

## House Prices in Kingston Increase in the Third Quarter of 2016

*Homeowners downsizing from two-storey homes to bungalows*

**KINGSTON, October 13, 2016** – The aggregate<sup>1</sup> price of a home in Kingston increased in the third quarter of 2016 by 2.0 per cent year-over-year to \$310,266, according to the Royal LePage House Price Survey<sup>2</sup> released today.

When broken down by housing type, the median price of a bungalow saw a steady increase of 3.3 per cent year-over-year to \$303,770, while the median price of a two-storey house increased slightly by 1.1 per cent to \$321,833 over the same period.

“Housing inventory in Kingston has declined by 12 per cent in the past year,” said Bob Armer, area manager, Royal LePage Pro Alliance Realty. “As a result, we are starting to witness more competition among buyers and prices are inching upward.”

“Kingston has shifted from a buyer’s market to a stable middle market,” added Armer. “We are starting to see a good balance between the number of people seeking and selling homes but if the current trend in demand continues, we will start edging toward a market that is favourable for sellers.”

He also noted that more people are downsizing their homes from two-storey units to bungalows, which is creating a growing demand and greater increase in prices for bungalows compared to two-storey houses.

Nationally, Canada’s residential real estate market continued to grow in the third quarter of 2016, posting a 12.0 per cent year-over-year aggregate house price increase to \$545,414. The price of a two-storey home rose 13.7 per cent year-over-year to \$649,635, and the price of a bungalow increased 11.0 per cent to \$459,481. During the same period, the price of a condominium increased 5.8 per cent to \$360,679.

“Across Canada, our real estate markets remain healthy, with home values showing modest to strong (yet rational) price appreciation in almost every Canadian city,” said Phil Soper, president and chief executive officer, Royal LePage. “Even in the hardest hit oil patch regions, prices have held up well, with small single-digit declines, year-over-year.”

On October 3, 2016, Federal Finance Minister Bill Morneau announced new measures specifically designed to cool the country’s housing market and curtail foreign buying activity. These measures are meant to bring consistency to mortgage insurance rules by standardizing eligibility for high- and low-ratio insured mortgages, expanding stress tests, and improving tax

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

<sup>2</sup> Powered by Brookfield RPS

fairness by removing the ability of non-residents to claim capital gain exemptions, which are only applicable to properties identified as principal residences.

“Consumer confidence suffered a direct hit when the federal government introduced new, more restrictive regulations in early October,” said Soper. “While it is too early to say definitively, it appears Canadian homebuyers are adjusting quickly, and that fears of a hard correction were unwarranted. While the changes are significant, major lenders may already be using similar criteria when writing mortgages in sensitive regions like Alberta and B.C., so the additional drag on the market resulting from the new legislation won't be as great as it appears on the surface.”

### **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 17,000 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](http://www.royallepage.ca).

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