

## **Canadian home prices expected to increase by two per cent in 2017 as demand remains high**

*Younger Canadians would consider unconventional financing options to realize home ownership according to survey*

**Toronto, Kelowna, Laval,** December 8 2016 // High demand and low supply continued to characterize Vancouver's and Toronto's housing markets throughout 2016 as competition from buyers for limited inventory of single-family homes pushed prices higher. The average residential sale price increased 13 per cent in Greater Vancouver to approximately \$1,020,300 and rose 17 per cent in the Greater Toronto Area (GTA) to an estimated \$725,857. Although demand remains high in both urban centres, limited inventory in the freehold market, the new 15 per cent foreign-buyer tax in Vancouver and the recent tightening of mortgage rules by the federal government are expected to soften market activity in the short term. In 2017, RE/MAX estimates average residential sale price will increase by two and eight per cent in Greater Vancouver and the GTA respectively.

"RE/MAX expects the average home price in Canada to increase two per cent in 2017," said Christopher Alexander, Regional Director, RE/MAX INTEGRA Ontario-Atlantic Canada Region. "Strong demand in Canada's urban centres is expected to continue throughout next year and into the foreseeable future as almost half of Canadians plan to buy a home in the next five to ten years according to a recent RE/MAX survey."

Regional markets in close proximity to Canada's highest-price cities continued to experience steady interest from local move-up buyers and buyers from these cities ("move-over" buyers) who are looking to find a balance between affordability and square footage. This year there were considerable year-over-year average price increases in Barrie (16 per cent), Hamilton-Burlington (20 per cent), Fraser Valley (20 per cent) and Kelowna (14 per cent).

Regulation changes at both the provincial and federal level towards the end of 2016 are already starting to impact activity in certain markets. The 15 per cent foreign buyer tax is expected to slow this trend somewhat, as price appreciation declines in Vancouver have resulted in some potential sellers staying in the Lower Mainland. The ripple effect of the foreign buyer tax can also be felt in the upper end of the GTA and Montreal markets as some foreign investors are expected to look for properties in these regions rather than Vancouver. Measures taken by the federal government to tighten mortgage insurance criteria for new home buyers is expected to temper local first-time buyer activity across the country in the short term, but is not expected to have a long-term impact in most regions.

Home ownership remains a priority for Canadians, with 53 per cent of respondents in a recent RE/MAX survey conducted by Leger expressing intent to purchase a home and 47 per cent expressing intent to do so in the next five to 10 years. Nearly one in three (30 per cent) Canadians plan to use the purchase of a home as an investment strategy to help fund their retirement, and 42 per cent of millennial respondents view it as a retirement funding strategy. A proportion of Canadians would also consider unconventional home financing options to realize their dream of ownership such as: purchasing a home with a family member (33 per cent); renting a room on a vacation rental site like Airbnb (15 per cent);

renting out a room in their home (22 per cent); or even purchasing a home with a roommate (9 per cent).

The housing markets in Calgary and Edmonton remained relatively stable, with moderate declines in the number of sales and average residential sale price as a result of the prolonged recovery of the oil sector over the past two years. The average residential sale price in Edmonton decreased slightly, by two per cent year-over-year in 2016, while Calgary's average residential sale price decreased by four per cent. Buyer activity is expected to pick up slightly in the second half of 2017 if employment opportunities in the oil sector continue to gradually come back to the province.

"The housing markets in Alberta's two largest cities have remained resilient in 2016," said Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. "Low oil prices will continue to lead to tempered consumer confidence, but ongoing development projects in Edmonton and the recent approval of the Trans Mountain pipeline are expected to provide a boost to the provincial economy and help keep housing markets relatively stable in 2017."

High inventory continues to be a factor in many regions including Regina, Montreal, Saint John and St. John's, offering a good selection of product to first-time and move-up buyers in these cities. Local infrastructure projects and initiatives, such as preparations for Montreal's 375th anniversary celebrations in 2017, are anticipated to provide a boost to these economies and their real estate markets next year.

The RE/MAX 2017 average residential sale price expectation for Canada is an increase of two per cent as Canadians continue to see home ownership as an important milestone as well as a good investment.

For the full 2017 RE/MAX Housing Market Outlook report, [click here](#).

