

SAINT JOHN HOUSING PRICES DECREASE IN SECOND QUARTER

Poor economic conditions drive first-time buyers westward in search of jobs

SAINT JOHN, July 9, 2014 – The Royal LePage House Price Survey and Market Survey Forecast released today showed home prices declining year-over-year across most housing types surveyed in Saint John.

Standard two-storey homes experienced the greatest decrease, dropping 8.5 per cent year-over-year to \$256,038. Standard condominium prices also lost ground, declining by 5.4 per cent to \$155,000. Detached bungalow prices remained relatively flat, increasing by just 0.7 per cent to \$179,150.

“Saint John is in the midst of a strong buyers’ market,” commented John McAloney, Realtor, Royal LePage Atlantic. “However, our typical first-time buyers are moving to Western Canada for jobs, instead of purchasing homes here. The uncertain economic situation has hit the Saint John housing market hard, and weaker demand has left an excess of inventory on the market.”

“Prices continue to be pressured downward, as buyers have many properties to choose from and can afford to be more aggressive in their offers,” added McAloney.

Looking ahead, McAloney predicts flat prices for the Saint John market for the remainder of 2014. “Unless we see significant improvement in the local economic conditions, we will continue to see decreased activity in the market and stagnant prices. On a positive note, we are optimistic that a few major upcoming projects in the region will help bolster consumer confidence and spur the housing market.”

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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