

A photograph of a man and a woman smiling and embracing each other, positioned on the right side of the header. The man is on the left, and the woman is on the right. They are both looking towards the camera with bright, happy expressions.

FIRST WAVE REPORT

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BRITISH COLUMBIA

VANCOUVER

In the past five years, baby boomers have been out in full force in Vancouver, driving activity for luxury waterfront condominiums in the downtown core. Hailing from West Vancouver, Point Grey, Mackenzie Heights, Kerrisdale, and Kitsilano, these affluent boomers are focusing on upscale condominium projects -- Cole Harbour and False Creek. Boomers with more financial wherewithal are looking to Wall Centre, a high-end suite hotel with a condominium component offering access to all services, including the use of a private helicopter pad. At present, an estimated 38 per cent of purchasers in the downtown area are from out-of-town -- other parts of the province, country, or world --and many are looking at properties for investment purposes. Bricks and mortar are becoming an increasingly important factor in the overall retirement strategy. With starting prices in the \$500,000 range for a reasonable-sized condominium in the downtown core, some boomers are assuming debt. Such is the case in nearby Abbotsford, where luxury condominiums and golf course communities are experiencing strong demand. Most purchasers are looking for larger homes, with layout being of key importance. Homes that offer an entertainment room, spacious master suites, well-designed kitchens, as well as a deck, patio or terrace, are moving quickly. Few purchasers in Abbotsford are willing to sacrifice location for lower price tags. Boomers are also driving demand for upscale properties in the South Surrey/White Rock area, where gated communities are a growing trend. However, with inventory down 40 per cent from normal levels, multiple offers are common across the board. The city's high prices have triggered movement into other areas of the province, including the Sunshine Coast, Vancouver Island, and Kelowna.

VICTORIA

In-migration is a significant factor in Victoria, with baby boomers spurring real estate investment across the board. Affluent Americans and out-of-province Canadians, drawn to Victoria's picturesque landscape and the promise of year-round golf, are purchasing second properties in anticipation of retirement down the road. Local boomers are also putting their retirement strategies into play, making lateral moves into luxury condominiums or bungalows. Very few boomers are pocketing equity – in fact, some find themselves in the position of laying out additional funds. Renovation is commonplace as baby boomers refurbish existing dwellings to upscale specifications. Waterfront living is still coveted, but extremely expensive, with properties priced under \$1 million virtually impossible to find. Despite rising housing values, a variety of options exist --Arbutus Ridge, for example, offers boomers an opportunity to live in a gated, seaside golf community just 30 minutes up-island. Hobby farms and acreage are popular choices with the horse crowd. Adult lifestyle, mid-rise condominium buildings are an affordable alternative, starting at \$350,000, while high-end condominiums such as Shoal Point are ideal for absentee owners. Golf communities with new homes located in close proximity to the Bear Mountain, the course designed by Jack Nicklaus, are increasingly sought after. Inventory in Victoria is limited at this point in time, including the luxury condominium market. A lengthy re-zoning and approval process slows new development. As the boomers approach their retirement years, those looking to settle in Victoria can expect to pay a premium on residential housing.

KELOWNA

With close to 30 per cent of the population over 55 years of age in 2001, Kelowna has become one of the country's premier retirement communities. Although existing stock is adequate at present, concerns have been raised about the future impact this rapidly growing segment of the market will have on housing. New home builders are poised to respond, but restrictions on B.C.'s agricultural lands and re-zoning issues have seriously impeded the construction process to date. Strong demand is best illustrated by the successful pre-sale of 60 units in a condominium apartment complex scheduled for completion in 2005. Unlike their predecessors, affluent baby boomers in Kelowna are not downsizing in the traditional sense. Many boomers, looking to upgrade their living conditions, are prepared to invest heavily in their principal residence. In fact, this segment of the market has been a driving force, largely contributing to the 25 per cent of sales over \$400,000 in areas like Upper Mission, Crawford Estates, and Mount Royal. From luxury condominium sales on the waterfront to secondary homes in ski areas like Big White and Silver Star, baby boomers are once again shaping the future – and as first wave heads towards the golden years, this segment is setting higher standards for retirement living across the board.

