



**RE/MAX**  
of  
Western Canada (1998), Inc.

---

## **NEWS RELEASE**

---

For immediate release

### **Residential real estate markets across Canada post solid gains over past decade, says RE/MAX**

**Kelowna, BC (February 21, 2008)** – Pent-up demand, population growth, tight inventory levels, and the longest economic expansion since World War II collectively fueled one of the best decades on record for residential real estate in Canada, according to a report released today by RE/MAX.

RE/MAX Decade in Review 1997 - 2007 found that major housing centres across the country experienced strong consecutive growth between 1997 and 2007. Average price spiraled upward while unit sales climbed in tandem as more and more Canadians bought into homeownership. Nationally, average price almost doubled in the 10-year period, rising from \$154,606 in 1997 to \$307,265 in 2007, for a 7.1 per cent annually compounded rate of return. Home sales across the country increased just over 57 per cent from 331,092 units in 1997 to more than half a million sales last year. Edmonton led the country in terms of percentage increase in average price. The city saw a 203 per cent upswing in housing values - or an 11.7 per cent increase annually - with average price rising from \$111,587 a decade ago to \$338,636 in 2007. Prince Edward Island experienced the highest percentage increase in unit sales, with the number of homes sold up 119 per cent in the 10-year period.

“Immigration and in-migration have played a serious role in jumpstarting residential housing markets, particularly in British Columbia, Alberta, and to some extent, Saskatchewan over the past decade,” says Elton Ash, Executive Regional Vice President, RE/MAX of Western Canada. “At first, there was an influx of American buyers, especially in Canada’s coastal regions and recreational hot spots, as our southern neighbours took advantage of the almighty US greenback. Then the European and Middle Eastern purchasers flooded the market, buying up real estate considered ‘cheap’ by international standards. In recent years, there have been a growing number of purchasers from Mainland China. From a global perspective, there’s no question that Canadian real estate brings good value to the table.”

Percentage increases in home sales varied across the country, with Prince Edward Island experiencing the greatest upswing over the past decade, followed by St. John’s at 106 per cent, Kelowna at 84 per cent, and Saint John at 77 per cent. Most markets (12 of the 19 surveyed) reported increases between 40 and 60 per cent. Average price has also seen substantial escalation over the 10-year period, with posted gains ranging from a low of 54.4 per cent in London-St. Thomas to a high of 203 per cent in Edmonton. Appreciation in Western Canadian markets surpassed all others between 1997 and 2007, with Calgary ranking second in terms of price appreciation at 189 per cent, Kelowna at 179 per cent, Saskatoon at 137 per cent, Winnipeg at 118 per cent, Victoria at 114 per cent and Greater Vancouver at 99 per cent.

- more -

In 2006, homeownership rates in the country were the highest on record at 68.4 per cent. Population growth has contributed to heated market conditions – especially in Calgary (+31.4 per cent), Edmonton (+20 per cent), Toronto (+20 per cent), and Vancouver (+15 per cent) where percentage increases have hovered in the double-digit range. Overall, Canada’s population rose to almost 33 million in the 2006 census, up approximately 10 per cent from 1996 figures.

“The non-cyclical nature of the decade comes as some surprise,” says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. “Never before have we seen such a continuous run up in Canadian real estate. Clearly, strength in all markets has been directly linked to solid growth in local, provincial and national economies. Low interest rates, job security, and consumer confidence have all served to further bolster home-buying activity across the nation.”

Robust economic performance in Western Canada has also drawn job seekers from across the country, looking to capitalize on employment opportunities.

As demand for housing increased across the country, the supply of homes listed for sale began to contract. Multiple offers were commonplace in many areas, some with sales-to-listings ratios as tight as 80 to 90 per cent. Nationally, 1997 marked the first year since 1988 that the sales-to-listings ratio hit 50 per cent. The sales-to-listings ratio would remain above 60 per cent from 2001 onward – rising to as high as 68 per cent in 2002.

The decade was not without its obstacles – the high-tech meltdown, a US recession, 9/11, SARS, Mad Cow, a blackout that affected the entire Northeastern seaboard, natural disasters such as ice storms, hurricanes, and forest fires and more recently, the credit crunch south of the border. Given the continuation of sound economic fundamentals, it’s expected that residential real estate markets across the country will continue to experience healthy activity, albeit at a more moderate pace.

