. First-time buyers will once again lead the charge, but trade-up activity is picking up considerable steam. Detached homes are most sought-after, followed by semi-detached and townhomes. Demand for condominiums has climbed substantially, while listings have fallen. More units have moved at the lower end this year, pulling the average price of a condominium down slightly compared with year-ago levels. Prices have also been tempered by rental rates that continue to trend lower than condominium carrying costs and a recent influx of new multi-family rental construction that has pulled up vacancy rates in the city. At the other end, the luxury market remains healthy, particularly in core areas, while in the suburbs and beyond, the preference is for custom-built homes. Halifax-Dartmouth's real estate market is poised for an exceptionally vibrant year. With employment, in-migration and population set to rise, buyers can look for the current strength to carry into the second half of the year. In fact, if the momentum continues, some forecasts see the appreciation of both sales and prices possibly doubling over previous projections.

Ontario

London – St. Thomas

Activity proved very strong in the London-St. Thomas residential housing market at the outset of the year, as purchasers reaffirmed their belief in homeownership, enticed by low interest rates and balanced market conditions. By the end of February, over 1,088 detached homes and condos had changed hands, an increase of 11 per cent over the 979 properties sold one year earlier. As a result, average price is on the upswing, posting a gain of almost two per cent, hovering at $230,624 year-to-date. While all segments of the market are moving well, the detached market is showing particular strength (877 vs. 782), up 12 per cent over last year. Condominium sales have also been brisk, with units sold up seven per cent (211 units vs. 197). Multiple offers have begun to emerge in both the detached and condominium categories throughout London. Quality, entry-level product remains most sought-after, with detached homes, priced from $225,000 to $350,000, and condominiums, priced from $150,000 to $225,000, in greatest demand. There has been considerable strength in the mid-range as well, and the city's upper-end continues to defy expectations—a clear sign of the confidence in residential real estate. Overall, properties are averaging 45 days on market in London-St. Thomas, but well-priced homes in good locations are moving within a week or two. Despite conditions, few properties are selling over list price and homes that are overpriced are often overlooked. Investors remain very active near the university and college. Few remain daunted by global uncertainties, and despite an unemployment rate that hovers just below nine per cent, those secure in their jobs and confident in



the future continue to make their moves. Affordability remains a major draw for the city. With a banner start to the year, London-St. Thomas is on track for a very active spring market and a strong first half. Listings will be the most important variable moving forward.

Kitchener – Waterloo

Confidence among purchasers in Kitchener-Waterloo's residential housing market remains steady, with sales in the mid-to-upper price points gaining momentum over one year ago. Average price has been pulled upward as a result, moving ahead more than nine per cent from $284,740 to $311,457 (February 2011 vs. February 2012). Yet, year-over-year comparables paint a more accurate picture of appreciation, with most home prices typically up three to four per cent over the previous year. Year-to-date unit sales, on the other hand, remain four and a half per cent off 2011 levels (830 units 869 units). Market conditions remain balanced overall, with buyers taking advantage of rock-bottom mortgage rates, a good selection of inventory and the luxury of time to make decisions. Days on market have edged down slightly to 52 days from 54. While the $300,000 to $400,000 price point is most sought-after, there is also a strong appetite for entry-level properties. Buyers will find supply slightly less generous under the $300,000 price point, while anything priced under $200,000 is snapped up quickly. Inventory also remains short in traditionally coveted neighbourhoods such as Old Westmount. Multiple offers are few and far between in all segments of the market, although sale-price-to-list-price ratios have held up very well—averaging approximately 98 per cent. Existing condominium sales continue at a solid clip, although paper sales have slowed. There have been a few exceptions—most notably for product that is marketed to the university crowd. One such project on King St. recently sold out in two days—almost unprecedented in a balanced market. Looking ahead however, there is some concern that the 6,000 new units coming on stream over the next year and a half will saturate the condominium segment, although absorption rates remain healthy at present. Condo sales now account for 35 per cent of the residential real estate market in Kitchener-Waterloo. Townhouse condominiums, priced between $350,000 and $400,000, have become a highly popular option for young buyers, professionals, downsizers and empty-nesters, who seek the benefits of a low-maintenance lifestyle. Uptown Waterloo and Downtown Kitchener are the top choices among condominium consumers, while families seek out newer homes in the suburbs. Some are looking to nearby Brantford for value, and opting to commute. While the local employment picture remains front and centre, an increasing number of buyers are refusing to put their life on hold any longer and are moving off the fence. Another positive sign is that the city continues to grow, welcoming new residents from across the Golden Horseshoe, and this continues to prop up demand for housing. Activity is expected to remain stable throughout 2012, running slightly behind the pace of one year ago, while prices post moderate appreciation.

