

HALIFAX HOME PRICES STEADY IN THE FOURTH QUARTER

Inventory levels remain high while pricing strategies help to boost unit sales

HALIFAX, January 14, 2015 – The Royal LePage House Price Survey and Market Survey Forecast released today reflects mixed results in year-over-year across the housing types surveyed in Halifax.

The average price of a standard condominium increased by 2.8 per cent year-over-year to \$220,500, the biggest increase experienced so far this year. Prices for standard two-storey homes increased by 1.2 per cent to \$333,500, while prices for detached bungalows decreased by 0.8 per cent to \$297,633.

“There is a substantial inventory on the market, but sellers are starting to adjust their prices to be more competitive. We expect this should help to reduce the current glut of inventory,” said Matt Honsberger, Broker and Regional Manager, Royal LePage Atlantic.

Royal LePage predicts that house prices will be relatively flat in 2015 with a 0.5 per cent increase as fundamental changes to the economic landscape in Halifax are unlikely. “By the end of the year, however, we could see unit sales and prices perk up as some positive jobs news is expected,” Honsberger added.

Honsberger sees a rise in mortgage rates as the only potential threat to the current trend. “If rates rise dramatically, first-time buyers may be pushed out of the market. However, given the current economic situation in Canada, we do not see this scenario unfolding in the immediate future,” he stated.

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 \$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

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