

KELOWNA SEES STRONG PRICE APPRECIATION IN SECOND QUARTER OF 2015

Strong market interest not impacted by lower energy prices

KELOWNA, July 14, 2015 - The Royal LePage House Price Survey and Market Survey Forecast released today showed strong price growth across housing types surveyed in Kelowna.

Detached bungalows saw a healthy increase during the second quarter, increasing 5.4 per cent year-over-year to an average price of \$390,000. Standard condominium prices saw a significant jump of 13.5 per cent over the previous year to an average price of \$210,000.

“The biggest impact on the market right now is the lack of inventory available in all categories, down almost 10 per cent compared to this time last year,” said Dave Favell, managing broker, Royal LePage Kelowna. “The supply shortage is particularly dire at the lower end of the spectrum, which is pushing some buyers up into higher priced properties.”

According to Favell, any impacts of the low oil price environment being felt in nearby Alberta have not trickled into Kelowna. “We are in an interesting place at the moment. We expected to see more of an impact from the decline of Canada’s energy sector, but instead have continued to see a lot of people move to the area,” Favell said.

Looking at the rest of 2015, Favell expects to see additional price appreciation in the two to three per cent range, as well as an increase in unit sales despite the tight supply available.

Favell said that market watchers are keeping an eye on mortgage rates and the economy in neighbouring Alberta, where many who own recreational properties in Kelowna have their primary residences. “While some economic headwinds persist, we expect that a weak Canadian dollar may make homes in the area more attractive to American buyers looking for a great property near world-class ski facilities and other outdoor amenities,” Favell concluded.

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.

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