

STRONG PRICE APPRECIATION REPORTED IN KELOWNA DURING FOURTH QUARTER OF 2014

Healthy economy and interest from Prairie Province buyers helps buoy real estate market

KELOWNA, January 14, 2015 - The Royal LePage House Price Survey and Market Survey Forecast released today showed strong results for the two major housing types surveyed in Kelowna.

The average price for detached entry level bungalows saw an increase during the quarter, rising 4.2 per cent year-over-year to \$375,000, while standard condominium prices saw a 5.4 per cent jump to an average price of \$195,000.

“After a few consecutive soft years, Kelowna real estate gathered positive momentum in 2014,” said Francis Braam, broker and owner, Royal LePage Kelowna. “Over the past year we have seen more buyers from the Prairies, who see Kelowna as an affordable and attractive option. This additional out-of-province demand has helped lead to a healthier and more balanced market.”

Braam suggested that unit sales for the year were up 15 to 20 per cent over last year. “The whole year was above average in terms of unit sales, including the final couple of months of the year when activity traditionally cools off a bit,” added Braam.

“There was also a significant decrease in homes for sale when compared to the same period last year. The decrease in inventory resulted in multiple offer situations for well-priced homes,” continued Braam.

Looking ahead to 2015, Braam forecasts moderate growth in the average price for homes and the number of units sold in Kelowna. “We have a stable economy currently, so we anticipate the continuation of the type of market we saw in 2014.”

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

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