

OTTAWA HOUSE PRICES SEE MODEST GROWTH IN SECOND QUARTER

Overbuilding leads to a flat condo market while detached homes saw small gains

OTTAWA, July 14, 2015 - The Royal LePage House Price Survey and Market Survey Forecast released today reflected a mixed Ottawa market driven by lower sales volumes.

Prices for homes in Ottawa perked up slightly as standard two-storey homes increased 2.3 per cent year-over-year to \$411,350, while detached bungalows increased 1.9 per cent to \$409,167. Standard condominiums remained flat with only a marginal change in the average price to 257,467.

"We had a good start to the year with strong activity including a record number of sales in May," said John Rogan, broker of record, Royal LePage Performance Realty. "However, high inventory levels and very selective buyers have restrained price appreciation and kept average prices relatively consistent with this time last year."

Rogan suggested that the condominium segment has been overdeveloped in recent years. The resulting glut in supply has stymied many buyers who expected that they would be able to quickly resell their property. "The market for condos definitely favours buyers right now and there is great selection in a number of parts of the city," he said.

According to Rogan great listings are still seeing multiple bids, but overall sales are becoming more conditional on inspections as buyers have more options at their disposal.

Looking ahead to the rest of 2015, Rogan foresees a busy summer slowing down drastically as the city's focus shifts to the coming federal election and the uncertainty it can bring to many residents in the nation's capital. Royal LePage forecasts that prices will rise a modest 2.7 per cent as compared to 2014.

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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