Hamilton – Burlington

Demand for residential real estate is heating up in the Hamilton-Burlington area, setting the stage for an active spring market. First-time and move-up buyers are expected to drive sales across the board, building on the momentum of the last quarter of 2011. While inventory levels are climbing, supply has been limited to date. Overall sales are up close to seven per cent over one year ago, hovering at 1,855 units, compared to 1,736 units in the first two months of 2011. Average price has appreciated over five per cent year-to-date, rising to $347,660, up from $329,722 in 2011. Single-detached homes remain most popular with purchasers, representing close to 83 per cent of residential sales activity, while condominiums make up the remaining 17 per cent. Affordability has fuelled homebuying activity in the Hamilton area where the average price is significantly less than neighbouring Burlington. Hamilton East has surged in popularity

as value-conscious first-time buyers take advantage of attractive house prices and ideal location, given the recent announcement (addition) of a Go Station. Move-up buyers, empty nesters, and out-of-town purchasers are behind the push for residential real estate in Dundas, many now drawn to the vibrant community because of its trendy shops, restaurants, and high-rise condominiums. Move-up buyers from Toronto proper have grown increasingly attracted to Burlington real estate, particularly communities abutting the Oakville border. As a result, competition has been building for single-detached homes priced from $350,000 to $550,000, with multiple offers occurring with greater frequency in recent weeks. Bidding wars are also happening on entry-level properties in Hamilton, ranging in price from $230,000 to $275,000. The top end of the market has been solid, with sales over the million-dollar price point up from one year ago. While today's low interest rate environment has been exceptionally conducive to homebuying activity—tighter lending policies may have some impact on the market down the road. Still, Hamilton offers up some of the country's most affordable inventory—and for many, the cost of owning is less than the cost of renting.

Greater Toronto Area

The residential real estate market in the Greater Toronto Area continues to fire on all cylinders in 2012, fuelled by low interest rates, strong demand and a shortage of available inventory. Approximately 11,504 properties changed hands in the first two months of the year, up 12 per cent over 2011 levels, extending the

RE/MAX® SPRING MARKET TRENDS REPORT RESIDENTIAL STATISTICS (JANUARY 1 – FEBRUARY 29)

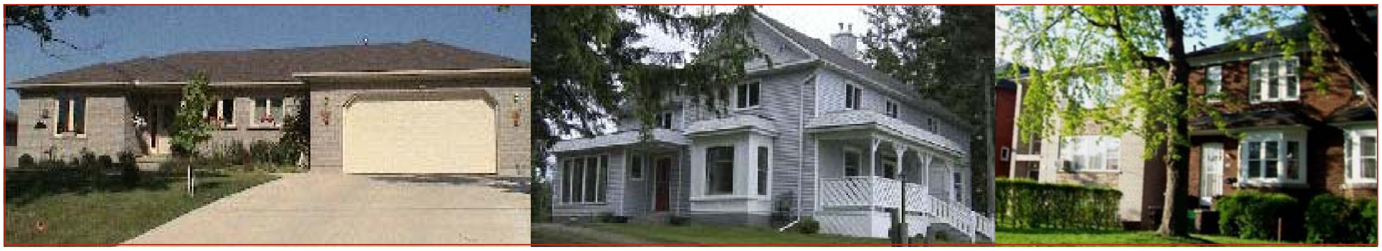
Market	Unit Sales			Average Price		
	YTD 2011	YTD 2012	% +/-	YTD 2011	YTD 2012	% +/-
St. John's	359	404	12.5	$253,879	$278,893	10
Saint John	174	209	20	$177,744	$178,594	0.5
Halifax-Dartmouth	663	896	35	$257,370	$263,001	2
London-St. Thomas	979	1,088	11	$226,709	$230,624	2
Kitchener-Waterloo	869	830	-4.5	$284,740	$311,457	9
Hamilton-Burlington	1,736	1,855	7	$329,722	$347,660	5
Greater Toronto Area	10,257	11,504	12	$442,978	$487,254	10
Ottawa	1,617	1,693	5	$335,716	$349,791	4
Winnipeg	1,345	1,343	-0.2	$219,450	$241,115	10
Regina	392	455	16	$274,676	$290,006	6
Saskatoon	475	574	21	$300,110	$318,163	6
Calgary	2,707	2,806	4	$410,851	$412,300	0.4
Edmonton	1,978	2,189	11	$311,307	$325,041	4
Greater Vancouver Area	4,921	4,142	-16	$786,233	$786,695	0.1
Victoria	723	775	7	$475,640	$469,399	-1