ALBERTA

EDMONTON

The impact of an aging baby boom generation is becoming more and more evident on new and existing housing stock in Edmonton. In 2001, approximately 19

per cent of residents were aged over 55 years, up from 17.5 per cent in 1996. With this trend expected to continue to increase as the baby boomers move through the lifecycle, those in the building industry are set to introduce projects that specifically target this age group. Growing in popularity are adult-only, side-by-side duplex condominiums starting in the \$200,000 range. A large percentage of empty nesters value the simplicity and ease of condominium living. Overall boomers have contributed to an exceptional upswing in condominium sales, now representing 30 per cent of total residential unit sales in Edmonton. Construction is currently underway on one of the city's most upscale condominium projects overlooking the river valley. Prices start at \$400,000 and climb to over \$2 million – in a market where average price hovers at \$165,000. Downsizing is also occurring – but not in the traditional sense. Baby boomers are looking for smaller houses with better finishings – the so-called 'bells and whistles.' Located in Edmonton's west end and southwest areas, this trend is just beginning to gain momentum. Secondary properties in areas like Canmore are also a popular item with baby boomers. In recent years, travel to southern destinations like Arizona has moderated due to the exchange rate and the high cost of health insurance.

CALGARY

The purchasing patterns of Calgarians headed for retirement has shifted dramatically in recent years due to greater financial security and changing lifestyles. Although just over 16 per cent of residents were over 55 years of age in 2001, this segment of the market is expected to grow in coming years. The most significant trend

worth noting is that affluent baby boomers are starting to make their way back into the city from the suburbs – and in some instances, trading up to more expensive properties in close proximity to shopping, restaurants, and entertainment. A number of boomers are taking on additional debt, with mortgages ranging from 10 to 25 per cent of the total value. The logic behind the move is that the downtown location will offer more liquidity in the long-term. Other boomers are making lateral moves from larger homes to small, centrally-located, luxury condominiums that offer maintenance-free living starting at \$250,000. Downsizing is occurring, typically from large, 4,000 sq. ft. properties to more manageable 2,000 square ft. homes. Unlike the previous generation, it appears that very few baby boomers are inclined to pocket the difference. B.C.'s warmer climate continues to entice aging baby boomers. Southern destinations such as Arizona and parts of Mexico are also popular, but many of these snowbirds are maintaining a residence in Calgary.

SASKATCHEWAN

REGINA

Regina's aging baby boomers, discouraged from travelling in the United States by the events of 9/11, have chosen to retire locally. Many have sold vacation properties elsewhere and used the equity gained in recent years to finance luxury condominium sales at home. Priced at \$150,000 and up, high-rise condominiums offer boomers location, security, and close proximity to shopping, restaurants, and entertainment. Inventory levels are extremely low and builders are responding to this growing segment of the market.

Condominiums now represent approximately 15 per cent of total residential unit sales in Regina and that figure is expected to climb in the years ahead as a growing number of boomers enter the marketplace. The renovation boom has also extended to baby boomers who are upgrading their homes to include all the bells and whistles. Adult lifestyle communities are cropping up across the board, offering baby boomers apartment or bungalow-style condominium living. For those over 60 years of age, the trend is moving toward phased living. The first life-lease project is to be built on Broadway later this year. Regina has also seen an influx of baby boomers from rural areas. These boomers are spurring sales for retirement product in anticipation of their golden years.

SASKATOON

On the move in Saskatoon, baby boomers are doing what it takes to ensure they end up with the home of their dreams. New homebuilders are cashing in on the inclination towards upgrades and options. Open-concept floor plans, hardwood floors, granite countertops, jacuzzi bathtubs, master suites—if it says ‘luxury’ or ‘deluxe,’ sign them up—boomers want to be pampered and they’re willing to pay for the privilege. However, the homes of today’s boomers needn’t be turn-key necessarily. Good bones and location are all that’s required, as the renovation and customization trend continues at full tilt in Saskatoon. Gated communities are a rising trend and can now be found in Arbour Creek, Briarwood, and Silver Springs, offering homes starting from \$199,000. Homes in the city’s first golf course community will be coming on stream this year, and already purchasers with an eye

to retirement are lining up for an opportunity to own one of Saskatoon’s newest prestige residences. The price tag, including land? \$500,000 and up. Lakefront properties are also coveted, but command top dollar. Starting at a more affordable \$225,000, demand is growing for luxury condominiums, although the supply of such product is very tight. A new development on the river should help ease some of the pent-up demand. Overall, Saskatoon offers boomers a good range of retirement product. Popular are two-storey, and split-level homes in newer neighbourhoods, as well as condominiums and large bungalows. A shortage of product will make the quest to find that dream home more challenging, particularly in the \$190,000 to \$260,000 price range. Fortunately, some exciting new developments are in the works for Saskatoon boomers, as builders become more in tune with this unique segment of the marketplace. Saskatoon’s choice neighbourhoods for both new and resale homes continue to be Lawson Heights, Erindale, Arbour Creek, Briarwood, and Silver Springs.

