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NEWS RELEASE

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One in every two homes sold for less than average price in major Canadian markets last year, says RE/MAX

Kelowna, BC (February 8, 2005) – Home ownership was well within the grasp of many Canadians in 2004, with one in every two homes selling for less than the average price, according to a report released today by RE/MAX Ontario-Atlantic Canada and RE/MAX of Western Canada.

The RE/MAX Affordability Report, highlighting 19 major centres, found that in virtually every housing market surveyed, at least 50 per cent of sales occurred under the average price. The highest percentage of sales under the average price occurred in Windsor (70 per cent) and Kingston (70 per cent). In Canada's most expensive markets—Vancouver, Toronto, and Victoria—just over 60 per cent of homes sold under the average price. Only Regina and London posted a substantial number of sales (61 per cent and 58.5 per cent) over their average price of \$112,000 and \$166,500 respectively.

“Despite the fact that average price set new benchmarks across the country in 2004, affordable housing options were available in every city,” says Elton Ash, Vice President, Regional Director, RE/MAX of Western Canada. “Several markets—including Regina, Winnipeg, Thunder Bay, Windsor, Kingston, Saint John and St. John’s — reported that a growing number of first-time purchasers were choosing to forgo starter product and buy homes at higher price points, thanks to historically low interest rates. With interest rates forecast to experience little or no upward fluctuation in 2005, that trend will undoubtedly continue throughout the remainder of the year.”

Although entry-level prices varied from \$30,000 in Hamilton to \$350,000 in suburban Vancouver for a detached home, condominium apartments and town homes proved to be the more affordable alternative for first-time buyers. Condominiums offered some of the best addresses in the country at a fraction of the cost of a detached home. For example, a search of MLS listings found that even in Toronto's exclusive Rosedale, Summerhill, and Yorkville neighbourhoods, a condominium could be purchased for as little as \$200,000.

“Canadians across the board have finally embraced the condominium lifestyle,” says Michael Polzler, Executive Vice President, Regional Director, RE/MAX Ontario-Atlantic Canada. “The combination of affordability and location has proved irresistible to many first-time homebuyers. Condominiums in hip demand areas such as Vancouver's Yaletown, Calgary's Inglewood, and Halifax's Peninsula allow purchasers to experience the best of both worlds at substantially less than the average price in those major centres.”

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Virtually every major city that offers condominiums has seen significant upward trending in this segment of the market. Even in Toronto, where the number of condominium units sold overall was expected to taper last year, there was an increase in sales activity. In Vancouver, almost 50 per cent of sales under the average price involved a condominium apartment or town home last year.

“Condominiums are not only here to stay – they are firmly entrenched in our marketplace,” says Polzler. “Whether the vehicle is a condominium apartment or single-detached housing, Canadians are clearly looking to invest in real estate. The substantial increase in vacancy rates across the country would suggest that renters have been the primary thrust behind record housing sales, especially condominiums. Equity gains realized in recent years have also served to propel more and more people into home ownership.”

Highlights:

- Homeownership has outpaced rental accommodation in terms of affordability in markets such as Vancouver and Edmonton. The majority of markets surveyed offered housing that could be carried for cheaper than the average rent in the city.
- Although detached homes continue to be the most popular choice among first-time purchasers, especially in Edmonton and Winnipeg, condominiums are quickly gaining momentum in markets like Vancouver, Victoria, Calgary, Regina, Thunder Bay, Ottawa, Toronto, Windsor, Halifax, etc.
- In Vancouver, one in every four homes sold for under \$250,000 last year. One in every five homes sold for less than \$200,000 in the Greater Toronto Area in 2004.
- The most affordable markets, offering condominiums priced under \$100,000 included: Regina, Winnipeg, Thunder Bay, Hamilton, Windsor, and Saint John.
- The most affordable markets offering detached homes priced under \$100,000 included: Winnipeg, Thunder Bay, Hamilton, London, Windsor, Prince Edward Island, Saint John and St. John's.
- Although more balanced market conditions have begun to emerge across the country, a shortage of affordable starter product was reported in Victoria, Kelowna, Regina, Winnipeg, Kingston, London, St. John's and Halifax.
- Outlying communities continue to provide the best value for the dollar where purchasers can get more bang for their buck. Suburbs, semi-rural and even rural locations have experienced an upswing in activity.

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Markets	*2004 Avg. \$	% of Sales Under Avg. \$
Greater Vancouver	\$375,000	60
Victoria	\$328,500	66
Kelowna	\$287,000	48
Edmonton	\$180,000	57
Calgary	\$225,000	51
Winnipeg	\$126,500	56
Regina	\$112,000	39
Sudbury	\$124,500	47
Ottawa	\$235,500	62
London	\$166,500	41
Hamilton	\$216,000	59
Kingston	\$185,000	64
Thunder Bay	\$112,000	50 +
Windsor	\$162,000	70
Greater Toronto Area	\$315,000	62
Halifax-Dartmouth	\$178,500	54
Prince Edward Island	\$120,000	55
Saint John	\$117,000	56
St. John's	\$133,000	54
Source: CREA, RE/MAX Ontario-Atlantic Canada, RE/MAX of Western Canada, and Local Real Estate Boards		
* All prices have been rounded		