Source: Local Real Estate Boards, RE/MAX

market's run to 10 consecutive months of upward momentum. Average price remains on the upswing, climbing 10 per cent over last year's figure, settling at $487,254. Days on market are lower than usual, hovering at 24, compared to 27 in February 2011. Despite an 11 per cent increase in new listings overall, active listings remain just slightly ahead of year-ago levels heading into the traditionally busy spring market. Multiple offers are commonplace, with an estimated 50 per cent of detached homes priced in the coveted $600,000 to $900,000 price range selling for more than list price in blue-chip areas like the Cricket Club, Lytton Park, Cedervale, Leaside, Riverdale, the Beach, Leslieville, Bloor West Village and High Park. Bidding wars have spilled over into the top end of the market as well, with many homes priced over $1.5 million moving in multiples. Sales have been brisk at all price points—especially luxury properties—where the number of units sold over $1.5 million has climbed a substantial 53 per cent. Condominium resales remain a popular choice among first-time buyers, especially high-rise units along the city's major transportation routes. Developments situated on the Yonge, Bloor, and even Sheppard subway lines continue to experience solid demand. Hip enclaves such as King St. W. and Liberty Village are increasingly sought–after by young professionals, many of whom work in the core. Condominium sales represented 32 per cent of total residential sales this year—and 66 per cent of sales in the central district. With more than 132 new buildings currently under construction and expected to come on-stream in the years ahead, it's a safe bet that condominium purchasers will have a good selection of properties to choose from, particularly in the downtown core. Given the city's vacancy rate of just over one per cent, excess units will be easily absorbed by the rental market. While most buyers remain undaunted by current market conditions, bidding war fatigue has impacted some purchasers who have chosen to retreat—waiting for a lull in the market or an opportunity to save additional funds.

Ottawa

Steady consumer confidence levels continue to fuel home-buying activity in Ottawa, with demand particularly heated for entry-level product heading into the traditionally busy spring market. A mild January and February brought buying decisions forward for many, with single-family homes, priced from $300,000 to $400,000, and condominiums, ranging in value from $250,000 to $350,000, most popular with first-time buyers. Overall inventory levels are healthy, but supply falls short of demand in the starter home category. To date, close to 1,693 homes have changed hands, up close to five per cent from the 1,617 properties sold during the first two months of 2011. Average price continues to climb, rising more than four per cent to $349,791 in 2012. Condominium values have appreciated even further, rising just over nine per cent—thanks to a large influx of high-end condo sales priced from $500,000 to $750,000. Investors, empty nesters and retirees continue to drive demand for condominium product, especially in the centre of the city. The latter two groups wish to remain in the same neighbourhood—making lateral moves to new condominium developments within walking distance of their homes. Condominiums now represent approximately 22.5 per cent of total residential sales in Ottawa. The top end of the market has also been brisk, with sales up over last year in the $750,000-plus category. The luxury segment is solid, with supply meeting demand. Some multiple offers are occurring, especially in communities such as Westboro, the Civic Hospital, and Hintonburg. Older housing in close proximity to the downtown core, bordering the parkway and the Civic Hospital area, as well as Little Italy and areas along the canal, have seen a tremendous amount of infill, teardown, renovation, and revitalization. Neighbouring Mechanicsville has also experienced greater infill activity, as purchasers take advantage of opportunities that exist within the market. Serious equity gains in the duplex-triplex category have resulted in a severe shortage of product as purchasers look to offset carrying costs by living in one unit and renting the others. Ottawa's housing market is expected to remain healthy as a result of strong underlying economic



