

Halifax Housing Market Sees Healthy Price Gains in Final Quarter of 2016

Low inventory and a surge in construction results in price growth

HALIFAX, January 12, 2017 – The Royal LePage House Price Survey¹ and Market Survey Forecast released today revealed that the aggregate² price of a home in Halifax increased 4.3 per cent year-over-year to \$310,656.

Broken down by housing type, condominiums saw a significant double-digit increase of 11.0 per cent year-over-year, raising the median price to \$350,701. During the same period, bungalow prices increased a healthy 4.7 per cent year-over-year to \$257,889, while two-storeys saw a moderate increase of 3.5 per cent to \$325,849.

“Lower inventory and rising demand is driving prices up,” said Matt Honsberger, broker, Royal LePage Atlantic. “Employment has begun to improve as a result of lower oil prices, which are keeping workers in our region and helping our economy, where before they were being pulled out west.”

In 2016, Halifax unveiled a plan to grow the city’s population from the current level of just under 400,000 to 470,000 by 2021. As part of the strategy, the Halifax Regional Council has implemented measures to attract talent and new business. “The city of Halifax’s focus on attracting international immigrants and people from across Canada has resulted in significant movement into the region, which is helping to drive up house prices,” continued Honsberger.

Looking ahead to 2017, Royal LePage forecasts a year-over-year price increase of 2.0 per cent for homes in Halifax. Honsberger notes that it is still a buyer’s market in Halifax, making the city an attractive destination for first-time homebuyers. He forecasts that the excitement and consumer confidence built this year will continue into 2017.

Nationally, Canada’s residential real estate market saw significant year-over-year price appreciation in the fourth quarter of 2016, supported by considerable gains in the Greater Toronto Area (GTA) and Greater Vancouver. Looking ahead, Royal LePage expects the regional extremes in house price appreciation that characterized the national real estate market in 2016 to narrow in 2017. This trend is anticipated to be driven primarily by a price correction in the Greater Vancouver housing market, strong but moderating price appreciation in the GTA, and welcomed upward price trends in Quebec, Atlantic Canada and Alberta.

The price of a home in Canada increased 13.0 per cent year-over-year to \$558,153 in the fourth quarter of 2016 – the highest year-over-year national home price increase recorded in over a decade. The price of a two-storey home rose 14.3 per cent year-over-year to \$661,730, and the price of a bungalow increased 12.5 per cent to \$481,460. During the same period, the price of a condominium increased 7.4 per cent to \$356,307. Looking to the year ahead, Royal LePage

¹ Powered by Brookfield RPS

² Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed

forecasts that the aggregate price of a home will increase 2.8 per cent in 2017 when compared to year-end, 2016.

“The disparity in home price appreciation between Canadian regions has never been greater than that seen in 2016, with rates ranging from double-digit extremes in some cities to negative growth in others,” said Phil Soper, President and CEO, Royal LePage. “This economic drama put real estate at the forefront of everybody’s mind last year, from the Prime Minister to the recent grad. In 2017, we anticipate a movement away from the regional extremes of real estate feast and famine – and that is a very good thing.”

For the Canadian real estate market, 2016 was marked by a slew of new public policy initiatives at national, provincial and municipal levels. “While efforts to address deteriorating affordability in Ontario and B.C.’s largest metropolitan areas are well-intentioned, too many new taxes and regulations, by too many levels of government, introduced within such a short timeline and with perceivably little research and consultation, have caused confusion and triggered drops in consumer confidence, risking the long-term health of Canada’s housing market,” said Soper.

“Price appreciation disparities between regions have created a quandary for policymakers who have tried to tame overheated housing markets, while supporting slower ones. What our leaders have been slow to address, and what is at the heart of the matter, is the supply side of the equation in the country’s hottest markets. Housing shortages have put immense upward pressure on prices,” he concluded.

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.

For further information, please contact:

Catherine Snider



Kaiser Lachance Communications
905.751.9619
catherine.snider@kaiserlachance.com