

VANCOUVER HOME PRICES EDGE UPWARD IN THE FINAL QUARTER OF 2013

Renewed confidence and pent-up demand in the real estate market causing price appreciation following slump

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

The average price for detached bungalows increased 4.0 per cent year-over-year to \$1,041,300 and standard two-storey homes increased 3.3 per cent to \$1,139,050, while condominiums rose 2.3 per cent to \$492,500.

“The moderate year-over-year changes in home prices don’t really tell the whole story of Vancouver real estate over the past year,” said Bill Binnie, broker and owner, Royal LePage North Shore. “Today’s market is markedly different than it was 12 months ago. Last year was a down year with both buyers and sellers behaving cautiously. This year we have seen a lot more sales and houses coming on the market, showing that confidence has returned.”

According to brokers in the region, the number of homes changing hands surged in the latter part of the year. “The last half of 2012 and first half of 2013 were quite slow, but the market is now gaining momentum, most likely due to confidence in the marketplace and in the value of the real estate, as well as pent-up demand,” said Chris Simmons, broker and owner, Royal LePage Westside and Royal LePage City Centre.

Looking ahead, Royal LePage forecasts that home prices in Vancouver will rise by 4.4 per cent in 2014. “Prices will be up moderately but I don’t think you’re going to see much in the way of large increases unless demand from new arrivals to the city exceeds expectations,” added Binnie.

Simmons suggests that some single family houses in certain areas of Vancouver will see above average price appreciation because there is still a lot of demand for these units with limited

supply. “Condo and townhouse prices will not appreciate as much because there’s a good amount of supply and a steady stream of new units appearing on the market,” he added.

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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