RE/MAX is Canada's leading real estate organization with over 17,600 sales associates in more than 650 independently-owned and operated offices. The RE/MAX franchise network is a global real estate system operating in over 65 countries. More than 7,000 independently-owned offices engage nearly 115,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral and asset management. For more information, visit: [www.remax.ca](http://www.remax.ca).

###

For more information:

Marie Selby  
RE/MAX of Western Canada  
250-.860.3628

Eva Blay/CharleneMcAdam/Kim Kofman  
Point Blank Communications  
416.781.3911

<b>RE/MAX Decade in Review Report</b>			
<b>Unit Sales 1997 vs. 2007</b>			
<b>Market</b>	<b>1997</b>	<b>2007</b>	<b>07 vs. '97 % +/-</b>
Greater Vancouver Area	26,946	38,978	44.7
Victoria	5,845	8,403	43.8
Kelowna	3,359	6,192	84.3
Calgary	21,559	32,176	49.2
Edmonton	13,017	20,427	56.9
Saskatoon	3,153	4,446	41.0
Winnipeg	10,042	11,215	11.7
Barrie	2,919	5,017	71.9
Greater Toronto Area	58,014	93,193	60.6
Hamilton-Burlington	9,972	13,866	39.0
London-St. Thomas	6,454	9,686	50.1
Kitchener-Waterloo	4,307	7,031	63.2
Sudbury	1,901	2,754	44.9
Kingston	2,400	3,725	55.2
Ottawa-Carleton	9,431	14,739	56.3
Halifax-Dartmouth	5,072	7,261	43.2
Prince Edward Island	806	1,769	119.5
St. John's*	2,170	4,471	106.0
Saint John	1,274	2,253	76.8
<b>National</b>	<b>331,092</b>	<b>520,747</b>	<b>57.3</b>
*Statistics reflect residential sales for all of Newfoundland-Labrador			
Source: CREA, Local Real Estate Boards, RE/MAX			

<b>RE/MAX Decade in Review Report</b>			
<b>Unit Sales 1997 vs. 2007</b>			
<b>Market</b>	<b>1997</b>	<b>2007</b>	<b>07 vs. '97 % +/-</b>
Greater Vancouver Area	26,946	38,978	44.7
Victoria	5,845	8,403	43.8
Kelowna	3,359	6,192	84.3
Calgary	21,559	32,176	49.2
Edmonton	13,017	20,427	56.9
Saskatoon	3,153	4,446	41.0
Winnipeg	10,042	11,215	11.7
Barrie	2,919	5,017	71.9
Greater Toronto Area	58,014	93,193	60.6
Hamilton-Burlington	9,972	13,866	39.0
London-St. Thomas	6,454	9,686	50.1
Kitchener-Waterloo	4,307	7,031	63.2
Sudbury	1,901	2,754	44.9
Kingston	2,400	3,725	55.2
Ottawa-Carleton	9,431	14,739	56.3
Halifax-Dartmouth	5,072	7,261	43.2
Prince Edward Island	806	1,769	119.5
St. John's*	2,170	4,471	106.0
Saint John	1,274	2,253	76.8
<b>National</b>	<b>331,092</b>	<b>520,747</b>	<b>57.3</b>
*Statistics reflect residential sales for all of Newfoundland-Labrador			
Source: CREA, Local Real Estate Boards, RE/MAX			



