

MISSISSAUGA HOUSE PRICES LARGELY UP IN FOURTH QUARTER OF 2013

Prices for detached homes continue to rise because of constrained supply and high demand

MISSISSAUGA, January 9, 2014 – The Royal LePage House Price Survey and Market Survey Forecast released today showed moderate growth in prices for standard two-storey homes and detached bungalows, while prices in the standard condominium category remained level from this time last year.

Standard two-storey homes increased 3.7 per cent year-over-year to \$462,500 and detached bungalows increased 2.1 per cent to \$490,000. Condominium prices in the region remained flat year-over-year at \$ 293,000.

“The Mississauga market is really a story of supply and demand, with some house types in high demand but with low supply, and vice versa,” said Heidi Noel, broker and area manager, Royal LePage Real Estate Services Ltd. “Detached homes have seen steady increases in prices over the past few years thanks in part to the limited supply available on the market. Condominiums, where the supply is much more plentiful, have not appreciated at the same speed as other housing types.”

According to Noel the inventory of two-storey homes and bungalows in Mississauga is down approximately seven per cent from the same time last year, while the number of available condos has surged approximately 10 per cent.

“The condo market continues to be very healthy as condos are a great choice for many buyers. It’s a positive sign that prices have remained level for condos even though the number of units available has increased substantially over last year,” Noel added.

Looking ahead to 2014, prices for detached homes in the Mississauga market are expected to increase modestly over 2013 levels, while the condo market will be essentially flat. In the coming year the number of units sold across all housing types will increase as the area’s population continues to grow.

Noel concluded that a number of factors, including low interest rates, stable national and local economies, and Mississauga's continuing attractiveness to new Canadians, will have a positive effect on the local housing market in 2014.

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."

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.

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