



RE/MAX report finds Canada's real-estate market poised for robust spring and summer

RE/MAX Spring Market Trends Report 2014 finds increased activity in local housing markets across Ontario and Eastern Canada as winter fades and temperatures rise

TORONTO, April 15, 2014 – Today RE/MAX released its Spring Market Trends Report, showcasing key housing market trends in 24 residential real estate markets across Canada.

An unusually harsh winter delayed the start of the spring real estate season in many Canadian markets east of British Columbia, while low inventory was a key theme in major urban centres across the country, leading to significant price increases in markets where supply struggled to keep pace with demand. Natural resources, manufacturing and major infrastructure projects continue to drive economic confidence, creating a strong foundation for residential real estate growth from coast to coast through the rest of the year.

The full RE/MAX Spring Market Trends Report, with market activity summaries for 24 regions across the country, is available here: <http://rem.ax/1kXvf7I>

Ontario and Eastern Canada

Despite record-setting low temperatures this winter, housing market activity in Ontario and Eastern Canada picked up in March and showed year-over-year resilience in most regions during the first quarter of 2014. In urban centres around the Golden Horseshoe, house prices continued to post gains while inventory struggled to keep pace with demand. Across Eastern Canada, price increases were also seen in regions with strong local economies driven by the resource sector and major infrastructure development.

“The unusually cold winter led to a slow start in early 2014, but Ontario and Atlantic Canada are now seeing significant housing market activity and are poised for robust spring and summer seasons,” said Gurinder Sandhu, Executive Vice President, Regional Director & Chief Financial Officer RE/MAX INTEGRA Ontario-Atlantic Canada Division. “We expect an extended spring market this year as sellers who waited for warmer temperatures are now listing their properties in greater numbers, which will help meet the pent up demand of those who have been looking to buy since early 2014.”

Potential homebuyers in the Greater Toronto Area, Hamilton and Burlington continue to face low inventory and increasing prices. In Toronto the average residential sale prices jumped almost 8 per cent year-over-year in March, as the city saw inventory continue to decline. As of the end of March the average price for a detached home in the GTA was \$718,400, while the average condo was a more affordable \$347,200.

Toronto is also experiencing low rental vacancies, adding to frustrations of those debating whether to buy or rent. With a vacancy rate below two per cent, desirable rental properties in the city's downtown core are now attracting multiple offers.

From Ottawa and Kingston to London and Windsor, the harsh winter slowed year-over year real estate activity in January and February across much of Ontario. In Windsor, which suffered its heaviest snowfall since 1908, first quarter unit sales declined 15 per cent year-over-year. However, this trend is now reversing itself; March showed strong signs of recovery as unit sales were down just one per cent compared to the previous year. This trend played out across the province, as increased sales in March made up for sluggish activity seen in January and February.

The harsh winter conditions also delayed early 2014 activity across some markets in Atlantic Canada. In St. John's, despite strong consumer confidence and a growing local economy, real estate sales decreased 9 per cent year-over-year in February. Activity picked up in March, and by the end of the month average year-over-year prices had increased by 5 per cent to \$308,851.

Looking at the year ahead, a number of factors are expected to contribute to strong markets across the region. Halifax looks set for a 2014 recovery driven by the local shipbuilding industry and an influx of young people attracted to the urban lifestyle and affordability of small suites in the city's core. In Newfoundland, natural resources and capital spending projects should continue to fuel the region's economy and housing market. Foreign buyers in PEI, particularly those from Asia, are expected to fuel sales in the upper-end of the island's real estate. Finally, in New Brunswick, Saint John buyers continue to wait on announcements about pipeline and oil refinery developments that could have a transformative impact on their market.

Western Canada and the Prairies

There was robust market activity across much of Western Canada during the first quarter of 2014. In what was a tale of two winters, Vancouver and Victoria saw year-over-year price gains during an unusually mild January and February. At the same time, below average temperatures in cities such as Edmonton, Calgary and Saskatoon were not enough to cool local market sales, where house prices also continued to climb. And while Winnipeg and Regina did experience market slowdowns, both regions show signs of increased activity as warmer temperatures motivate both buyers and sellers to enter the market.

"Western Canada is poised for strong housing market activity during the all-important spring and summer sales season," said Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. "With Winnipeg's healthy agricultural and manufacturing sectors, sturdy job markets in Regina,

Saskatoon and across Alberta, as well as the cultural and economic draw of Victoria and the Greater Vancouver Area, our RE/MAX agents across the West expect to be busy in the months ahead.”

At the end of March, Vancouver’s market had posted a 5.4 per cent year-over-year average price increase, but with the cost of a typical single family house reaching \$1.36 million, many younger buyers have found themselves priced out of the market. This low affordability has prompted some innovative solutions, with 400-square-foot studios now selling in the \$150,000 price range, offering first time buyers a toe-hold into the market. These entry-level condos have even led to the development of entire new lines of multipurpose furniture designed specifically for efficient spaces.

Many potential homebuyers in Alberta have been frustrated by low inventory. This is particularly true in Calgary where a typical home spent less than 35 days on the market. Those looking to rent while waiting for the Calgary housing market to balance out have also struggled with a rental vacancy rate of one per cent. In a situation similar to Toronto, desirable rental properties in Calgary’s core are now attracting multiple offers, creating additional frustrations for those waiting to buy.

Across the Prairies, Saskatchewan showed strong housing market activity throughout the first quarter. At an average price of \$354,084, year-over-year housing prices were up five per cent in Saskatoon as of the end of March. Regina also posted gains, where the average sale price in the city rose 4.8 per cent to \$328,781 over the same period. In Winnipeg arctic temperatures put a chill on the market with sales down over the first two months of the year. However, after a dozen years of as a seller’s market, Winnipeg is expected to be more balanced in 2014 as new buyers are to drive sales of condos and detached homes.

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 93,000 agents provide RE/MAX a global reach -- operating in more than 95 countries. RE/MAX is Canada’s leading real estate organization with more than 19,000 Sales Associates and over 750 independently-owned and operated offices nationwide. RE/MAX, LLC, one of the world’s leading franchisors of real estate brokerage services, is a subsidiary of RE/MAX Holdings, Inc. (NYSE:RMAX). For more information about RE/MAX, to search home listings and/or find an agent in your community, please visit www.remax.ca.

About Integra Enterprises and RE/MAX Ontario-Atlantic Canada

RE/MAX INTEGRA is privately owned by Canadian entrepreneurs and represents nearly a third of all RE/MAX agents worldwide. The Ontario-Atlantic Canada region is driving towards 10,000 quality agents. The US regions—New England and the Mid West (which is made up of Minnesota, Wisconsin and Indiana)—account for over 6,000 agents, and Europe and the Middle East account for more than 12,000 agents.

Forward Looking Statements

This report 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”, “poised,” “should” and “project” and other similar words and expressions that predict or indicate future events or trends or that are not statements of historical matters. 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 include, without limitation, those described in the sections “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation in RE/MAX Holdings Inc.’s registration statement on Form S-1 filed with the United States Securities and Exchange Commission (“SEC”) and (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, and (3) changes in laws and regulations that may affect our business or the real estate market. 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, RE/MAX Holdings Inc. does not intend, and undertakes no duty, to update this information to reflect future events or circumstances. Investors are referred to in RE/MAX Holding Inc.’s registration statement on Form S-1 and subsequent reports filed with the SEC.

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