

HALIFAX HOME PRICES SHOW SLIGHT GROWTH IN THE SECOND QUARTER

Higher than usual housing inventory and unchanged unit sales keep prices stable

Halifax, July 9, 2014 – The Royal LePage House Price Survey and Market Survey Forecast released today showed stable year-over-year prices across all housing types surveyed in Halifax.

The average price of a detached bungalow increased by 1.2 per cent year-over-year to \$292,167, and the price of the average standard condominium also saw a slight lift of 0.7 per cent to \$217,500. Standard two-storey homes were the only category to experience a price decrease, dropping by 1.8 per cent to \$327,300.

“Elevated inventory levels have kept prices relatively flat across all housing types,” commented Matt Honsberger, Broker, Royal LePage Atlantic. “We’re still seeing the effects of our harsh winter, which lasted well into April and kept a number of homes languishing on the market longer than would be expected.”

“The increased inventory also elevated the average number of days on market by 15 per cent. Demand has not picked up enough yet to eat into this surplus of homes,” added Honsberger.

Royal LePage is forecasting growth of 1.9 per cent for the average home price during the balance of 2014. “With an abundance of supply still sitting on the market, we expect to see only mild price appreciation for the rest of the year,” said Honsberger. “Sales will likely be about 5 per cent above last year, but still down from the levels we saw in 2012.”

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

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For more information visit: www.royalpage.ca.

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