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## **Residential real estate markets across Canada post solid gains over past decade, says RE/MAX**

**Mississauga, ON (February 21, 2008)** – Pent-up demand, population growth, tight inventory levels, and the longest economic expansion since World War II collectively fueled one of the best decades on record for residential real estate in Canada, according to a report released today by RE/MAX.

RE/MAX Decade in Review 1997 - 2007 found that major housing centres across the country experienced strong consecutive growth between 1997 and 2007. Average price spiraled upward while unit sales climbed in tandem as more and more Canadians bought into homeownership. Nationally, average price almost doubled in the 10-year period, rising from \$154,606 in 1997 to \$307,265 in 2007, for a 7.1 per cent annually compounded rate of return. Home sales across the country increased just over 57 per cent from 331,092 units in 1997 to more than half a million sales last year. Edmonton led the country in terms of percentage increase in average price. The city saw a 203 per cent upswing in housing values - or an 11.7 per cent increase annually - with average price rising from \$111,587 a decade ago to \$338,636 in 2007. Prince Edward Island experienced the highest percentage increase in unit sales, with the number of homes sold up 119 per cent in the 10-year period.

“The non-cyclical nature of the decade comes as some surprise,” says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. “Never before have we seen such a continuous run up in Canadian real estate. Clearly, strength in all markets has been directly linked to solid growth in local, provincial and national economies. Low interest rates, job security, and consumer confidence have all served to further bolster home-buying activity across the nation.”

Percentage increases in home sales varied across the country, with Prince Edward Island experiencing the greatest upswing over the past decade, followed by St. John’s at 106 per cent, Kelowna at 84 per cent, and Saint John at 77 per cent. Most markets (12 of the 19 surveyed) reported increases between 40 and 60 per cent. Average price has also seen substantial escalation over the 10-year period, with posted gains ranging from a low of 54.4 per cent in London-St. Thomas to a high of 203 per cent in Edmonton. Appreciation in Western Canadian markets surpassed all others between 1997 and 2007, with Calgary ranking second in terms of price appreciation at 189 per cent, Kelowna at 179 per cent, Saskatoon at 137 per cent, Winnipeg at 118 per cent, Victoria at 114 per cent and Greater Vancouver at 99 per cent.

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In 2006, homeownership rates in the country were the highest on record at 68.4 per cent. Population growth has contributed to heated market conditions – especially in Calgary (+31.4 per cent), Edmonton (+20 per cent), Toronto (+20 per cent), and Vancouver (+15 per cent) where percentage increases have hovered in the double-digit range. Overall, Canada’s population rose to almost 33 million in the 2006 census, up approximately 10 per cent from 1996 figures.

“Immigration and in-migration have played a serious role in jumpstarting residential housing markets, particularly in British Columbia, Alberta, and to some extent, Saskatchewan over the past decade,” says Elton Ash, Executive Regional Vice President, RE/MAX of Western Canada. “At first, there was an influx of American buyers, especially in Canada’s coastal regions and recreational hot spots, as our southern neighbours took advantage of the almighty US greenback. Then the European and Middle Eastern purchasers flooded the market, buying up real estate considered ‘cheap’ by international standards. In recent years, there have been a growing number of purchasers from Mainland China. From a global perspective, there’s no question that Canadian real estate brings good value to the table.”

Robust economic performance in Western Canada has also drawn job seekers from across the country, looking to capitalize on employment opportunities.

As demand for housing increased across the country, the supply of homes listed for sale began to contract. Multiple offers were commonplace in many areas, some with sales-to-listings ratios as tight as 80 to 90 per cent. Nationally, 1997 marked the first year since 1988 that the sales-to-listings ratio hit 50 per cent. The sales-to-listings ratio would remain above 60 per cent from 2001 onward – rising to as high as 68 per cent in 2002.

