

STRONG DEMAND FOR HIGHER END HOMES DRIVES PRICES UP IN THE ST. JOHN'S MARKET

Strong job prospects and favourable interest rates entice buyers to move up

St. John's, July 9, 2014 – The Royal LePage House Price Survey and Market Survey Forecast released today showed strong year-over-year price increases in the detached home category in St. John's.

Both detached bungalow and standard two-storey home prices saw healthy gains year-over-year, rising by 3.3 per cent to \$299,667 and 3.9 per cent to \$408,000, respectively. In contrast, standard condominium prices saw a 1.1 per cent dip to \$306,000.

“While overall activity is still recovering from the effects of our severe winter, we’ve noticed a strong uptick in demand for high-end homes which is driving up overall price averages,” said Glenn Larkin, Salesperson, Royal LePage Professionals 2000. “Meanwhile, a change in condo fee structures has left condo prices to stagnate, but strong demand for both bungalows and two storey-homes has kept prices on an upward trajectory in both of these categories.”

“New construction in the two-storey market has also replenished inventory levels, so buyers have a good selection,” added Larkin.

Looking ahead, Larkin predicts a slight uptick in appreciation of approximately 4 to 5 per cent for the balance of the year year. “Favourable interest rates and good employment prospects are giving consumers the confidence to move up in the 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."

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.

For more information visit: www.royallepage.ca.

For further information, please contact:

Ray McIlroy
Kaiser Lachance Communications
647-725-2520 x215
Ray.McIlroy@kaiserlachance.com

Tammy Gilmer
Director, Public Relations and National Communications
Royal LePage Real Estate Services
416-510-5783
tgilmer@royallepage.ca