MANITOBA

WINNIPEG

Today’s baby boomer and retirees in Winnipeg are not going quietly into their retirement years. Quite the opposite, a significant number of them are seeking out active lifestyles in communities that offer location, location, location and all the amenities that go along with it. Upsizing in price, but not necessarily size, there’s no question that this demographic is having an impact on the city’s housing market. Multiple offers continue to be the norm —

OLDER CANADIANS AS A PERCENTAGE OF THE POPULATION* 1996 VS. 2001			
CITY	1996 55+	2001 55+	% CHANGE
KELOWNA**	26.89	29.15	2.26
ST. CATHARINES/NIAGARA	26.05	28.01	1.96
VICTORIA	26.32	27.70	1.38
WINNIPEG	21.36	26.55	5.19
MONTREAL	21.15	22.87	1.72
SAINT JOHN	20.79	22.76	1.97
LONDON	20.80	22.29	1.49
VANCOUVER	20.11	21.28	1.17
REGINA	19.47	20.84	1.37
TORONTO	19.48	20.03	0.55
HALIFAX	17.73	19.92	2.19
OTTAWA-HULL	17.98	19.72	1.74
SASKATOON	18.42	19.46	1.04
CORNWALL	18.07	19.12	1.05
EDMONTON	17.52	18.92	1.40
THUNDER BAY	16.93	17.48	0.55
CALGARY	15.81	16.54	0.73
KITCHENER-WATERLOO	14.16	14.50	0.34

*Source: Statistics Canada--Census 1996 and 2001. All data is based on CMA (Census Metropolitan Area) unless otherwise stated.
**Kelowna data is based on CA (Census Agglomeration).

occurring on approximately one-third of all listings. Whether it's a detached home or condominium, boomer purchases have one thread in common—it's all about the 'creature comforts'. South St. Vital is among the most popular areas, having seen a number of developments in recent years. Luxury condos in Osborne Village are also growing in popularity, with only a short walk to the downtown core. Recreational properties within one hour's drive of Winnipeg are in high demand, particularly river properties and those located on Lake Winnipeg. Upscale Lake of the Woods, where year-round homes can start at \$300,000, continues to attract its fair share of affluent boomers. In Winnipeg, low vacancy rates and strict rent controls that

discourage new construction make it difficult to find affordable rental accommodation. A small but growing number of boomers, looking for alternatives to renting, settle in Paradise Village—just east of Winnipeg—where prefab and mobile homes dot the landscape.

ONTARIO

LONDON

Baby boomers are driving demand for move-up homes of all types in the city of London. Purchasers continue to be drawn from surrounding areas, attracted to good healthcare, shopping, house prices, and the newly expanded airport (offering direct flights to international hotspots). Sales activity continues to be strong, as low interest rates and a thriving local economy prompt many to make their moves into larger or more expensive homes. The southwest and northwest part of city, including Westmount and Masonville, continue to be sought after. The condominium market has been going full throttle, with the tail end of the baby boom generation also getting in on the action. Investment in apartment-style condominiums has been a notable trend in recent years, with a significant number of purchasers buying two or even three units—one to live in and the others to rent. Some rental product is making headway in the city, despite the rising trend toward homeownership. There is an emerging market for luxury rentals, ranging between \$1,200 to \$2,500 a month. Luxury condominiums, starting from \$200,000, are also growing in popularity among the affluent boomer segment. Traditional condominiums, however, still comprise the

majority of sales. Although, with development in the city largely focused on single-family, two-storey homes, the mid-range condominium supply of product—priced between \$150,000 and \$175,000—is expected to become very tight in the short-term future. The first golf course and leased-land developments are underway in Riverbend and have been well received.

THUNDER BAY

Baby boomers in Thunder Bay are living the adage, “out with the old, and in with the new”. Many are trading in their aging homes for newer digs with better quality finishes. While some downsizing is occurring, most are making lateral moves or trading up to larger, more expensive homes. Boomers in Thunder Bay aren’t hiding the fact that they’ve got money to spend—many are spurring activity in the mid and upper price ranges—\$120,000 to \$180,000 and \$200,000 plus. Affordability is the main driver in this market and a relatively good supply of product is available with one exception – the \$120,000 to \$180,000 price point where inventory levels are tight. Location and lifestyle shape the homebuying decisions of the boomer segment here, with a strong tendency to remain close to their roots, both in terms of neighbourhood and family. In recent years, some have gravitated toward the outer edges of the city, where semi-rural properties on premium lots provide a country flavour and golf course communities cater to active lifestyles. Average-priced condominiums, starting from \$110,000, are already a popular choice among boomers looking for low maintenance housing. Luxury condominiums are just starting to crop up in Thunder Bay and have met with positive results.

