

REGINA HOME PRICES DECLINE SLIGHTLY IN THE FOURTH QUARTER

Increase in supply of available residential real estate puts downward pressure on prices

REGINA, January 9, 2014 – The Royal LePage House Price Survey and Market Survey Forecast released today showed year-over-year price decreases in detached bungalows and two-storey homes in Regina, while condominium prices increased marginally.

Prices for detached homes in Regina depreciated modestly in the fourth quarter, with standard two-storey homes dropping 3.2 per cent year-over-year to \$370,250 and bungalows remaining relatively flat, posting a 0.5 per cent decline to \$331,500. At the same time standard condominiums posted a slight increase of 0.6 per cent to \$212,000.

“We saw a very different residential real estate market in Regina this year when compared to 2012,” said Mike Duggleby, broker and managing partner, Royal LePage Regina Realty. “Last year supply was constrained, which pushed prices up. In contrast, the market flipped in 2013 and there was an increase in the number of homes available, which put downward pressure on prices.”

The psyche of Regina home buyers has shifted slightly. “Where once homebuyers were afraid to miss out on a property and would bid aggressively for it, they are now willing to wait until they get what they perceive as a fair price,” added Duggleby.

According to Duggleby, unit sales in the fourth quarter were fairly flat when compared to the same time last year. Even with the slight retrenchment in average prices, he stated that the market is still very healthy by historical standards.

Royal LePage forecasts that the Regina residential real estate market will bounce back in 2014, with average prices increasing by 2.5 per cent.

“Economically, Saskatchewan is reliant on natural resources, so our real estate prices will likely be influenced by that sector in the year ahead,” concluded Duggleby.

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.

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