

ST. JOHN'S HOUSING MARKET FINISHES THE YEAR WITH STRONG PRICE GAINS

Robust demand throughout the year contributes to continued price appreciation

ST. JOHN'S, January 14, 2015 – The Royal LePage House Price Survey and Market Survey Forecast released today showed average prices continued to increase across all housing types surveyed in St. John's throughout the fourth quarter of 2014.

The average price for standard two-storey homes and detached bungalows jumped by 6.9 per cent year-over-year, rising to \$428,000 and \$316,333, respectively. Standard condominiums also appreciated in the fourth quarter, increasing 6.3 per cent to \$335,133.

“The strong market conditions we have seen throughout the year have naturally driven the prices for homes and condominiums higher,” said Glenn Larkin, agent, Royal LePage Professionals 2000.

Larkin also stated that unit sales were down in the fourth quarter largely due to lower inventory available in December which was reflected in price increases. Overall however, the fourth quarter's number of homes that changed hands is still up on a year-to-year basis when compared to 2013.

According to Larkin, prices of high-end homes were particularly healthy this year. “Sales of homes over one million dollars doubled and sales of homes in the \$750,000 to \$1,000,000 range increased by 45 per cent versus the previous year,” he added.

Larkin predicts that prices will appreciate in 2015, although not to the same extent as in 2014. Helping to keep the lid on prices will be the falling price of oil, which could present the potential for layoffs in the region.

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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