## Data Table

Average Residential Sale Price 2013-2016 and 2017 Outlook							
	2017 (forecast \$)	2017 (forecast %)	2016 (estimate)	2015	2015/2016 % change	2014	2013
Victoria	\$590,450	1.60%	\$ 580,961	\$ 518,153	12.00%	\$ 507,212	\$ 476,568
Greater Vancouver	\$1,040,706	2.00%	\$1,020,300	\$ 902,801	13.01%	\$ 812,652	\$ 767,765
Fraser Valley	\$655,500	-5.00%	\$ 690,000	\$ 577,507	19.48%	\$ 498,703	n/a
Kelowna	\$513,642	4.00%	\$ 493,887	\$ 435,074	13.52%	\$ 424,145	\$ 397,000
Calgary	\$402,335	0.00%	\$402,335	\$ 417,328	-3.59%	\$ 484,790	\$ 456,000
Edmonton	\$364,000	0.00%	\$364,000	\$ 372,511	-2.28%	\$ 367,038	\$ 351,000
Saskatoon	\$351,032	0.00%	\$351,032	\$ 355,653	-1.30%	\$ 361,031	\$ 338,309
Regina	\$318,785	0.00%	\$318,785	\$319,857	-0.34%	\$ 329,379	\$ 320,430
Winnipeg	\$297,155	3.00%	\$288,500	\$ 281,022	2.66%	\$ 289,538	\$ 274,373
Windsor-Essex	\$237,791	5.00%	\$226,468	\$ 201,115	12.60%	\$ 192,124	\$ 183,518
London-St. Thomas	\$295,179	6.00%	\$278,471	\$ 264,435	5.31%	\$ 254,141	\$ 245,737
Sudbury	\$261,937	2.00%	\$256,801	\$ 250,593	2.48%	\$ 255,371	\$ 250,518
Kitchener-Waterloo	\$413,313	8.00%	\$382,697	\$348,220	9.90%	\$339,412	\$336,325
Hamilton-Burlington	\$594,427	11.00%	535,520	\$446,961	19.81%	\$388,487	\$ 383,840
Barrie	\$425,730	4.00%	\$409,356	\$351,554	16.44%	\$319,612	\$ 308,200
Greater Toronto Area	\$783,926	8.00%	\$725,857	\$ 622,217	16.66%	\$ 566,626	\$ 522,963
Kingston	\$311,712	2.00%	\$305,600	\$ 298,000	2.60%	\$ 287,291	\$ 287,567
Ottawa	\$378,359	2.00%	\$370,940	\$ 367,632	0.90%	\$ 362,868	\$ 353,881
Greater Montreal	\$368,160	6.00%	\$347,321	\$337,263	2.98%	\$ 331,057	\$ 321,059
Quebec City	\$259,793	-2.00%	\$265,095	\$ 265,204	-0.04%	\$ 264,589	\$ 267,294
Saint John	\$182,006	2.50%	\$177,567	\$ 175,152	1.38%	\$ 178,440	\$ 179,351
Halifax-Dartmouth	\$292,235	1.50%	\$287,916	\$278,117	3.52%	\$ 273,917	\$ 274,153
Charlottetown	\$240,250	4.00%	\$231,010	\$ 219,460	5.26%	\$ 219,867	\$ 203,722
St. John's and Area	\$279,356	0.00%	\$279,356	\$ 296,812	-5.88%	\$ 306,405	\$ 301,000

## Key Findings from 2017 RE/MAX Housing Market Outlook Omnibus Survey

While home prices across the country continue to increase, home ownership remains important to Canadians. Just under two-thirds of the population currently owns their primary residence, either outright or with a mortgage, and over 50 per cent of Canadians intend to buy a home at some point in their lives. A number of Canadians are also considering alternative financing methods such as purchasing a home with a family member, renting out a room in their home to a tenant or on a vacation rental site and even purchasing a home with a roommate in order to make their dreams of home ownership possible. For one third of Canadians, home ownership is viewed as an important part of their investment strategy to help fund retirement.

1. 61 per cent of Canadians own their primary residence, either outright or with a mortgage
  - British Columbia = 54 per cent
  - Alberta = 67 per cent
  - Saskatchewan and Manitoba = 72 per cent

- Ontario = 58 per cent
  - Quebec = 59 per cent
  - Atlantic Canada = 72 per cent
2. 53 per cent of Canadians intend to buy a home at some point in their lives and almost half (47 per cent) intend to do so in the next 5-10 years
    - British Columbia = 29 per cent
    - Alberta = 55 per cent
    - Saskatchewan and Manitoba = 36 per cent
    - Ontario = 52 per cent
    - Quebec = 52 per cent
    - Atlantic Canada = 36 per cent
  3. Nearly 1 in 3 (30 per cent) Canadians plan to use the purchase of a home as an investment strategy to help fund their retirement; This number is higher for Canadian millennials at 42 per cent
    - British Columbia = 18 per cent
    - Alberta = 27 per cent
    - Saskatchewan and Manitoba = 23 per cent
    - Ontario = 32 per cent
    - Quebec = 44 per cent
    - Atlantic Canada = 14 per cent
  4. A number of Canadians are considering “alternative” ways to finance home ownership.
    - a. 1 in 3 Canadians would consider purchasing a home with a family member
      - Canadians 65+ = 17 per cent
      - Canadians 55-64 = 22 per cent
      - Canadians 45-54 = 30 per cent
      - Canadians 35-44 = 36 per cent
      - Canadians 18- 34 = 50 per cent
    - b. 22 per cent of Canadians would rent out a room in their home
      - Canadians 65+ = 9 per cent
      - Canadians 55-64 = 13 per cent
      - Canadians 45-54 = 21 per cent
      - Canadians 35-44 = 21 per cent
      - Canadians 18- 34 = 38 per cent
    - c. 15 per cent would rent a room on a vacation rental site like Airbnb to help finance their homes
      - Canadians 65+ = 4 per cent
      - Canadians 55-64 = 8 per cent
      - Canadians 45-54 = 14 per cent
      - Canadians 35-44 = 16 per cent
      - Canadians 18- 34 = 28 per cent
    - d. 26 per cent would rent out a separate suite in their home to a tenant
      - Canadians 65+ = 17 per cent
      - Canadians 55-64 = 18 per cent