fundamentals, although there are some concerns that government layoffs may have an effect on the market. Low interest rates have bolstered homebuying activity, a trend expected to continue in coming months. Immigration has also contributed to the stability of the housing market, with an estimated 7,000 to 8,000 new immigrants expected yet again in 2012.

Manitoba

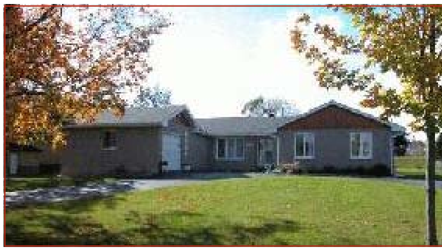
Winnipeg

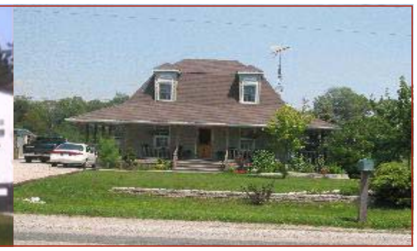
While residential real estate sales are virtually on par with levels reported one year ago in the city of Winnipeg (1,343 units vs. 1,345), a shortage of inventory continues to place a damper on activity year-to-date. Despite one of the best Januarys on record in 2012, momentum would have been stronger if adequate product were available. Buyer confidence and intentions remain high, but so do frustrations, as quality product is snapped-up quickly and multiple offers are occurring throughout the city on product priced under $500,000. The lower end of the market is experiencing the tightest conditions, particularly under the $250,000 price point. Five to six offers are not uncommon on a single listing. Homebuyers, unsuccessful in their hunt, continue the search, but the competition is not expected to let up any time soon. In fact, of homes sold in February, 44 per cent of single-family properties and 31 per cent of condominiums sold above list price. Yet, despite the intense conditions, most purchasers remain grounded, and overpriced listings will typically sit longer and/or face stagnation. Average price now hovers at $241,115, up 10 per cent from $219,450 one year ago. Seller's market conditions remain firmly in place, with most listings averaging 28 days on market. The most active price ranges are $150,000 to $300,000 in the single-detached category and $150,000 to $200,000 in the condominium segment. First-time buyers continue to lead the charge. Both condo sales and single-family home sales are keeping pace with 2011 levels, despite a five per cent drop in active listings. Investors remain active, with plex-type properties highly sought-after. However, conditions are posing a challenge even for seasoned buyers. The upper-end of the market remains solid, with homes priced over $500,000 up over one year ago. The spring market is expected to be heated once again in Winnipeg. With the forecast calling for a repeat of 2011 in terms of activity—a year that was off 2007 by just 13 sales—there's no doubt that a record or near-record performance could be shaping up.

Saskatchewan

Regina

Solid economic performance continues to propel homebuying activity in Regina, positioning the city for yet another robust year of residential real estate sales and price appreciation. Job creation, population growth, and a provincial surplus are all factors contributing to the city's growing exuberance—in spite of the looming financial crises abroad. After decades of slow growth, housing values are escalating—showing consistent return for more than ten years. The mindset is changing as a result, with the belief in homeownership rising among first-time and move-up buyers. Home sales in Regina proper (areas 1 through 5) are up 16 per cent in the first two months of the year, rising from 392 units in 2011 to 455 in 2012. Average price is also on the upswing, appreciating close to six per cent to $290,006 from the $274,676 posted one year ago. Inventory levels are tight, particularly in the city, with a notable shortage of starter properties priced from $300,000 to $400,000. Days on market have fallen to 29 from 39 one year ago. Overall two-storey condominium townhomes ranging from $285,000 to $350,000 are also in short supply—in large part due to demand from the first-time buyers segment. New listings have fallen just over five per cent year-to-date. New home construction is well-underway throughout the city, with new