ST. CATHARINES / NIAGARA

With nearly 30 per cent of the population aged over 55, St. Catharines/Niagara is Ontario’s hotspot for retirement living. Sheltered by the Niagara Escarpment, the area’s milder weather attracts boomers, as does housing affordability. The region offers purchasers better value for their dollar, when compared to nearby major centres such as Toronto. Bungalows, starting from \$160,000 in both St. Catharines and Niagara, are most popular among those nearing their retirement years. Land ownership is still an important element among the boomer segment, as some seem reluctant to make the move from a large two-storey home directly to the high-rise condominium lifestyle. For this reason, townhouse condominiums are a good alternative, offering the privilege of a backyard and/or patio, without the maintenance. The market for apartment-style condominiums is also growing in St. Catharines/Niagara, with luxury condominiums and life-lease projects just starting to come on stream. Golf and adult lifestyle communities are a growing trend, as most boomers in the area set their sights on living an active retirement. Demand currently exceeds supply in St. Catharines/Niagara, and builders are starting to cater to the needs of baby boomers in the area.

KITCHENER-WATERLOO

The bar has been raised on retirement living, with baby boomers demanding luxury and convenience in the Kitchener-Waterloo area. Representing approximately 15 per cent of all real estate activity, downsizing and lateral moves are occurring at a steady pace. Greater assets and more disposable income have contributed to an upswing in luxury sales,

with high-end condominiums and adult lifestyle communities -- starting at \$180,000 - \$250,000 -- most popular with baby boomers to date. Some boomers have also trended toward smaller homes in better neighbourhoods. At present, supply meets demand for these types of properties within the Kitchener-Waterloo area, although growth in this segment of the market is expected to place some pressure on housing in the future. There has been some in-migration of boomers from the Metropolitan Toronto Area.

TORONTO

Affluent baby boomers are leading the charge for 'bigger and better' properties across the Greater Toronto Area. Low interest rates are in large part responsible for the significant upswing in spending in this segment of the market. Many boomers are selling large homes in the centre of the city like Forest Hill and Rosedale and making lateral moves into upscale high-rise condominiums in the Yorkville area. Others are trading up to the castle stage -- the home they've aspired to all their lives -- that is finally within financial reach. For those boomers who are downsizing, bungalows and spacious condominiums are extremely popular. Inventory levels, however, are very tight. Mid-rise condominiums downtown start at \$500,000, although less expensive units can be found east, west, and north of the central core. Scarborough offers boomers interested in bungalows the best value for the dollar, with prices in the \$275,000 range. Being creatures of habit, boomers typically trade within the same or similar neighbourhoods. Recent supply issues have bolstered renovation activity, especially with boomers who'd like to remain in their communities but are ready

for change. Very few are moving out of the city to live in adult lifestyle or golf communities. Secondary homes in the southern U.S. (Florida, Arizona) or recreational properties north of the city are common, but most baby boomers maintain a principle residence in Toronto. Twenty per cent of Torontonians were over 55 years of age in 2001. As the baby boomers work their way through the cycle of life, this segment of the market is expected to have a significant impact on housing. With the market for new home construction operating on all cylinders, very few builders have moved to accommodate this up-and-coming age group.

CORNWALL

Baby boomers across the county are living large—upsizing or making lateral moves—and those in the city of Cornwall have followed the trend. Although most moves have not necessarily seen an increase in square footage, the majority of boomers and empty-nesters here have sought more amenities in their properties. The uncertainty in the financial markets has played a role, as many boomers look to solidify their asset portfolio with a stable investment in upscale real estate. Waterfront properties near recreation trails have proved most popular with boomers. Older retirees have shown interest in new subdivisions that offer small, 1,000 sq. ft. two-bedroom bungalows without basements starting at \$125,000. Others, however, are making lateral moves to centrally-located condominiums, priced from \$135,000 to \$185,000. Young families and first time property owners are moving into the older homes vacated by boomers and retirees and are revitalizing traditional neighbourhoods.