- Canadians 45-54 = 22 per cent
  - Canadians 35-44 = 31 per cent
  - Canadians 18- 34 = 37 per cent
- e. 9 per cent of Canadians would consider purchasing a home with a roommate(s)
- Canadians 65+ = 1 per cent
  - Canadians 55-64 = 3 per cent
  - Canadians 45-54 = 7 per cent
  - Canadians 35-44 = 8 per cent
  - Canadians 18- 34 = 19 per cent

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***About the RE/MAX network***

RE/MAX was founded in 1973 by Dave and Gail Liniger, with an innovative, entrepreneurial culture affording its agents and franchisees the flexibility to operate their businesses with great independence. Over 110,000 agents provide RE/MAX a global reach of over 100 countries and territories. RE/MAX, LLC, one of the world's leading franchisors of real estate brokerage services, is a wholly-owned subsidiary of RMCO, LLC, which is controlled and managed by RE/MAX Holdings, Inc. (NYSE: RMAX). With a passion for the communities in which its agents live and work, RE/MAX is proud to have raised more than \$150 million for Children's Miracle Network Hospitals® and other charities. For more information about RE/MAX, to search home listings or find an agent in your community, please visit [www.remax.ca](http://www.remax.ca).

***About RE/MAX INTEGRA and RE/MAX INTEGRA, Ontario-Atlantic Canada***

RE/MAX INTEGRA, founded in 1980, is a privately held company by Canadian entrepreneurs. With regional headquarters in Toronto, Boston, Minneapolis, Indianapolis, Zug, and Vienna, RE/MAX INTEGRA represents nearly a third of all RE/MAX Sales Associates worldwide. The company was founded on the premise of providing outstanding service and support both at the regional level and to the end consumer.

The Ontario-Atlantic Canada region has surpassed 10,000 quality Associates; The US regions — New England and the Midwest (including the following states: Minnesota, Wisconsin and Indiana) — account for more than 6,500 Associates with over 2,600 and 3,800 Associates respectively; and the European region leads with more than 16,000 Associates. For more information about RE/MAX INTEGRA, visit [www.remaxintegra.com](http://www.remaxintegra.com).

### **About Leger**

Leger is the largest Canadian-owned full-service market research firm. The survey of 1,522 Canadians was completed online between Nov. 14 and Nov. 17, 2016, using Leger's online panel, LegerWeb. Leger's online panel has more than 475,000 members nationally — with between 10,000 and 20,000 new members added each month, and has a retention rate of 90%. A probability sample of the same size would yield a margin of error of +/- 2.5%, 19 times out of 20.

### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "intend," "expect," "estimate," "plan," "outlook," "project" and other similar words and expressions that predict or indicate future events or trends that are not statements of historical matters. These forward-looking statements include statements regarding the future performance of the housing market, the Company's financial and operational outlook, the Company's belief that business fundamentals remain strong, as well as other statements regarding the Company's strategic and operational plans. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward looking statements. Such risks and uncertainties include, without limitation, (1) changes in business and economic activity in general, (2) changes in the real estate market, including changes due to interest rates and availability of financing, (3) the Company's ability to attract and retain quality franchisees, (4) the Company's franchisees' ability to recruit and retain agents, (5) changes in laws and regulations that may affect the Company's business or the real estate market, (6) failure to maintain, protect and enhance the RE/MAX brand (7) fluctuations in foreign currency exchange rates, as well as those risks and uncertainties described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" in the most recent Form 10-K filed with the Securities and Exchange Commission ("SEC") and similar disclosures in subsequent reports filed with the SEC, which are available on the investor relations page of the Company's website at [www.remax.com](http://www.remax.com) and on the SEC website at [www.sec.gov](http://www.sec.gov). Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Except as required by law, the Company does not intend, and undertakes no duty, to update this information to reflect future events or circumstances.