

OAKVILLE BUNGALOW PRICES SURGE AMIDST MODEST GROWTH IN OTHER HOUSING TYPES IN THE FOURTH QUARTER OF 2013

Squeeze on bungalow supply the leading factor in significant year-over-year price appreciation

OAKVILLE, January 9, 2014 – The Royal LePage House Price Survey and Market Survey Forecast released today showed divergent results for year-over-year house prices in the major housing types surveyed in the Oakville area.

Prices for detached bungalows rose a sizeable 12.5 per cent year-over-year to average price of \$490,000. At the same time, standard two-storey homes and condominiums showed more moderate price growth, increasing 2.9 per cent to \$530,000 and 1.7 per cent to \$295,000, respectively.

“There has been a shortage of bungalows in recent quarters, which is a major factor driving the average price in this category significantly northward,” said Laurie Panchyshyn, Broker and Area Manager, Royal LePage Real Estate Services Limited in Oakville. “The other two major categories – two-storey homes and condominiums – have witnessed normal price appreciation as they have not been subject to the same supply crunch.”

Panchyshyn added that overall that activity was stable in the fourth quarter with a small year-over-year increase in the number of homes that traded hands.

The biggest surprise in Oakville was the flurry of activity at the higher end of the market, especially at quarter close. There was a lot of activity in the \$650,000 to \$850,000 range, as well as a number of sales of homes for over one million dollars. “Second-time buyers are definitely driving this market,” said Panchyshyn.

Looking forward, Panchyshyn expects to see slight growth in 2014 in terms of home prices and activity. “Oakville is a strong market that is desirable to the commuter population. Given the solid economy and availability of low interest rates, we expect the housing market here to remain balanced in the year ahead.”

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.”

-30-

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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