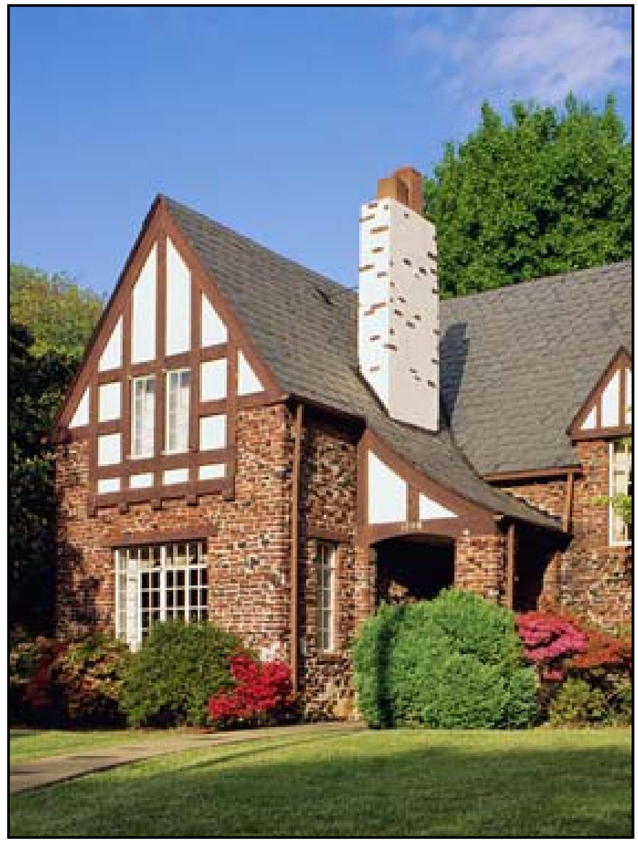




subdivisions cropping up adjacent to existing communities. Demand now exists at virtually every price point and housing type—from entry-level condominiums to custom-built, single-detached executive homes. 2011 marked the best year to date for MLS sales and dollar volume—and surprisingly, the market did not gain a foothold until April. 2012 looks to be a mirror year, with first-time and trade-up buyers once again working in tandem. Move-in purchasers from out-of-province are also expected to contribute to the mix this year. Affordability will play an ever more important role as buyers balance expectations with rising housing values and limited inventory levels. The sales-to-new listings ratio was 74 per cent in the city in February—a clear indication that sellers are once again in the driver's seat.

Saskatoon

Strong momentum from the final quarter of 2011 has spilled over into 2012, with residential housing sales in Saskatoon well ahead of last year's levels. Close to 600 homes (574) have changed hands so far this year (February year-to-date)—an increase of 21 per cent over the same period in 2011, when just 475 properties sold. Average price continues to climb, rising a solid six per cent to $318,163 from $300,110 one year earlier. Double-digit appreciation has been noted on properties west of the river. New listing inventory, at 1,100 units has improved two per cent over last year, as Saskatoon's real estate market has prompted more homeowners to list earlier in the year. Yet, despite the influx, active listings are down 3.5 per cent from 2011 levels. While the market is balanced overall, quality, turn-key homes are harder to come by and are drawing multiple offers in some instances, if priced correctly. However, few are selling over list price. Demand is strong in areas such as Willow Grove, Stonebridge and Hampton Village, especially at the $350,000 to $475,000 price point. Supply is also starting to tighten for entry-level, single-family homes, priced below $375,000, and product is moving quickly. Greater urgency is expected



