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RESALE REAL ESTATE | RENTALS



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Consistent return on investment has prompted an unprecedented upswing in luxury home sales in major Canadian centres this year, according to a report released by RE/MAX.

The RE/MAX Upper-End Market Trends Report examined trends and activity in 16 markets across the country between January and July 2007. Luxury home sales were up over the same period one-year ago in all markets, with percentage increases ranging from 13 per cent in Victoria to 521 per cent in Edmonton. Four markets, including Edmonton, Regina, Saskatoon and Ottawa, reported triple-digit increases while double-digit gains characterized remaining markets. The report also found that the upper-end price points were under stress in most markets surveyed.

"The consumer appetite for luxury property has been insatiable," says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. "Unabated demand throughout the year has created tight market conditions in a number of blue chip neighbourhoods.

Limited availability of product has, in turn, placed mounting pressure on housing values. As a result, the million dollar home no longer holds the same cache it once did and in larger markets such as Vancouver, Calgary, and Toronto, it's simply a starting price."

Solid gains in housing values — especially in the top-end of the market — have garnered much attention. The steady upward trending has attracted a growing number of affluent purchasers who are taking advantage of both the increased equity and the capital gains exemption for a principle residence.

"Strong economic performance, especially in Western Canadian provinces, has bolstered consumer confidence levels to such a degree that purchasers



Purchasers in the upper-end are comfortable with a million dollar plus investment in real estate.

Upscale buyers want it all

Luxury sales experience serious upward momentum in major Canadian markets, says RE/MAX

in the upper-end are comfortable with a million dollar plus investment in real estate," says Elton Ash, Regional Executive Vice

President, RE/MAX of Western

Canada. "Recent volatility in the stock market may trigger further investment in real estate as purchasers move to reallocate their holdings."

Out-of-province and international pur-

chasers are active in most markets surveyed, but locals still account for the majority of upper-end sales. Benchmark sales, including one home priced at close to \$16 million in Toronto, are occurring with greater

frequency and overall, there are more sales taking place in the very upper reaches of the marketplace this year. In smaller centres, benchmarks have been set throughout the year and although some, such as Regina, have yet to report a \$1 million sale, the day is nearing.

Upscale condominium sales are also climbing as empty-nesters and retirees up the ante for these types of property. The most expensive sale to date occurred in Vancouver at close to \$5 million, while the priciest listing carries a price tag of \$18.2 million in the same centre.

"It appears that a growing percentage of the population has that kind of money to spend," says Polzler. "Growth in market capitalization has generated tremendous wealth in recent years — in fact, both the Dow Jones and S&P 500 reported double-digit growth in 2006. Demand for luxury goods overall — upscale homes, fine art, collectable cars — is outpacing demand for everyday consumables. Inheritance has played a significant role as well, with the download on an estimated \$1 trillion amount already underway."

"When it comes to shelter, these upscale purchasers clearly want it all," says Ash. "Price is really no obstacle when it comes to creating a legacy."

RE/MAX is Canada's leading real estate organization with over 17,500 sales associates situated throughout its more than 640 independently owned and operated offices across the country. The RE/MAX franchise network, now in its 34th year of consecutive growth, is a global real estate system operating in over 65 countries. More than 7,000 independently owned offices engage 120,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral, relocation and asset management. For more information, visit: www.remax.ca.