

CALGARY REAL ESTATE PRICES STABLE DESPITE OIL AND POLITICAL SHOCKS

Lack of available inventory looms over balanced market

CALGARY, July 14, 2015 – The Royal LePage House Price Survey and Market Survey Forecast released today showed a steady Calgary real estate market with average prices in major housing categories remaining relatively flat on a year-over-year basis.

The standard condominium category gained 1.6 per cent year-over-year to an average price of \$291,022. Over the same time span, standard two-storey homes declined 3.1 per cent to \$474,239 and detached bungalows inched down 0.9 per cent to \$496,689.

“The Calgary market has been remarkably stable with only marginal price differences compared to the same period last year,” said Ted Zaharko, broker and owner, Royal LePage Foothills.

“Predictions of gloom because of low oil prices or the change in the provincial government appear to be premature, as prices have only moderated slightly up to this point. If the previous six months are any indication, we should be more concerned about the lack of inventory than changes in average prices.”

Zaharko said that inventory levels were a challenge for homebuyers in all categories except for condominiums. “Inventory of detached homes is reaching the low levels seen last year when Calgary was one of the country’s hottest markets,” he said. “The limited supply means that some new listings are seeing multiple offers or quick sales, however there are still well priced listings throughout the city that aren’t receiving substantial showings.”

According to Zaharko the number of homes changing hands this quarter is down on a year-over-year basis, but relatively flat compared to the same period two years ago. “Unit sales look down this quarter only because the same period last year was so strong. In a historical context, unit sales this quarter have been fairly normal,” added Zaharko.

Royal LePage forecasts that average prices for homes in Calgary will decrease 2.4 per cent for the full year in 2015, as compared to 2014. “Economic and political uncertainty will likely

remain for the rest of the year, which weighs on consumer confidence. On the flip side, interest rates are likely to remain very low for the foreseeable future while supply shortages are likely to persist. Barring an unforeseen shock, we are likely to have a balanced market throughout 2015,” said Zaharko.

Nationally, against the backdrop of mixed economic signals at home and abroad, Canada’s real estate market remained healthy in the second quarter of 2015, with solid national average price appreciation across housing segments. Furthermore, the combination of high sales volumes and vigorous price appreciation in Canada’s largest cities has put the national residential real estate market on track for a record year in terms of total sales. With most Canadian real estate markets across the country advancing modestly, and some rapidly, Royal LePage advises that a further interest rate cut by the Bank of Canada could over-stimulate markets such as greater Toronto and Vancouver.

During the second quarter, the average price of a home in Canada rose between 3.9 per cent and 7.5 per cent year-over-year in the second quarter. The detached bungalow segment had the highest national increase, rising 7.5 per cent year-over-year to \$438,938, while standard two-storey homes appreciated 6.8 per cent to \$471,002. During the same period, the average price of a condominium rose 3.9 per cent to \$268,583. Looking ahead, Royal LePage forecasts that the average price of a home in Canada will increase 6.1 per cent for the full year when compared to 2014.

“The robust national average home price increases that we have seen in the second quarter are heavily influenced by activity levels in Toronto and Vancouver,” said Phil Soper, president and chief executive officer, Royal LePage. “Looking to Canada as a whole, 2015 is shaping up to be a record year for housing, despite the cloud of economic uncertainty caused by low oil prices and twitchy global economies.”

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 second quarter of 2015. A printable version of the second quarter 2015 survey will be available online on August 14, 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.

For more information visit: www.royallepage.ca.

For further information, please contact:

Eddie Tabakman
Kaiser Lachance Communications
604-637-6664
eddie.tabakman@kaiserlachance.com