

## **FREDERICTON HOUSE PRICES DECLINE SLIGHTLY IN 2014**

*Buyers' market conditions persist in New Brunswick's third largest city*

**FREDERICTON, January 14, 2015** - The Royal LePage House Price Survey released today showed a slight decline in prices on a year-over-year basis across most of the housing types surveyed in Fredericton.

Average prices for detached bungalows declined slightly, dropping 0.5 per cent year-over-year to \$202,000. Standard two-storey homes and standard condominiums both saw modest declines of 2.3 per cent to \$210,000 and 2.6 per cent to \$147,000, respectively.

“Due to a softening in the overall job market and a lack of residential and construction activity, the housing market continues to favour buyers with inventories increasing by about 12 per cent over last year,” said Lincoln Thompson, broker and owner of Royal LePage Gardiner Realty. “The number of bungalows sold during the quarter was approximately equal to the same period last year, but unit sales for two-storey homes and condominiums both decreased markedly.”

According to Thompson, the Fredericton real estate market has endured its third consecutive year of declining sales volumes and price softness. This quarter average prices dropped in all categories except for luxury condominiums, which bucked the downward trend because of the limited availability of units for sale.

Looking ahead Thompson forecasts that average prices in Fredericton will face another year of weaker demand and softer prices ranging from a decline of seven to nine per cent before starting to rebound in mid- to late-2016. “Interest rates are very favourable for the housing market currently and any upcoming increases in rates could have a further softening effect.”

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](http://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.

For more information visit: [www.royalpage.ca](http://www.royalpage.ca).

***For further information, please contact:***

Ray McIlroy  
Kaiser Lachance Communications  
O: 647-725-2520 x215  
C: 647-680-8316  
[ray.mcilroy@kaiserlachance.com](mailto:ray.mcilroy@kaiserlachance.com)