# DECADE IN REVIEW 1997 — 2007



---

## British Columbia

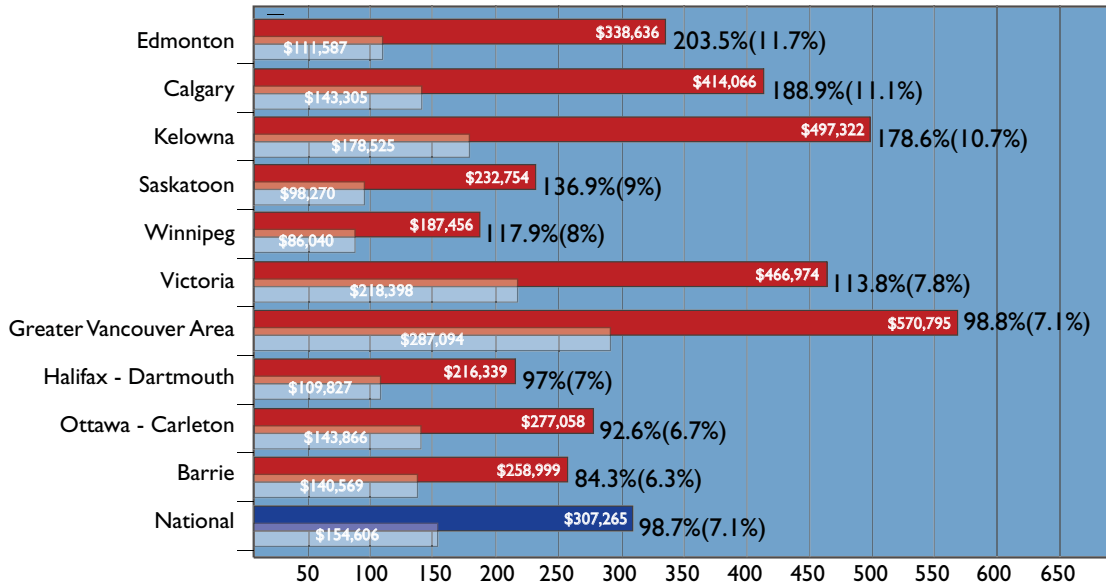
### Greater Vancouver Area

While residential real estate across the country had started to rebound in 1997, the impact of the Asian Financial Crisis was just setting in on Canada's west coast. The Greater Vancouver Area was already struggling with a soft economy and population decline through inter-provincial migration. Residential unit sales plummeted 27 per cent from 26,946 to 19,612 units in 1998 before battling back in 1999 with a 17 per cent increase in the number of homes sold. Consumer confidence would not be restored until 2002 when the Liberals, newly-elected

on their pro-business platform months earlier, would bolster both economic performance and re-ignite home-buying activity. Over the decade, the number of homes sold has increased close to 45 per cent, reaching 38,978 units in 2007—although the market broke through the 42,000 benchmark in 2005. Meanwhile, housing values almost doubled, rising from \$287,094 in 1997 to \$570,795 last year. Inventory levels have played a critical role in the market over the 10-year period, with the sales-to-new listings ratio climbing to 80 per cent in both 2003 and 2005. In fact, fewer detached listings were available for sale in 2007 than in 1997. Low interest rates and affordability were the primary impetus for first-time buyers who were first out of the gate in 2002. In desirable



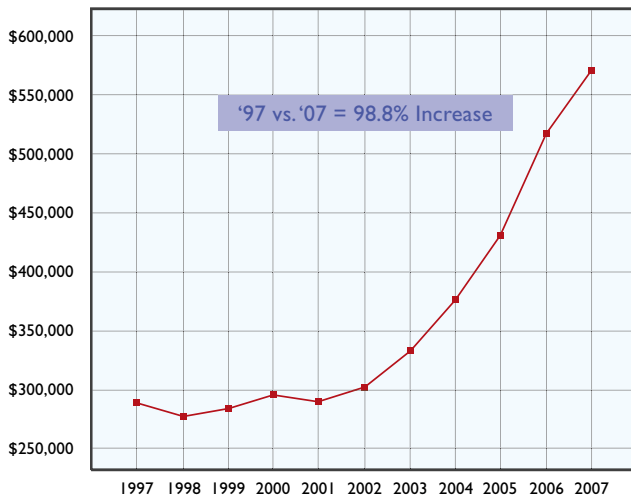
## Top 10 Markets Residential MLS Average Price Appreciation (1997–2007)



