

LONDON MARKET REPORTS GROWTH IN HOUSE PRICES IN SECOND QUARTER OF 2014

First-time homebuyers are active and influencing the market

LONDON, July 9, 2014 – The Royal LePage House Price Survey and Market Survey Forecast released today showed varied growth in the housing types surveyed in London.

Detached bungalows and standard two-storey homes both saw small increases, with home prices up 2.2 per cent year-over-year to an average of \$255,600 and 2.0 per cent to an average of \$267,800, respectively. Standard condominiums experienced a more significant increase as prices shot up 8.4 per cent to an average of \$158,900.

“Our market is pretty active right now, although sales are down slightly from this time last year,” said Peter Hoffman, broker and owner of Royal LePage Triland Realty. “First-time buyers are snatching up entry level properties, and this is having a knock-on effect for second and third-time homebuyers.”

“Condo prices jumped this quarter, which I would attribute to a combination of low interest rates and sales being concentrated in more sought-after properties,” continued Hoffman.

According to Hoffman, multiple offer scenarios occurred but only sparingly. “Activity spiked in May once the dreadful weather had abated, which resulted in some multiple offer scenarios.”

Looking at the rest of 2014, Hoffman expects prices to continue on their upward trend as the properties in his market remain affordable. He also suggested that sales will pick up and match levels seen in 2013.

Hoffman flagged London’s sensitivity to employment rates given its reliance on manufacturing. However, he pointed to positive news from both the construction and automotive industries, which he expects to contribute to a positive 2014.

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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