

## **SASKATOON RECORDS CONTINUED GROWTH IN HOME PRICES IN THE FIRST QUARTER**

*Strong demand for two-storey homes puts sellers in the driver's seat*

SASKATOON, April 8, 2014 - The Royal LePage House Price Survey released today showed steady but restrained growth in prices across all housing types surveyed in Saskatoon in the first quarter.

Detached bungalow prices continued to rise year-over-year, increasing by 3.2 per cent to \$363,750. Standard two-storey homes also continued to appreciate, rising by 2.5 per cent to \$393,500. Standard condominiums witnessed the smallest increase, but still rose by 1.4 per cent to rest at \$265,000.

“An increase in new housing inventory has allowed supply to start to catch up to the strong demand we’ve seen over the past few years,” said Norm Fisher, Broker, Royal LePage Saskatoon. “The rapid price appreciation we have become accustomed to is starting to level off, but there is still not enough supply in key market segments to completely stem the price growth.”

According to Fisher, inventory levels have gone up this quarter, especially in the condo category. However, he doesn’t expect the increased inventory to have a dampening effect on house prices because of the strong local economy and continued low interest rates.

“Interestingly, the overall number of homes changing hands has stayed relatively steady compared to this quarter last year, but the type of homes that buyers are purchasing is different. Sales of detached bungalows and condos are actually lower than last year, while sales of standard two-storey homes have increased,” added Fisher. “The robust demand for two-storey homes positions homeowners with these properties to sell quickly and on good terms.”

Fisher suggested that in the current market new builds are more affordable than the resale category because of a supply imbalance. “Because there are fewer homes available, sellers of previously owned homes have good clout and are able to turnover their homes quite quickly.”

Nationally, most regions showed healthy year-over-year price growth, with the average price of a home in Canada rising between 2.5 per cent and 5.4 per cent. In the first quarter, the average price of a two-storey home increased 5.4 per cent to \$428,943, while detached bungalows rose

4.4 per cent year-over-year to \$380,765. Standard condominiums posted slightly lower gains of 2.5 per cent to \$252,174.

"With the slightest trace of a weather recovery in most parts of the country, we are now finally seeing the arrival of housing inventory. This, combined with pent-up demand following a particularly long and harsh winter is setting the stage for an exceptionally robust spring 2014 market," said Phil Soper, President, Royal LePage. "This is good news for buyers, as the price spikes we have seen in a number of cities will be alleviated by this additional supply."

"With a number of supportive economic factors in place, the country's healthy real estate market continues to display its strength," added Soper. "The federal government is heading towards a balanced budget for the first time in over six years, while all signs point to a continued low interest rate environment. Moreover, the strengthening global economy and a weaker Canadian dollar are fueling demand for Canadian exports and reducing dependence on the household sector to sustain our economic success."

### **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](http://www.royallepage.ca). Current figures will be updated following the complete tabulation of the data for the first quarter of 2014. A printable version of the first quarter 2014 survey will be available online on May 8, 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 over 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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