

Fredericton Housing Market Posts Mixed Results in the Third Quarter of 2015

Downsizing trends of aging population creating an oversupply of two-storey homes in the region

FREDERICTON, October 14, 2015 – The Royal LePage House Price Survey^[1] released today showed mixed price results across housing types surveyed in Fredericton. In the third quarter of 2015, the aggregate^[2] home price in the region rose 0.6 per cent year-over-year to \$242,766.

Over this period, Fredericton saw a strong increase in the median price of a bungalow with a year-over-year gain of 7.4 per cent to \$219,002 and steady condominium price growth of 2.7 per cent to \$237,291. Meanwhile, the median price for a two-storey home declined with a year-over-year drop of 8.4 per cent to \$292,065.

“Fredericton is experiencing changing demographics that are impacting the housing market, particularly in the two-storey category,” said Lincoln Thompson, broker and owner, Royal LePage Gardiner Realty. “The region is experiencing an absence of first-time and move-up buyers due to a challenging economy with lower employment prospects. This is creating a shortage of buyers for two-storey homes as the 55-plus population now looks to downsize, leading to some oversupply in the segment.”

Nationally, home prices showed moderate to strong year-over-year price increases in most markets in Canada. According to the report, the price of a home in Canada increased 8.0 per cent year-over-year to \$502,643 in the third quarter. The price of a two-storey home rose 9.9 percent year-over-year to \$615,304, and the price of a bungalow increased 6.8 per cent to \$421,757. During the same period, the price of a condominium increased 2.8 per cent to \$338,684.

“Economic slowdowns in energy-dependent markets, most notably in western Canada, have in part been offset by both renewed industrial activity in other parts of the country and the Bank of Canada’s recent interest rate cuts,” said Phil Soper, chief executive officer, Royal LePage. “In line with recent quarters, strong national home price increases are largely being driven by continued double-digit percentage increases in the Greater Toronto Area and Greater Vancouver, where housing affordability is already becoming a growing challenge for many individuals and families.”

“Home ownership remains a bright light amid unsettled investment and savings options in volatile global capital markets. As we lead up to election day, it’s not surprising that all of

the major political parties are acknowledging the housing sector’s prominence as the foundation on which the economy has been built for years, and a critical foundation upon which Canadians can build their savings,” continued Soper.

Beginning this quarter, Royal LePage’s House Price Survey includes the Royal LePage National House Price Composite comprising house values for 53 of the nation’s largest real estate markets through the use of a proprietary, custom-built system that analyzes a housing database containing millions of real estate transactions. The enhancements are made possible through Royal LePage’s collaboration with its sister company, Brookfield RPS, a leader in residential real estate data and analytics in Canada.

About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 53 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, Brookfield RPS, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

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 more than 16,000 sales representatives in 600 offices across Canada. 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, as well as educational programs aimed at ending domestic violence. Royal LePage is an affiliate of Brookfield Real Estate Services Inc., a company listed on the Toronto Stock Exchange under the symbol “TSX: BRE”.

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[1] Powered by Brookfield RPS

[2] Aggregate prices are calculated via a weighted average of the median values of homes in the regions surveyed