
Sales of homes double and triple, as Canadians buy into homeownership en masse, says RE/MAX

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Mississauga, ON (April 26, 2005) – While residential housing values across the country have posted impressive increases over the past decade, unit sales have absolutely soared, according to a report released today by RE/MAX Ontario-Atlantic Canada and RE/MAX of Western Canada.

RE/MAX Decade in Review 1995-2005 highlights sales and price activity in 16 markets across the country. Price Edward Island saw unit sales activity triple in the 10-year period while sales more than doubled in Ottawa, Toronto, St. John's, Calgary, Montreal, Victoria and Edmonton. Montreal and Calgary reported the greatest average price appreciation – in excess of 80 per cent or eight per cent annually – while Halifax-Dartmouth, Saskatoon, Kelowna and Edmonton saw housing value climb 70 per cent or more in the first quarter of 2005, compared to the same period one decade earlier

“More Canadians bough into homeownership during the last 10 years than in any previous decade,” says Michael Polzler, Executive Vice President, RE/MAX Ontario-Atlantic Canada. “Lower borrowing cost and tight vacancy rates helped jumpstart the country’s real estate engines in the latter half of the 1990’s. Consumer confidence and solid economic fundamentals kept the market on track. Despite an increase in mortgage rates from historic levels reported in 2003 and an abundance of affordable rental accommodations. Canadians continue to share the dream of homeownership. That appeal has yet to be duplicated by any other investment vehicle.”

Homes sales across the country rose to approximately 3.6 million units between 1995 to 2004, up 25 per cent over the 2.9 million reported sales in 1985-1994. Statistics Canada pinpoints homeownership levels at 65.2 per cent nationally in 2002 and rising. Only Quebec and British Columbia reported homeownership levels under the national average.

The highest number of residential sales occurred in Toronto at 18,074 units in the first quarter of 2005, compared o 7,464 units during the same period in 1995. Prince Edward Island led the charge in terms of percentage increase at 203.6 per cent (170 vs. 56), Ottawa at 165.6 percent (2,699 vs. 1,015), Calgary at 143 (6,812 vs. 2,803), Toronto at 142.2 per cent, and St. John’s at 139 per cent (447 vs. 187)

“Despite a year-to-date increase in the number of homes listed for sale, housing values are positioned to climb even further,” say Elton Ash, Regional Vice President, RE/MAX of Western of Western Canada. “Demand simply continues to outpace supply in pocket areas of major Canadian centres. In Vancouver, for example, demand is so heated that purchasers are including “trump Clauses” in their offers to purchase that allow them to ante up on any high offers that may be presented. “That’s a first for this industry”

Average price in Canada’s most expensive market hovers at \$395,390 so far this year, up a nominal 19 per cent over the \$332,003 reported in the first quarter of 1995. Although housing values in Vancouver experienced some downward pressure in the mid-to-late 1990’s, price appreciation since 2001 has denounced stead upward momentum.

The highest percentage increase in average price occurred in Montreal where housing values rose 859 per cent from close to \$105,000 in the first quarter to nearly \$195,000 year-to-date 2005. Three of the top four remaining markets were located in Western Canada with Calgary ranking second at 81.7 per cent, Saskatoon securing fourth at 76.2 per cent and Kelowna at 76.1 per cent rounding out the top five. Halifax-Dartmouth placed third with 77.3 per cent increase in average price over the 10 year period. Nationally, average price has increased 53.7 per cent, rising from \$152,855 in the first quarter of 1995 to close to \$235,000 year-to-date (January-February) 2005.

Existing homeowners in the major centres have seen equity gains that have far exceeded their expectations, especially in the last five years,” say Polzler. “Yet, the rate of appreciation is healthy. We have not seen the annual double-digit increases of 20 per cent or more that would typically precipitate a bubble

The report also identified a number of trends developing across the country:

- ✓ Luxury homes in virtually ever city experienced brisk sale activity in recent years
- ✓ Condominiums surged in popularity over the past decade, providing both first-time buyers and empty-nesters with a lifestyle that both age groups could appreciate
- ✓ Immigration has played a role in many Canadian markets, with British Columbia and the Atlantic Provinces enjoying an influx of wealthy purchasers from abroad.
- ✓ Younger buyers are more active in housing markets than ever before, as financial institutions relax stringent lending policies in place one decade ago.

RE/MAX is Canada’s leading real estate organization with over 14,700 sales associates in close to 600 independently owned offices. The RE/MAX franchise network, now in its 31st year of consecutive growth, is a global real estate system operating in 54 countries. More than 5,400 independently-owned offices engage over 102,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral, relocation and asset management. For more information visit www.remax.ca

For more information:

Christine Martysiewicz
RE/MAX Ontario-Atlantic Canada
905-542-2400

Marie Sheppy
RE/MAX of Western Canada
250-860-3628

Eva Blay/Charlene McAdam
Point Blank Communications
416-781-3911

How did your market rank over the past decade?

Price Appreciation

Rank	Market	Q1 2005 Avg. \$	Q1 1995 Avg. \$	% +/-
1.	Montreal	\$194,963	\$104,902	+85.9
2.	Calgary	\$245,049	\$134,834	+81.7
3.	Halifax-Dartmouth	\$183,110	\$103,279	+77.3
4.	Saskatoon	\$139,763	\$79,331	+76.2
5.	Kelowna	\$253,019	\$143,721	+76.1
6.	Edmonton	\$185,437	\$108,209	+71.4
7.	Ottawa	\$244,565	\$144,071	+69.8
8.	Victoria	\$352,825	\$212,386	+66.1
9.	Prince Edward Island	\$100,713	\$62,766	+60.5
10.	Toronto	\$330,093	\$205,905	+60.3
11.	St. John's	\$137,365	\$85,725	+60.2
12.	Winnipeg	\$128,123	\$82,336	+55.6
13.	Regina	\$116,815	\$75,249	+55.2
14.	London-St. Thomas	\$174,878	\$129,886	+34.6
15.	Saint John	\$114,773	\$86,744	+32.3
16.	Vancouver	\$395,390	\$332,003	+19.1

Unit Sales

Rank	Market	Q1 2005 Sales	Q1 1995 Sales	% +/-
1.	Prince Edward Island	170	56	+203.6
2.	Ottawa	2,699	1,015	+165.9
3.	Calgary	6,812	2,803	+143.0
4.	Toronto	18,074	7,464	+142.2
5.	St. John's	447	187	+139.0
6.	Montreal	13,903	5,900	+135.6
7.	Victoria	1,984	926	+114.3
8.	Edmonton	3,823	1,818	+110.3
9.	London-St. Thomas	1,940	999	+94.2
10.	Vancouver	8,996	4,911	+83.2
11.	Kelowna	1,429	794	+80.0
12.	Halifax-Dartmouth	1,216	831	+46.3
13.	Saint John	276	189	+46.0
14.	Winnipeg	2,145	1,725	+24.4
15.	Saskatoon	608	541	+12.4
16.	Regina	551	517	+ 6.6