Source: CREA, Local Real Estate Boards, RE/MAX

\*Percentages in Parentheses Represent Compound Rate of Return

### Greater Vancouver Area Residential MLS Average Price 1997 – 2007

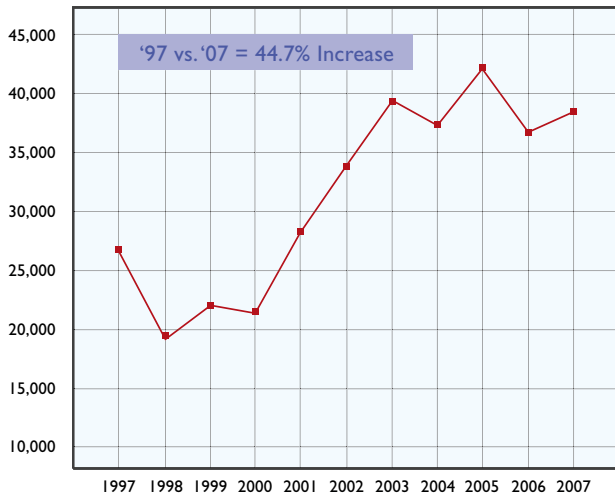


Source: CREA, RE/MAX

Vancouver Westside, a three-bedroom home on a 33 ft. lot could be purchased for \$500,000 in 1997. Today, that property—while renovated—carries a price tag of \$1.35 million. Americans were also active in Greater Vancouver in the early 2000s, taking advantage of the strong US greenback. As existing homeowners built-up equity, they too entered the market, cashing in on serious gains over the years. The upper-end, in particular, benefited from the upswing in the trade-up segment, with sales of homes priced over \$1 million rising close to 800 per cent—from 325 in 1997 to 2,912 units in 2007. A million dollars no longer has the purchasing power it once had—with \$2 million the new benchmark for starter luxury product in Vancouver. Upward pressure on housing values over the years clearly created affordability issues for many first-time buyers who could no longer afford the traditional home. Condominium apartments and town homes represented the only affordable form of homeownership and, in spite of a rocky start—the leaky condominium stigma—sales began to soar. By 2007, multi-unit residential homes represented 40 per cent of



## Greater Vancouver Area Residential MLS Unit Sales 1997 – 2007



Source: CREA, RE/MAX

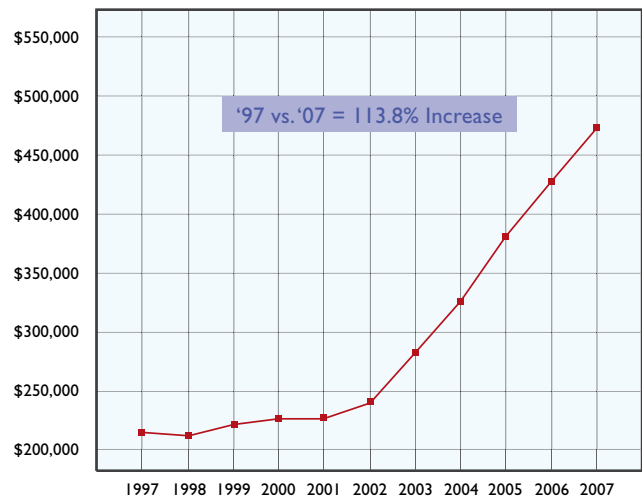
all sales in the Greater Vancouver Area—closer to 60 per cent with new construction. Upscale condominiums have increased in popularity due to the lifestyle aspect. Voracious demand for luxury condominiums has developers introducing units priced as high as \$18 million. Revitalization is evident throughout Greater Vancouver, in areas like Yaletown and False Creek that started with new, multi-unit residential construction and morphed into family-oriented communities in the heart of the city. Hot pocket areas like West Vancouver, Vancouver Westside, and the waterfront continue to hold their own—prime real estate commanding premium prices. Areas like Squamish, Delta, Maple Ridge, Richmond and Abbotsford have also become increasingly popular with today’s purchasers. The commute to the downtown core, however, has prompted an increasing number of residents in Vancouver’s bedroom communities to move back into the city. The local government’s multi-billion-dollar investment in infrastructure, currently underway, will highlight green technologies and help move traffic and people through the city. The Port Mann/Highway One improvement project extending to Langley is expected to complete in 2013. Translink’s Canada Line is scheduled for completion prior to the Olympics,

but lines extending to UBC and the suburbs are not expected to be completed until 2020. Today, the Greater Vancouver Area is one of the strongest residential real estate markets in the country. Buoyed by strong economic fundamentals—low unemployment levels, attractive interest rates, real wage growth, in-migration and the upcoming 2010 Olympics—the city is ideally positioned for further growth.

