

FREDERICTON HOME PRICES INCREASE SLIGHTLY IN THE SECOND QUARTER

Buyers' market continues as inventory remains high and demand softens

FREDERICTON, July 14, 2015 - The Royal LePage House Price Survey and Market Survey Forecast revealed today reflected a slight increase in the average price of bungalows while the average prices for condominiums and two-storey homes remained relatively flat.

The average price for detached bungalows increased by 1.0 per cent year-over-year to \$202,000, while the average price of two-storey homes increased by 0.5 per cent to \$216,000. Prices for condominiums remained flat, sitting at an average price of \$145,000.

“The average price for homes in Fredericton remained essentially flat year-over-year, despite high inventory and lighter demand, factors that traditionally might result in price softness,” said Lincoln Thompson, broker and owner, Royal LePage Gardiner Realty.

“Unit sales in bungalows were up approximately 20 per cent compared to the same time last year. The fact that this bullish signal only resulted in a one per cent increase in average prices for this category emphasizes the fact we are firmly in a buyers' market,” he added.

Thompson expects that the market will continue to favour buyers for the remainder of the year with a wealth of inventory and attractive prices.

According to Thompson, a number of factors present a challenge to a bounce back in the local housing market, including tougher Canada Mortgage and Housing Corporation (CMHC) rules, a decline in military transfers, continued emigration of young people to Western Canada and new taxes for high income earners.

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:

Ray McIlroy
Kaiser Lachance Communications

647-680-8316

ray.mcilroy@kaiserlachance.com