

## VANCOUVER HOME PRICES CLIMB IN THE FINAL QUARTER OF 2014

*Tight supply of homes in key two-storey and bungalow categories expected to persist into 2015*

**VANCOUVER, January 14, 2015** – The Royal LePage House Price Survey and Market Survey Forecast released today showed year-over-year price increases across all housing types surveyed in Vancouver. The average price for detached bungalows increased 7.5 per cent year-over-year to \$1,124,642 and standard two-storey homes increased 7.1 per cent to \$1,233,182, while condominiums rose 3.8 per cent to \$511,150.

“Average prices for homes in Vancouver continued to trend upward in the fourth quarter, particularly in the two-storey and bungalow categories where perpetual supply shortages remain,” said Bill Binnie, broker and owner, Royal LePage North Shore and Royal LePage City Centre. “The condominium category showed more measured year-over-year growth as this segment is able to continually supply more units to keep up with changing demands and market dynamics. As a result, condo prices have been fairly steady over the past five years.”

According to area brokers, hard-to-find single family homes are the focus of intense demand from would-be homebuyers. “Again this quarter, a substantial premium is being paid for two-storey homes and bungalows, which are rare commodities these days. Overwhelming demand for a limited supply is understandably pushing average prices upward,” said Chris Simmons, broker and owner, Royal LePage Westside.

Looking ahead, Royal LePage forecasts that home prices in Vancouver will rise by 2.8 per cent in 2015. “Short of a significant event, the Vancouver market is likely to remain hot in 2015 as it will be subject to many of the same factors moving the market this year. Interest rates are expected to remain low, the city continues to be a very desirable place to live and the most sought-after homes are finite in nature,” added Binnie.

According to Simmons, current market dynamics look remarkably similar to those at the beginning of last year, suggesting comparable price growth is likely in 2015. “We expect single

family homes to continue demanding premium prices while condominiums will see minor gains. Overall activity should be slightly higher this year as we do not anticipate a repeat of the sluggish start we saw during the first quarter last year,” he added.

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.

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