## Victoria

Much like other major centres in British Columbia, Victoria’s real estate market started to gain momentum shortly after the Liberals were elected to Provincial office in 2001. This proved significant for the local housing market, as the new government brought with it a wave of debt reduction, economic growth and investment. Employment levels and consumer confidence soared, driving demand and sales at all price points. The city has experienced double-digit average price appreciation every year since 2003 and shattered unit sales records annually since 2001, giving back just once in 2006.

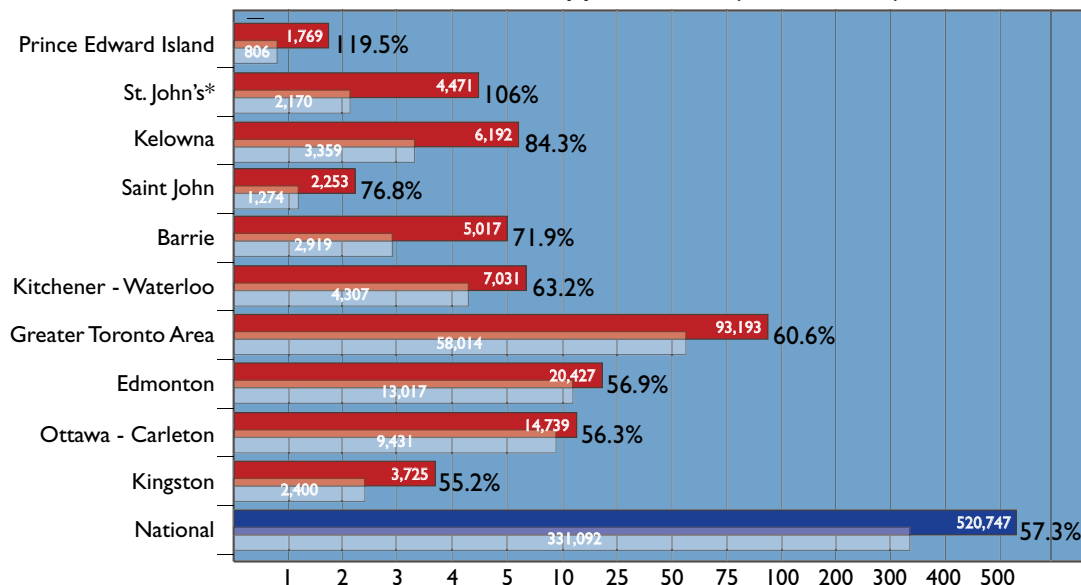
## Victoria Residential MLS Average Price 1997 – 2007



Source: CREA, VREB, RE/MAX



## Top 10 Markets Residential MLS Unit Sales Appreciation (1997–2007)

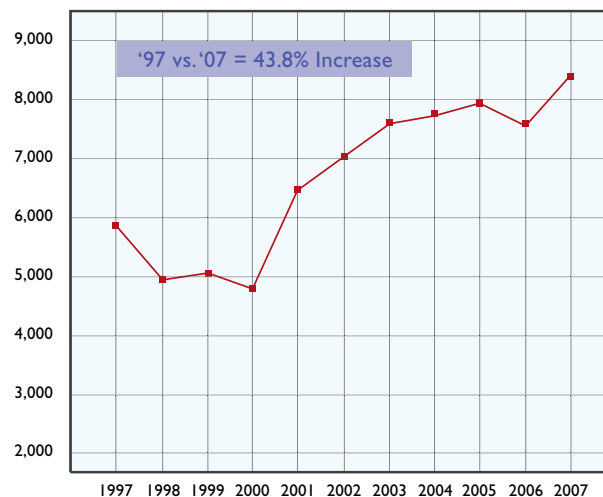


Source: CREA, Local Real Estate Boards, RE/MAX

\*Statistics reflect Residential Unit Sales for entire province of Newfoundland - Labrador.

