

RE/MAX increases 2015 national price projection to 3 per cent as high consumer confidence and low inventory fuel home prices in Toronto and Vancouver

Single buyers emerging as a growing trend

Toronto and Kelowna, April 17, 2015// Low inventory in Vancouver and Toronto continue to drive prices as buyers find themselves in competition over the low supply of single-family homes. The average residential sale price in Toronto and Vancouver at the end of the first quarter grew 8 per cent and 7 per cent, rising to \$594,827 and \$874,869, respectively. In both markets, first-time buyers find themselves in competition with downsizers and investors with more resources to outbid. Condominiums are the only affordable option for many local residents looking to enter the market. Condominium buyers are attracted to more than just affordability. Buyers—especially Millennials—are attracted to a more urban, car-free lifestyle in the heart of the city. Vancouver’s condominium inventory is also low, although higher than freehold properties.

“Multiple bids and offers without conditions are becoming more and more commonplace in Toronto and Vancouver. Buyers are looking for every opportunity to gain an advantage over the competition,” said Gurinder Sandhu, Executive Vice President, RE/MAX INTEGRA Ontario-Atlantic Canada Region. “Strong negotiating skills, local knowledge and networks are important. Potential buyers are making offers before properties are even coming online.”

The 2015 average residential sale price in Toronto and Vancouver was projected to increase by 4 per cent and 3 per cent, respectively. The 2015 price projection for Toronto has been revised to 7 per cent and 6 per cent in Vancouver, resulting in a revised national forecast of 3 per cent.

Regions outside of Vancouver and Toronto, such as Victoria, Hamilton-Burlington and Barrie have all reported an increase in spillover effect from Canada’s highest priced regions. The three regions posted first quarter price gains of 2 per cent, 8 per cent and 6 per cent, respectively.

Another interesting trend that was reported in many Canadian housing markets such as Winnipeg, Saskatoon and Halifax is the increase of single buyers. This is also evident in Toronto’s condo market. Typically, these buyers are young and motivated to get into the property market and create the lifestyle they are working hard to establish. This marks a shift in life milestones as previously home ownership often came after marriage.

As RE/MAX commented in December 2014, oil price volatility takes considerable time to show effect in house pricing. Calgary posted a modest first quarter 2 per cent decline in average residential sale price compared to the same quarter in 2014, while Edmonton posted a 2 per cent increase. However, market activity is down in both Calgary and Edmonton, while inventory is high.

“Albertans are waiting to see the long-term effect of oil prices in the region before making their purchase while sellers are holding out on price. This is creating higher than typical inventory levels,” said Elton Ash,

Regional Executive Vice President at RE/MAX of Western Canada. “As the price of oil stabilizes, so too should the housing markets in Calgary and Edmonton. It is also important to note that both cities have diversified over the years to support their growing populations. Both do rely heavily on the oil industry but the economic picture is more complicated than it has been in the past.”

Not all provinces have been negatively impacted by lower oil prices. Provinces with minor exposure to the oil industry and that can benefit from the low cost of energy are poised to perform well, most notably Ontario and British Columbia. In addition, the average Canadian has more money in their pocket by saving at the pump.

Another oil economy, St. John’s, witnessed a 6 per cent year-over-year increase in sales in the first quarter of 2015 compared to the same quarter last year. However, the average residential sale price has decreased 4 per cent over the same period. In contrast, St. John’s upper-end market is proving resilient as activity remains healthy and quality listings are in demand.

In Ottawa, residential sales were up 2 per cent year-over-year, while the average residential sale price rose 1 per cent. Since the federal election is not until the fall, the usual market pause that would result is not expected to impact the spring and summer buying season.

Canada’s housing market is expected to continue benefitting from record low interest rates for the remainder of the year motivating new buyers into the market and mitigating effects from modest economic growth and oil price volatility. Immigration is also expected to continue to have a positive effect on both the Canadian economy as well as its housing markets. Canada is expected to welcome 260,000 to 285,000 new permanent residents in 2015.

For the full 2015 RE/MAX Spring Market Trends Report, [click here](#).

To coordinate interviews, please contact:

Western Canada

Wade Paterson
O. 1-800-563-3622

Léo Newman

O. 604-688-2505; C. 778-223-1755; E: leo.newman@fleishman.ca

Ontario and Atlantic Canada

Shelby Schneider
O. 905-542-2400

Rachael Factor

O. 416-645-3660; C. 416-460-5744; E: rachael.factor@fleishman.ca

Market	Average Residential Sale Price		Year-Over-Year (%)
	2014	2015	2015/2014
Victoria	\$560,500	\$569,070	2%

Greater Vancouver Area	\$821,084	\$874,869	7%
Kelowna	\$418,764	\$413,369	-1%
Calgary	\$484,877	\$474,251	-2%
Edmonton	\$360,198	\$368,002	2%
Saskatoon	352,900	351,849	0%
Regina	\$326,363	\$308,355	-6%
Winnipeg	\$282,000	\$284,000	1%
London	\$248,606	\$255,786	3%
Hamilton-Burlington	\$411,401	\$443,706	8%
Windsor-Essex	\$177,290	\$189,433	7%
Sudbury	\$255,555	\$247,448	-3%
Barrie & District	\$344,861	\$365,201	6%
Greater Toronto Area	\$549,068	\$594,827	8%
Ottawa	\$354,639	\$357,347	1%
Kingston & Area	\$289,839	\$295,576	2%
Saint John, NB	\$175,000	\$167,000	-5%
Halifax-Dartmouth	\$267,196	\$271,677	2%
St. John's, NF	\$312,079	\$299,415	-4%

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 100,000 agents provide RE/MAX a global reach of nearly 100 countries.

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.

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, Zug, and Vienna, RE/MAX INTEGRA represents nearly a third of all RE/MAX Sales Associates worldwide. RE/MAX INTEGRA 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, is driving towards 10,000 quality Associates; The US regions — New England and the Mid West (including the following states: Minnesota, Wisconsin and Indiana) — account for more than 6,300 Associates with over 2,600 and 3,600 Associates respectively; and the European region leads with more than 12,000 Associates.

For more information about RE/MAX INTEGRA, visit www.remaxintegra.com.

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 and on the SEC website at 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.