OTTAWA

With a strong, government-based economy, many baby boomers in Ottawa are well positioned for their retirement years. Seeking to maintain the lifestyle to which they have become accustomed, most are making lateral moves, with a large percentage opting for newer homes. Condominium living, as well as adult lifestyle and golf communities, are a growing trend particularly in the west-end Kanata area, where considerable development has taken place in recent years. Strong demand exists for housing that offers lower maintenance living. While some purchasers are looking to smaller homes in better neighbourhoods, others are choosing condominiums in the central core of the city—where the majority of boomer-oriented construction has taken place. Much of the new product coming on stream is upscale accommodation, with \$250,000 considered entry-level. Since most new developments are similar in quality, price is primarily dictated by square footage and amenities. Most boomers prefer close proximity to hospitals, transportation, friends and family, as well as shops and restaurants. While there is an adequate supply of product available, demand for homes that cater to the specific needs of the boomer segment is expected to grow hard and fast. Builders are only beginning to accommodate this growing demographic. With the bulk of recent construction primarily higher-end product, a future shortage is expected in the lower and mid-level price ranges, if current building patterns persist.

QUEBEC

MONTREAL

A severe shortage of inventory in the Montreal area has the city's baby boomers at a standstill. While many would like to sell their existing homes to downsize or make lateral moves to bungalows or condominiums, current inventory levels are making it difficult. The shortage affects all types of housing in all price ranges and multiple offers continue to occur. Of those who continue to explore their options, many are left daunted by rising prices—a direct result of increased demand. Despite equity realized over the years, in many cases, boomers are finding that the move to smaller, maintenance-free living can, in fact, be more expensive, swallowing up gains expected to be their retirement nest egg. As such, there are a growing number who are holding onto their single, detached homes, further contributing to an already tight housing market. New development is not keeping pace with demand, as land in the area is also limited. The construction that has taken place mainly caters to a very small and affluent segment of the boomer population. For example, a new adult lifestyle condominium built in the St. Laurent area offers units starting from \$300,000. Average price in Montreal hovers at \$167,000. If current conditions continue to persist, a more serious housing shortage may be on the horizon in Montreal, and prices—particularly for smaller homes and condos—may rise sharply in response.

NEW BRUNSWICK

SAINT JOHN

Affluent baby boomers have access to more retirement options than ever before in Saint John. Sound financial planning and low interest rates have bolstered plans for the future, with lateral moves to open-concept homes with two or more good-size bedrooms on the agenda for many aging baby boomers. Downsizing is occurring, to a lesser extent, to one-level garden homes and townhouse condominiums, as baby boomers look to simplify life and reduce maintenance responsibilities. This is particularly true of snowbirds for whom condominiums represent freedom to travel for months on end. Demand for smaller homes in neighbourhoods such as Rothesay and Quispamsis, where starting prices hover at \$149,000, is strong. East Saint John is also popular, home to the largest shopping centre in the province. While most boomers will stay in the neighbourhood they have lived all their lives, a very small segment are opting toward a piece of country living—settling in places such as the Grand Lake area located one hour outside of town. Adult lifestyle communities—offering both condominium apartments and towns—are also gaining in popularity. A significant amount of planning and development is underway in Saint John, and that is expected to benefit retirement-minded boomers. Planned for the waterfront area, a luxury condominium development is expected to revitalize the downtown core, bringing people back into the area. Some life-lease projects are also planned. Currently, the baby boomer's

influence on the market is best characterized by heated demand. Inventory continues to be a challenge, particularly for bungalow-style homes. Representing approximately 40 to 45 per cent of all residential transactions at present, baby boomers are expected to have an even greater impact on the market in the years to come.

NOVA SCOTIA

HALIFAX

New home builders are moving to accommodate the demands of an aging baby boom population in Metro Halifax. Sales of condominium apartments and homes in golf communities have been extremely successful over the past five years, prompting a building boom of epic proportions. The city has just recently called for a moratorium on new housing development for a six-month period to enable city planners to catch up and ensure more efficient use of existing service infrastructure. The current housing mix offers baby boomers a wide variety from which to choose. Affluent boomers are drawn to the area's golf communities, the newest of which offers a lifetime membership with the purchase of a home priced between \$300,000 and \$1 million. More and more boomers are heading into high-end condominiums that allow them the freedom to travel – minus the worry and expense associated with living in a single-detached home. Located in downtown Halifax, these upscale units are popular with the city's well-to-do boomers. Although more affordable condominiums - - typically priced from \$150,000 to \$300,000 -- can be found from Clayton

Park west toward Bedford and areas of Dartmouth. A small percentage of boomers in Halifax have returned to renting, choosing to reduce risk and responsibility in their old age. •

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