

Halifax Home Prices Slip Modestly in the First Quarter of 2016

Buyer's market in region attracts influx of first-time home purchasers

HALIFAX , April 7, 2016 – The aggregate¹ price of a home in Halifax fell modestly in the first quarter of 2016, slipping 1.2 per cent year-over-year to \$304,441, according to the Royal LePage House Price Survey² released today.

When broken out by housing type, the median price of a bungalow increased 0.7 per cent to \$245,672. During the same period, two-storey home prices saw some softness, declining 1.5 per cent year-over-year to \$344,592, while the median price of a condominium fell by a larger margin of 6.4 per cent to \$257,056.

“We remain in a buyer’s market in Halifax,” said Matt Honsberger, broker, Royal LePage Atlantic. “Housing inventory levels are high, providing many listing options for buyers and flexibility to negotiate and search for the right property.”

“In the first quarter, we saw a higher influx of interest from first-time purchasers looking to benefit from the recent softness in prices. We expect this will balance the market slightly as we head into the spring home-buying season,” added Honsberger.

Nova Scotia is expected to be the strongest province within the Atlantic over 2016 because of its strong manufacturing base. Halifax continues to benefit from the activity on Arctic patrol vessels at the Irving shipyard.

Nationally, Canada’s residential real estate market showed strong year-over-year price increases in the first quarter of 2016. The Greater Vancouver and Greater Toronto Area (GTA) real estate markets continue to lead the country in home price appreciation, with Canada’s economic landscape supporting robust housing demand in these metropolitan areas. Additionally, an emerging trend of inter-provincial migration to British Columbia and Ontario from commodity-focused economic regions such as Alberta is expected to put further upward pressure on home prices in these areas in the coming months.

The price of a home in Canada increased 7.9 per cent year-over-year to \$512,621 in the first quarter of 2016. The price of a two-storey home rose 9.2 per cent year-over-year to \$629,177, and the price of a bungalow increased 6.8 per cent to \$426,216. During the same period, the price of a condominium increased 4.0 per cent to \$344,491.

“A glance at our national house price composite points to a very strong Canadian real estate market, yet the findings contain extreme regional disparities of the kind we haven’t seen in over a decade,” said Phil Soper, president and CEO, Royal LePage. “Like an economic triumvirate, the impact of rock-bottom interest rates, the low Canadian dollar and a rapidly expanding U.S.

¹ Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed

² Powered by Brookfield RPS

workforce are stimulating economic growth and housing demand in our largest metropolitan areas. Conversely in cities like Calgary, the ongoing drags in depressed energy prices and worrisome employment trends have taken a material bite out of sales volumes. As a lagging indicator, home prices in Alberta and Newfoundland are just beginning to adjust to the lower demand.”

“Redistribution of labour across the country is further reinforcing disparities among housing markets, as the broader impacts of the oil recession on Alberta’s economy take hold. For the first time in many years, we are witnessing an out-migration trend in the province, as economic conditions and employment prospects dim,” continued Soper. “We expect British Columbia, followed by Ontario, to be the top recipients of new household inflows in the coming year, which will further fuel housing demand and price appreciation in Greater Vancouver and the GTA. This is in sharp contrast to the situation from 2011 to 2014, and in the mid 2000’s, when a booming energy sector attracted families from all over Canada to Alberta.”

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 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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