

HALIFAX HOME PRICES SHOW MODERATE INCREASES IN THE FOURTH QUARTER OF 2013

Prices for all housing types show gains despite increased supply

HALIFAX, January 9, 2014 – The Royal LePage House Price Survey and Market Survey Forecast released today showed steady year-over-year price increases across all housing types surveyed in Halifax.

Standard two-storey homes saw the largest gain during the quarter, with the average price increasing 4.8 per cent year-over-year to \$329,633. At the same time condominiums increased by 2.9 per cent to \$214,500 and detached bungalows increased 2.4 per cent to \$300,000.

“This year was characterized by consistent year-over-year growth in prices for Halifax real estate, and this continued in the fourth quarter,” said Matt Honsberger, Broker of Record at Royal LePage Atlantic. “At the same time, the number of homes trading hands this quarter was down approximately 25 per cent from the same period last year, which has caused a swelling of inventory in all housing categories. If this trend continues into 2014 we may see prices come down, especially for properties that have been on the market for an extended period.”

Honsberger stated that the increase in inventory can be attributed to first-time homebuyers, who have been more cautious about jumping into the real estate market because of higher prices and the challenge of getting financing after the introduction of new mortgage rules.

Royal LePage forecasts 1.1 per cent price appreciation in the Halifax housing market in 2014, and they expect unit sales to increase by 2.9 per cent.

“Jobs will be the most important influence on the city’s real estate in the coming year. If the employment situation remains stable we expect that real estate prices will too,” concluded Honsberger.

Nationally, in the same quarter, the average price of a home in Canada increased between 1.2 per cent and 3.8 per cent in the fourth quarter.

The survey showed year-over-year average price increases in the fourth quarter of 2013 of 3.6 per cent to \$418,282 for standard two-storey homes and 3.8 per cent to \$380,710 for detached bungalows, while the average price of a standard condominium rose 1.2 per cent to \$246,530. Prices are expected to maintain healthy momentum into 2014, with Royal LePage projecting a 3.7 per cent increase nationally from 2013 and a shift to a seller's market in the first portion of the year in a number of regions.

“A few short months ago, the country's housing market emerged from a year-long correctional cycle of dramatically slowed sales volumes. Later 2013 was marked by a transition to buoyant sales volumes and above average price growth,” said Phil Soper, president and chief executive of Royal LePage. “In the absence of some calamitous event or material increase in mortgage financing costs, we expect this positive momentum to characterize 2014. In fact, we expect a market tipped decidedly in favour of sellers for the first half of the year, after which we project a shift to a more balanced market.”

“We predict continued upward pressure on home prices as we move towards the all-important spring market. In addition to normal demand, housing prices in Canada this year will be influenced by buyers who put off purchase plans in the very soft spring of 2013,” continued Soper. “Talk of a ‘soft landing’ for Canada's real estate market in the new year is misguided. We expect no landing, no slowdown, and no correction in the near-term. Conditions are ripe for as strong a market as we saw in the post-recessionary rebound of the last decade.”

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About the Royal LePage House Price Survey

The Royal LePage House Price Survey is the largest, most comprehensive study of its kind in Canada, with information on seven types of housing in over 250 neighbourhoods from coast to coast. This release references an abbreviated version of the survey which highlights house price trends for the three most common types of housing in Canada in 90 communities across the country. A complete database of past and present surveys is available on the Royal LePage website at www.royallepage.ca. Current figures will be updated following the complete tabulation of the data for the fourth quarter of 2013. A printable version of the fourth quarter 2013 survey will be available online on February 6, 2014. Housing values in the Royal LePage

House Price Survey are Royal LePage opinions of fair market value in each location, based on local data and market knowledge provided by Royal LePage residential real estate experts.

About Royal LePage

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of nearly 15,000 real estate professionals in over 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

For more information, visit www.royallepage.ca.

For further information, please contact:

Gwen McGuire
Kaiser Lachance Communications
647-725-2520 x204
gwen.mcguire@kaiserlachance.com

Tammy Gilmer
Director, Global Communications & Public Relations
Royal LePage Real Estate Services
416-510-5783
tgilmer@royallepage.ca