This upswing sharply contrasts the late 1990s through to 2000, when sales remained relatively flat. The sluggishness was largely tied to the leaky condo issue, which stalled condominium resales and new construction. Remediation and rising prices prompted a rebound midway through the last decade. Affordability levels have proven to be a challenge for some in recent years, with average price rising from \$218,398 in 1997 to \$466,974 in 2007, representing a 114 per cent jump over the past decade (7.8 per cent compounded annually). The sharp rise has caused many to compromise on size, location or type of product. Condominiums, in particular, have seen a surge in demand. Despite a construction boom in the Western Communities during the 10-year period, inventory remains very tight for single-detached homes. Intense competition and bidding wars, unheard of in the late 1990s, are now fairly commonplace, particularly closer to the central core. Waterfront homes, by far, have outperformed all other types of housing. However, established hot pockets such as Gordon Head, Fairfield, and Broadmead have provided a strong return on investment,

### Victoria Residential MLS Unit Sales 1997 – 2007



Source: CREA, VREB, RE/MAX

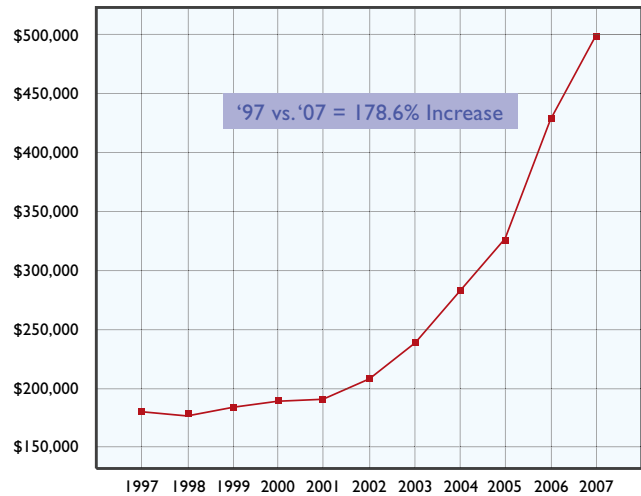


as have several newer areas of the Western Communities such as Langford and Colwood. To illustrate, a typical home in Gordon Head that changed hands for \$300,000 in 1997 would now command an impressive \$650,000. The city continues to redefine itself, with building activity on huge tracts of land in the Western Communities. Revitalization is occurring in the downtown core, with condo construction breathing new life into Central Victoria. Victoria's housing market is driven by the same strong fundamentals in place since 2001—a good employment picture, favourable interest rates, better financing options, and high consumer confidence levels. Although all segments of housing have been strong, the upper-end has experienced a dramatic rise in recent years. Sales of homes priced over \$750,000, a rarity in 1997 at 34, have exploded with 657 recorded last year alone. Wealthy out-of-town and out-of-province purchasers, with an eye to retirement, remain a growing purchaser demographic in Victoria. As solid economic fundamentals persist, demand and activity is expected to remain robust, with near-record sales volume forecast once again in 2008. Price growth will slow to post more moderate, yet healthy, gains.

## Kelowna

Kelowna's residential real estate market has experienced tremendous growth over the past decade, with both sales and average price posting significant increases. The number of homes sold has climbed 84 per cent, rising from 3,359 in 1997 to 6,192 last year, while housing values have jumped 179 per cent, from \$178,525 10 years ago to \$497,322 in 2007—a compounded rate of return of 10.78 per cent. Low interest rates, an influx of out-of-province purchasers, and an aging demographic have been the key factors influencing the Kelowna market throughout the decade. After several years of slow economic growth, the election of the Liberal government in 2001 sparked a wave of home-buying activity, with first-time purchasers leading the charge. The buyer's market that had prevailed for years changed virtually overnight,

