

CALGARY HOME PRICES SURGE HIGHER IN THE SECOND QUARTER

Sustained supply imbalance pushes real estate prices further north in Alberta's most populous city

CALGARY, July 9, 2014 - The Royal LePage House Price Survey and Market Survey Forecast released today showed strong year-over-year price increases across all housing types surveyed in Calgary.

Detached bungalows increased by 9.7 per cent to \$501,200 and condominiums also saw a healthy increase of 9.3 per cent to \$286,422. Standard two-storey homes also realized healthy gains, increasing by 7.9 per cent to \$489,589.

"Calgary has had a serious inventory shortage dating back to the beginning of 2013, which combined with strong demand from prospective homebuyers is responsible for pushing prices skyward," said Ted Zaharko, broker and owner of Royal LePage Foothills. "We definitely have one of the hottest real estate markets in the country right now and all housing types are performing very well. Properties are being gobbled up as soon as they hit the market."

Zaharko pointed out that the Calgary condominium market was performing strongly, and that the units in many new condo projects are being bought before they are even built.

A positive sign for Zaharko is that active listings were starting to climb as the quarter was coming to a close. "Slowly but surely we are seeing inventory levels creep up, which is needed to satisfy the pent up demand after a prolonged period of insufficient supply."

Looking ahead, Royal LePage forecasts that home prices in Calgary will rise by approximately 5.5 per cent over the balance of 2014. "Prices are already up approximately 10 per cent year to date, and we expect this to creep up a little bit more before the end of the year," added Zaharko. "The Calgary market is vibrant and is home to a strong local economy, fueled by the oil and gas industry. We expect the healthy real estate market to continue for the rest of this year and beyond."

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."

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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 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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