

## VANCOUVER HOME PRICES CLIMB SHARPLY TO START 2015

*High demand and healthy supply leads to a busy first quarter in Canada's most expensive real estate market*

**VANCOUVER, April 15, 2015** – The Royal LePage House Price Survey released today showed significant year-over-year price increases across all housing types surveyed in Vancouver.

The average price for detached bungalows and standard two-storey homes both saw double digit year-over-year growth, soaring 10.6 per cent to \$1,174,509 and 10.3 per cent to \$1,267,287, respectively. Over the same timeframe standard condominiums saw more moderate price appreciation, jumping 4.9 per cent to an average price of \$506,624.

“The average price for homes in Vancouver shot up in the first quarter, particularly for detached single-family homes. This is being caused in large part by a scarcity of product and the high demand to live in the area,” said Bill Binnie, broker and owner of Royal LePage Northshore.

Chris Simmons, owner and manager of Royal LePage Westside in Vancouver, stated that the big stories of the first quarter were the big jump in average prices, the number of homes changing hands and the proliferation of multiple offer situations. “Prices have gone up tremendously. We have seen prices for single family homes jump as much as 40 per cent year-over-year in some high-demand areas,” said Simmons.

According to Simmons, activity was much higher in the first quarter than in the same period in previous years. “Unit sales for detached homes are up more than 50 per cent compared to 2014,” Simmons commented.

Binnie noted that there has been a significant amount of activity with condominiums, although the less constrained supply of this housing type means that average prices did not rise as markedly. “The market for condos has improved, but it is nowhere near as active as for detached homes,” he added.

“Vancouver real estate has been a hot topic locally and nationally in recent months. With all of the discussions taking place, people are coming to the realization that there are a lot of prospective buyers chasing a limited number of detached homes. Would-be buyers are trying to get in now while they still can,” concluded Binnie.

Nationally, Canada's real estate market is experiencing a soft landing, characterized by slower than normal home price increases. Much higher price increases were observed in the country's

two largest urban markets, which combined to send the national average values upwards, partially obscuring the broader national trend.

During the quarter, the average price of a home in Canada rose between 3.8 per cent and 6.6 per cent year-over-year in the first quarter. When broken out by housing type, the survey showed a year-over-year average price increase of 5.3 per cent to \$451,463 for standard two-storey homes, while detached bungalows rose 6.6 per cent to \$405,895. During the same period, the average price of standard condominiums climbed 3.8 per cent to \$261,782.

The steady softening of prices in most markets across the country was first observed in the mid-year 2014 Royal LePage House Price Survey. In recent months, two unanticipated factors disrupted the natural housing price cycle: the steep decline in oil prices late in 2014 and the Bank of Canada's subsequent reaction in lowering the overnight rate early in 2015.

“Canadian home buyers, with the last decade's recession still top of mind, have been very sensitive to shifting, broad economic factors. The oil shock has been unsettling for the national economy, consumer confidence and by extension, the housing market,” said Phil Soper, president and chief executive, Royal LePage. “That said, lower prices at the pump and the confidence boosting move by the central bank to lower interest rates have been supportive. With these factors combined, we have a soft-landing for housing after several years of robust expansion. We define a soft-landing as a market in which home prices are flat or increasing slightly, giving the economy and family incomes, a chance to catch up.”

“On balance, we believe we will not be seeing the kind of appreciation observed over the last three years any time soon, as markets work through the current cycle and align with broader economic conditions,” continued Soper. “In terms of downside risk, we do not foresee a sharp decline in home prices, particularly in today's low interest rate environment.”

### **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 first quarter of 2015. A printable version of the first quarter 2015 survey will be available online on May 15, 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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***For further information, please contact:***

Eddie Tabakman  
Kaiser Lachance Communications  
604-637-6664  
[eddie.tabakman@kaiserlachance.com](mailto:eddie.tabakman@kaiserlachance.com)