

MIXED MARKET IN BELLEVILLE, COBOURG AND TRENTON IN SECOND QUARTER OF 2014

Choosy buyers and decrease in sales contribute to mostly flat house prices

BELLEVILLE/COBOURG/TRENTON, July 9, 2014 – The Royal LePage House Price Survey and Market Survey Forecast released today showed a mostly flat real estate market in Belleville, Cobourg, and Trenton, with some variations depending on location and housing type.

In Belleville, detached bungalows and standard two-storeys both remained flat in the second quarter with average prices of \$185,000 and \$200,000, respectively. Standard condominiums decreased 3.8 per cent year-over-year to an average price of \$125,000.

Detached bungalows in Cobourg saw a moderate price increase this quarter, rising 2.3 per cent to an average price of \$220,000. In the same market, the average price for standard two-storey homes remained flat and sits at an average price of \$240,000.

The average price of detached bungalows in Trenton came in at an average of \$170,000, which is on par with where they were a year ago. Standard two-storeys decreased by 5.1 per cent to an average of \$185,000.

“We have seen a bit of price deviation in Belleville, Cobourg and Trenton, but overall most prices have been consistent with those seen this time last year,” said Jeff Nelles, broker and manager of Royal LePage ProAlliance Realty. “Again this quarter we saw a reduction in units sold. With a good amount of inventory available in these markets, buyers can afford to be patient when choosing a property.”

Nelles notes that it has been difficult moving standard two-storey homes. “Many of these properties are older, and with interest rates as low as they are, buyers are able to afford a bit more and are choosing newer bungalows.”

Looking ahead to the rest of 2014, Nelles believes that the market is going to be active but doesn't expect any meaningful change in average house prices. The slower start to the year coupled with the long winter has caused pent up demand.

Nelles is optimistic about the economy in each area. "People are comfortable with employment levels and interest rates are keeping our market strong as they allow buyers to afford higher end properties," concluded Nelles.

Nationally, with the harsh winter now a fading memory, the average price of a home in Canada increased between 3.9 and 5.2 per cent in the second quarter of 2014. According to Royal LePage, price increases were posted across housing types, with detached bungalows seeing the highest year-over-year gains, rising 5.2 per cent to an average price of \$406,454. Meanwhile, standard two-storey homes rose 5.1 per cent year-over-year to \$440,972, while standard condominiums posted gains of 3.9 per cent to \$258,501.

"Chronic supply shortages are driving price spikes in Canada's major cities, masking otherwise moderate home price appreciation nationally," said Phil Soper, president and chief executive of Royal LePage. "While a widening affordability gap in Canada's largest urban centres is characterizing the national market Canadians read about daily, year-over-year house price increases in most regions of the country are presently tracking below the historical average."

Looking ahead at the remainder of 2014, Royal LePage is projecting that the national average house price will increase at 5.1% per cent for the full-year.

"Compared to other major forecasts, our year-beginning national outlook predicted a higher level of 2014 average price appreciation, yet supply constraints in a handful of our largest cities necessitate a revision upwards," noted Soper. "Looking ahead to 2015, we expect house prices to track more closely to the rate of general economic growth. That is, we see price increases in Canada's largest cities moderating, just as our smaller city markets should see a lift."

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 second quarter of 2014. A printable version of the second quarter 2014 survey will be available online on August 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 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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