to characterize conditions for first-time purchasers this spring. Time on market continues to decline, now hovering near 40 days. While list-price-to-sale-price ratios are on the upswing across the board, there continues to be product on the market that is overpriced—whittling real selection further, as buyers will most often pass over a property that is listed too high, rather than make a lower offer. The condominium market remains healthy, although an abundance of product, particularly at the lower end—re-fitted units priced between $200,000 and $225,000—will keep appreciation relatively flat this year. Buyers can get into the market for as little as $195,000 for an older, converted unit in areas such as River Heights, Arlington or the centre core. Move-up buyers, however, are dominating the condo segment, with well-appointed units in the mid-range—priced from $350,000 to $400,000—most popular. Confidence is evident in

the upper-end as well, with steady demand for luxury homes, priced over $500,000. Solid in-migration and continued population growth remain important drivers, fuelling demand for housing. From 2006 to 2011, the Saskatoon CMA experienced significant double-digit appreciation of 11.4 per cent, with the city now exceeding 260,000 residents. The province's stellar economic footing will continue to contribute to ongoing confidence. In addition to the vibrant natural resource sector, prime agricultural conditions are expected in 2012. A recording-breaking spring is possible, which could give shape to the best year ever for residential housing in Saskatoon.

Alberta

Calgary

While activity in Calgary's residential real estate market mirrors 2011, one factor is decidedly different—consumer confidence is once again on the rise. Although the ascent remains slow and cautious, demand has increased for all types of residential housing, most notably in mid-to-late February. As a result, unit sales in the city are up nearly four per cent, with 2,806 homes changing hands to the end of February, compared with 2,707 homes during the same period the previous year. Some multiple offers have occurred in the inner core's most desirable areas. Yet, very few homes are selling over list price, although sale-price-to-list-price ratios are starting to improve. Days on market remain relatively stable at approximately 50. The rising momentum in the marketplace has been attributed, in part, to buyers re-entering the market, after months of sitting on the fence. Many are more mature purchasers who are thinking long-term, taking note of good pricing and unprecedented interest rates. While conditions remain balanced overall, the supply of entry-level homes on the west side is tight. Product priced under $400,000—and located in good neighbourhoods—is generally moving very well throughout the city, as first-time buyers continue to lead the charge. Activity has climbed at virtually all price points, up to and including the $1 million range. Turnkey homes, with realistic sticker prices, are in greatest demand, as buyers are reluctant to spend additional money on major renovations. Most are willing to wait for the right properties to come on-stream. Rowhouse-style townhomes are particularly popular, with sales of condominium towns ahead 10 per cent year-over-year (331 units vs. 300 units). Single-family homes have also experienced an upswing of six per cent (2,048 vs. 1,940), despite a nine per cent decline in new listings compared to one year earlier. Average price has stabilized and is returning to an upward, albeit very modest, trajectory, with the exception of the condominium apartment segment which remains off 2011 levels in both sales and pricing. Calgary's total residential average price now sits at $412,300, up over $1,000 compared to 2011. The upper-end of the market has held up well in all segments, with 58 home sales over $1 million vs. 61 last year (February year-to-date). All indicators point to a healthy spring market, as activity continues to gain momentum. Prices are once again heading into positive growth territory, although trending will remain modest in the months ahead. The tides of optimism are turning, which bodes well for Calgary's residential real estate market moving forward.

Edmonton

Affordability and selection have contributed to the turnaround in Edmonton's residential real estate market so far this year. Greater job security and an ever-improving economic picture are spurring first-time and move-up buyers into the market, many of whom are taking advantage of interest rates at record low levels. Approximately 2,189 homes changed hands in the first two months of the year, an 11 per cent increase over the 1,978 sales reported during the same period in 2011. Average price is also on the upswing, rising just over four per cent to $325,041, almost $14,000 higher than one year ago. While the number of new listings that have come on-stream remains robust, supply is being absorbed, a fact best illustrated by tight

inventory in the single-family homes category, priced between $300,000 to $350,000. Renewed confidence in the market can also be seen in new construction activity, with sales advancing at a healthy pace. Greater balance is returning to the housing market, now that buyers and sellers are on the same page. Some multiple offers are occurring, but they are typically the exception rather than the rule. Single-detached homes are most sought-after, with an average price of $370,293, and a sales-to-listings ratio of 48 per cent. Year-to-date 2012 is the strongest on record for single-family home sales (1,466) since 2008. Condominiums remain a popular choice with first-time buyers and empty-nesters, with sales activity just slightly off last year's pace. New walk-up condominiums on the peripheral areas of the city are growing increasingly popular with younger purchasers, with 1,300 sq. ft. units starting at $300,000. Softer condominium prices—down less than one per cent to $227,113 from one year ago—may serve to bolster activity in the months ahead. A brighter economic outlook overall should stimulate healthy homebuying activity.