**Kelowna**  
Residential MLS Average Price 1997 – 2007

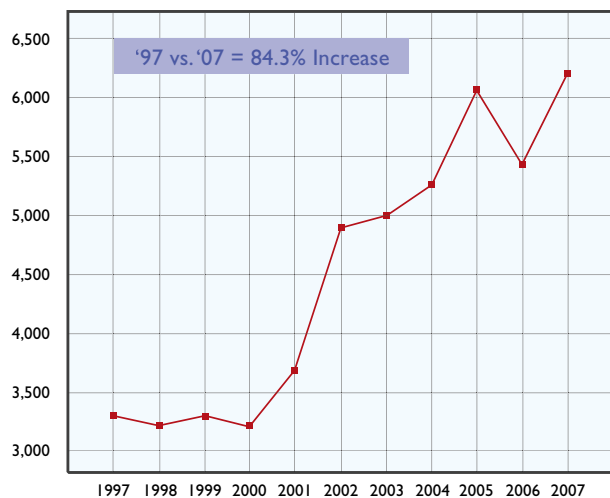


Source: CREA, OMREB, RE/MAX

with conditions favouring the seller still evident today. Blue chip neighbourhoods, such as Upper and Lower Mission, continue to provide the best return on investment, with percentage increases in price appreciation outperforming the city's average. Hot pocket areas in 1997 included Glenmore, Glenrosa, Rutland, and Shannon Lake. Top choices for today's purchasers, due to affordability, are Rutland North, Lake Country, Kelowna South and Westbank. Many areas in the city have undergone change in recent years, including Upper and Lower Mission, Rutland North and South, Lake Country, Kelowna South and Westbank. The forest fires that swept through the region in 2003 forever changed the landscape. Inventory levels were at their worst at the time—with a sales-to-listings ratio of over 90 per cent—and remain relatively tight at present. The limited supply of homes listed for sale has also placed upward pressure on prices. Multiple offers have been commonplace. Affordability levels have declined, forcing many first time buyers to compromise on homeownership. Condominium apartments and town homes are now the logical first step, with sales climbing 185 per cent—from 719 units sold in 1997 to 2,056 units in 2007. New home construction has been strong throughout much of the last decade, although



## Kelowna Residential MLS Unit Sales 1997 – 2007



Source: CREA, OMREB, RE/MAX

restrictions on land use, limited availability and rising prices have affected the industry in recent years. The upper-end of the market has performed exceptionally well, with sales of homes priced in excess of \$1 million up significantly over 1997 levels (1 vs. 112). Strong economic fundamentals will continue to support a healthy housing market in Kelowna, although price appreciation may moderate in the months ahead.

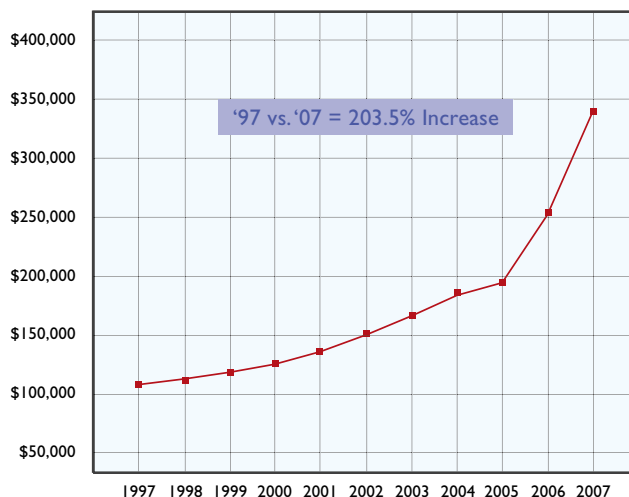
# Alberta

## Edmonton

Strong population growth and limited inventory levels have seriously bolstered Edmonton's residential real estate market over the past decade. According to Statistics Canada, the city's population has exploded—rising 20 per cent to over one million—from census year 1996 through to 2006. The red-hot provincial economy—which continues to fire on all cylinders—has churned out jobs at an unprecedented pace, sparking unabated immigration and immigration. Some of the tightest housing

market conditions in the country have been found in Edmonton over the years, with sales-to-listings ratios rising as high as 87 per cent. Is it any wonder that this market has seen such tremendous growth in such a short period? Housing values have soared in Edmonton over the past decade, rising 203 per cent ahead of 1997 levels, while the number of homes sales has climbed 57 per cent. Average price appreciated more than \$200,000 over the 10-year period—up from \$111,587 in 1997 to \$338,636 last year—making Edmonton the best return on investment in the country at an annually compounded rate of 11.7 per cent. First-time buyers have been the catalyst, initially sparking strong sales in 1996/1997 and continuing to drive activity throughout the decade. Trade-up buyers have acted in tandem, stimulating sales in the top-end of the market. In the past five years alone, sales of homes priced in excess of \$500,000 have climbed from 55 units in 2003 to 2,059 in 2007—an increase of over 3,600 per cent. The move-down buyer, a relatively new phenomenon, has emerged in recent years as the baby boomer segment of the market nears retirement. With many in the Edmonton area choosing to scale down their accommodations, the condominium lifestyle has gained

## Edmonton Residential MLS Average Price 1997 – 2007



Source: CREA, RE/MAX