

MODERATE PRICE INCREASES REPORTED FOR KELOWNA IN SECOND QUARTER OF 2014

Consumer confidence drives price appreciation for detached bungalows

KELOWNA, July 9, 2014 - The Royal LePage House Price Survey and Market Survey Forecast released today showed mixed results for the two housing types surveyed in Kelowna.

Detached bungalows saw an increase during the quarter, jumping 2.8 per cent year-over-year to an average price of \$370,000. Standard condominium prices are on par with where they were a year ago, sitting at an average price of \$185,000.

“There is renewed enthusiasm and confidence in Kelowna homes from buyers, including out-of-province buyers from Alberta,” said Steve Gray, managing broker, Royal LePage Kelowna.

“While prices for detached homes are up moderately overall, some properties have seen dramatic price appreciation, such as waterfront properties in the Okanagan.”

“At the same time, there has also been a decrease in inventory of detached homes available when compared to the same period last year, which is putting upward pressure on prices,” continued Gray.

Looking at the rest of 2014, Royal LePage forecasts additional growth of 2 to 3 per cent for average housing prices in the area, as well as a similar increase in the number of units sold.

Gray suggested that additional rules that tighten access to mortgages could have a negative effect on house prices in the area. “Buyers may have a harder time getting financing, which may have a cooling effect on the housing market — particularly on properties that would be purchased as a secondary source of income,” concluded Gray.

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.royalpage.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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