

EDMONTON HOUSE PRICES SHOW SIGNIFICANT GROWTH IN FOURTH QUARTER

Tight supply and competitive landscape lead to hot real estate market at year's end

EDMONTON, January 14, 2015 – The Royal LePage House Price Survey and Market Survey Forecast released today showed strong year-over-year price increases across all housing types surveyed in Edmonton.

Detached bungalows rose 8.3 per cent year-over-year to an average price of \$373,244 and standard two-storey homes surged of 9.4 per cent to \$397,045. Standard condominiums also saw a sizable increase, rising 12.2 per cent year-over-year to \$250,953.

“Average home prices in Edmonton have been on a hot streak over the past year as the city continues to experience strong economic growth,” said Tom Shearer, broker and owner of Royal LePage Noralta Real Estate. “Over the past four years, we saw significant migration to the city, and in the past year this group has started to exert influence on the overall market. With more buyers competing for homes, it is no surprise that home prices have appreciated considerably.”

Shearer suggested that inventory levels in the fourth quarter mirrored levels seen throughout 2014, which were well below historical averages.

“One of the interesting trends we witnessed in 2014 was that average real estate prices in the city continued to climb in the last few months of the year, whereas in the past, prices tend to soften as the cold weather arrives. This can be partially attributed to December being one of the busiest months in a long time,” added Shearer.

Looking ahead to 2015, Royal LePage forecasts more subdued price appreciation of approximately 2.5 per cent in the Edmonton housing market. Shearer says that despite the headlines in the oil and gas sector, the front-line consumer remains confident.

“It is likely that we’ll see the growth in average house prices in the region level off a bit, but a significant retrenchment this year is doubtful,” said Shearer. “While there is a possibility that

there will be a slowdown in major energy projects, in the near-term there are a lot of projects already approved and funded, meaning jobs are mostly stable.”

Nationally, average home prices showed modest to healthy year-over-year gains in most markets in the fourth quarter of 2014.

During the quarter, the average price of a home in Canada increased between 4.5 per cent and 6.7 per cent year-over-year. The average price of detached bungalows rose 6.7 per cent to \$406,218, while standard two-storey homes increased 6.0 per cent to \$443,379, and standard condominiums saw a 4.5 per cent increase to \$257,624. Against the backdrop of a decidedly mixed macroeconomic environment at home and abroad, Royal LePage expects home prices to increase moderately in 2015, forecasting a 2.9 per cent national increase for the year ahead.

“In the fourth quarter of 2014, real estate markets unfolded as we anticipated, with modest year-over-year price changes in most regions contrasted against continued steep price increases in Western Canada and Greater Toronto,” said Phil Soper, president and chief executive of Royal LePage. “This follows a similar trend observed in the third quarter of 2014, when we predicted the beginning of a cyclical slowing in home price appreciation, to a pace that better reflects broad economic factors.”

“For our 2015 forecast, we could not ignore the potential impact of the steep decline in the price of oil on housing markets across Canada,” continued Soper. “In the immediate term we anticipate that the natural slowing of home price appreciation we called for in the third quarter of 2014 will be delayed in Central Canada and accelerated in the West by recent developments in the energy sector. Meanwhile in Atlantic Canada, buyers should continue to have the upper hand, with home prices across the region forecast to rise below general inflation.”

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 fourth quarter of 2014. A printable version of the fourth quarter 2014 survey will be available online on February 9, 2015. 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 16,000 real estate professionals in more than 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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