The decade was not without its obstacles – the high-tech meltdown, a US recession, 9/11, SARS, Mad Cow, a blackout that affected the entire Northeastern seaboard, natural disasters such as ice storms, hurricanes, and forest fires and more recently, the credit crunch south of the border. Given the continuation of sound economic fundamentals, it’s expected that residential real estate markets across the country will continue to experience healthy activity, albeit at a more moderate pace.

RE/MAX is Canada's leading real estate organization with over 17,600 sales associates in more than 650 independently-owned and operated offices. The RE/MAX franchise network is a global real estate system operating in over 65 countries. More than 7,000 independently-owned offices engage nearly 115,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral and asset management. For more information, visit: [www.remax.ca](http://www.remax.ca).

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<b>RE/MAX Decade in Review</b>				
<b>Residential Average Price 1997 vs. 2007</b>				
<b>Market</b>	<b>1997</b>	<b>2007</b>	<b>07 vs. '97 % +/-</b>	<b>Compound % '97 vs. '07</b>
Greater Vancouver Area	\$287,094	\$570,795	98.8	7.1140
Victoria	\$218,398	\$466,974	113.8	7.8960
Kelowna	\$178,525	\$497,322	178.6	10.788
Calgary	\$143,305	\$414,066	188.9	11.1940
Edmonton	\$111,587	\$338,636	203.5	11.7400
Saskatoon	\$98,270	\$232,754	136.9	9.0050
Winnipeg	\$86,040	\$187,456	117.9	8.0990
Barrie	\$140,569	\$258,999	84.3	6.3020
Greater Toronto Area	\$211,307	\$376,236	78.1	5.9390
Hamilton-Burlington	\$151,538	\$268,857	77.4	5.9010
London-St. Thomas	\$131,382	\$202,908	54.4	4.4420
Kitchener-Waterloo	\$141,387	\$252,429	78.5	5.9680
Sudbury	\$108,521	\$182,536	68.2	5.3380
Kingston	\$124,123	\$222,300	79.1	6.0010
Ottawa-Carleton	\$143,866	\$277,058	92.6	6.7730
Halifax-Dartmouth	\$109,827	\$216,339	97.0	7.0140
Prince Edward Island	\$86,403	\$133,457	54.5	4.4430
St. John's*	\$92,226	\$149,258	61.8	4.9320
Saint John	\$86,171	\$140,544	63.1	5.0130
<b>National</b>	<b>\$154,606</b>	<b>\$307,265</b>	<b>98.7</b>	<b>7.1100</b>

\*Statistics reflect residential average price for all of Newfoundland-Labrador  
Source: CREA, Local Real Estate Boards, RE/MAX

<b>RE/MAX Decade in Review Report</b>			
<b>Unit Sales 1997 vs. 2007</b>			
<b>Market</b>	<b>1997</b>	<b>2007</b>	<b>07 vs. '97 % +/-</b>
Greater Vancouver Area	26,946	38,978	44.7
Victoria	5,845	8,403	43.8
Kelowna	3,359	6,192	84.3
Calgary	21,559	32,176	49.2
Edmonton	13,017	20,427	56.9
Saskatoon	3,153	4,446	41.0
Winnipeg	10,042	11,215	11.7
Barrie	2,919	5,017	71.9
Greater Toronto Area	58,014	93,193	60.6
Hamilton-Burlington	9,972	13,866	39.0
London-St. Thomas	6,454	9,686	50.1
Kitchener-Waterloo	4,307	7,031	63.2
Sudbury	1,901	2,754	44.9
Kingston	2,400	3,725	55.2
Ottawa-Carleton	9,431	14,739	56.3
Halifax-Dartmouth	5,072	7,261	43.2
Prince Edward Island	806	1,769	119.5
St. John's*	2,170	4,471	106.0
Saint John	1,274	2,253	76.8
<b>National</b>	<b>331,092</b>	<b>520,747</b>	<b>57.3</b>

\*Statistics reflect residential sales for all of Newfoundland-Labrador  
Source: CREA, Local Real Estate Boards, RE/MAX