British Columbia

Greater Vancouver Area

The introduction of a new first-time homebuying income tax credit—combined with new HST/PST transition rules—may serve to prop up housing activity in the Greater Vancouver Area, as buyers who have held off finally move forward. The February announcements—designed to ease the tax burden on new home buyers in Canada's most expensive housing market—primarily apply to the new home market, but momentum will likely spillover onto resale product. Four thousand, one hundred, and forty-two homes changed hands in the first two months of the year, down approximately 16 per cent from year-ago levels. While the vast majority of communities saw homebuying activity taper, affordable neighbourhoods such as Coquitlam, New Westminster, and North Vancouver bucked the trend, reporting a year-over-year increase. Housing values have shown remarkable stability, given the substantial influx of new listings and the recent pullback in sales activity so far this year. Year-to-date average price hovers at $786,695, just slightly above the 2011 figure of $786,233 for the same period. While affordability remains the greatest obstacle to homeownership in the Greater Vancouver Area, first-time buyers continue to focus on condominium apartments where the average price currently sits at $457,947—significantly under the blended rate. Townhomes have also experienced steady demand as an affordable alternative to single-detached housing, with the average price of an attached property currently at $556,988. The top end of the market has also proven to be quite resilient, a fact best illustrated by the recent sale of a property for $19.8 million. Tighter lending criteria has been a challenge for some purchasers this year, but low interest rates and an improving economic environment should serve to bolster homebuying activity in the months ahead. More balanced market conditions exist, giving buyers an opportunity to take their time to make decisions regarding homeownership. Moderation in house price appreciation may bring out first-time buyers who have been sitting on the fence, waiting for values to decline.

Victoria

Activity in Victoria's residential real estate market got off to a solid start in 2012, steadily gaining momentum as the city edges toward the traditionally busy spring market. Home sales have increased seven per cent, rising from 723 units in the first two months of 2011 to 775 year-to-date. Average price remains stable at $469,399, slightly off last year's figure of $475,640. The market hovers at the bottom edge of balanced, leaning toward buyer's territory. Recent announcements regarding the remediation of the HST issue and the introduction of a new first-time homebuyer's tax credit are expected to invigorate sales further in the weeks ahead. The global economic picture is weighing less heavily on buying intentions, as a growing

number of people accept the situation as the 'new norm,' instead gauging their homebuying readiness by their own financial and personal outlook. Fence sitters who held off in 2011 are now making their way back into the market, further bolstered by the confidence prompted by the Seaspan Marine contract and positive economic spin-off expected locally. First-time buyers remain a driving force, although affordability continues to be top of mind. Some, impacted by tighter lending criteria, are looking to suburban communities for better value. Multiple offers are occurring on entry-level, single-family homes, priced under $500,000 in outlying areas such as View Royal and Langford. The condominium segment remains active as well. A few new projects have been launched, offering units in the $250,000 to $300,000 range—a sweetspot for starter properties—that should resonate well with young buyers. Overall, absorption rates remain healthy, with new listings down four per cent from 2011 levels at the end of February. With a vacancy rate that hovers near two per cent, investors also remain active in the condominium segment, snapping up smaller, well-priced units. Momentum is also strong among move-up purchasers, seeking out homes priced from $650,000 to $800,000 in the Greater Victoria Area. Confidence has spilled over into the upper-end, with resale activity for upscale homes continuing at a steady pace. Buyers can expect a solid spring market, with a good selection of inventory and the luxury of time to make decisions. Sellers will benefit from firmer prices, but an ample selection of listings necessitates realistic pricing to generate adequate interest and a successful sale, as buyers continue to overlook overpriced homes.

MARKET TRENDS SPRING 2012

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