

# MARKET TRENDS REPORT

## BRITISH COLUMBIA

### Vancouver

**Unit Sales**

January – August 2002      24,400      +29.2

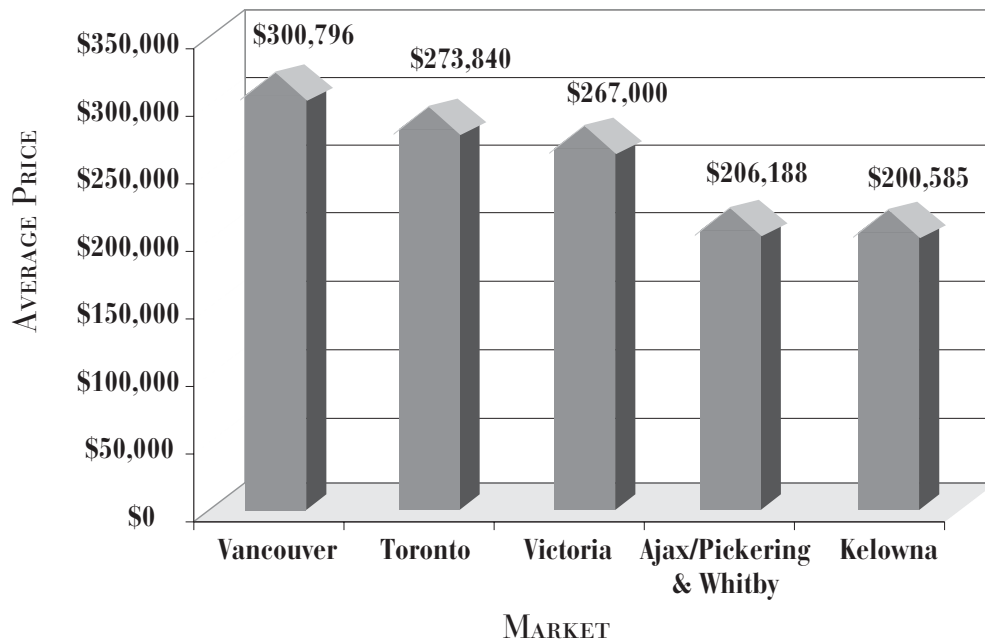
**Average Price**

January – August 2002      \$300,796      +4.6

Vancouver's housing market has been so brisk during the first eight months of the year that demand is outpacing supply for all types of housing, despite the fact that inventory has increased 17 per cent over last year's levels. Vancouver experienced record-breaking activity during the first few months of 2002, but a typical seasonal slowdown saw activity slow slightly during the summer months. Year-to-date sales are up 29.2 per cent, while average prices have appreciated more moderately, increasing

close to five per cent year-to-date to \$300,796. High consumer confidence combined with low interest rates continues to be the impetus driving sales and activity. Multiple offers continue to occur on all types of homes, and in all price ranges. More and more, real estate is becoming the investment of choice for many, as uncertainty plagues the stock market. Given today's thriving real estate market, homebuyers are more educated than ever, understanding the need to be prepared and to act quickly. First-time homebuyers are currently looking for neighbourhoods that offer amenities and accessibility to local transportation hubs. With the rising cost of housing, many are looking to alternative types of homes including townhouses and

**MOST EXPENSIVE CANADIAN HOUSING MARKETS BY AVERAGE PRICE**



condominiums. More than ever, dual incomes have become a necessity for most purchasers, with the increasing cost of homeownership. Vacancy rates in the city are tight, and Vancouver's rental properties continue to experience strong demand.

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## Chilliwack & District

### Unit Sales

January – August 2002	1,505	+31.0
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### Average Price

January – August 2002	\$156,720	+6.0
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Housing sales and activity have been strong during the first eight months of the year, with sales up 31 per cent over 2001 levels. Interest rates continue to make it more affordable than ever to purchase a home or trade-up to more expensive housing. Demand for all types of housing remains strong. However, low inventory levels continue to be an issue, still 10-20 per cent below normal levels. Consequently, prices in Chilliwack are on the rise, with most areas experiencing a five to 10 per cent increase over 2001. Multiple offers are still occurring on competitively-priced homes in all price ranges. These factors have sparked a sense of urgency in the marketplace, particularly among first-time homebuyers, who typically drive sales in the \$100,000 to \$150,000 price range. Among this segment, townhomes and bungalows remain the most popular types of housing. Move-up buyers have been increasingly active, as many are realizing they can buy more home for the same money. These purchasers are looking at bigger and newer executive-style homes, priced between \$250,000 and \$350,000. An increasing number of homebuyers and investors are putting stock in the housing market as a long-term investment, in large part due to uncertainty in the stock market. Chilliwack is starting to see an active retirement market, with a growing number of baby boomers and retirees moving from the city into the Valley. Prices in the Valley remain

more affordable compared to more urban areas, decreasing approximately \$1,000 per mile outside of Chilliwack. With a steady economy and a positive outlook on future economic growth, consumer confidence levels in Chilliwack and the Fraser Valley remain high. The forest industry continues to be strong, especially the province's interior mills. Capital projects, such as the construction of a new recreation/event facility and a new courthouse, have helped further improve employment in the area. If these conditions persevere, a strong, stable market will persist into 2003.

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## Victoria

### Unit Sales

January – August 2002	5,137	+15.6
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### Average Price

January – August 2002	\$267,000	+6.7
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Interest rates are the engine driving housing sales in Victoria. Home sales have increased more than 15 per cent to just over 5,100 units while average price has escalated just under seven per cent to \$267,000. The economic recovery in the region combined with stock market uncertainties have set the stage for the strong real estate market. Like other areas of the country, Victoria's housing market was out of the gate early in the year and reached peak levels during the buoyant Spring months. July and August proved to be softer in terms of activity, but still well ahead of last year's levels. The arrival of the traditional Fall market should result in a secondary peak in late September through to mid-November. A shortage of inventory continues to exist in most areas, prompting multiple offers across the board. Entry level homes priced at under \$250,000 are particularly active. Given rising prices, it stands to reason some buyers have been eliminated since last year. Many first-time buyers are looking at half duplexes and condominium apartments as



strong demand. New home construction is brisk, with building lots snapped-up as soon as new phases in subdivisions become available. With the B.C. economy slated to improve quarter by quarter, the outlook for real estate in Kelowna continues to be solid.

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## ALBERTA

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### Calgary

#### Unit Sales

January – August 2002	17,810	+14.9
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#### Average Price

January – August 2002	\$196,823	+8.1
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A strong, local economy, low interest rates and stock market chaos continue to drive the real estate market in this area. Resale home sales have increased close to 15 per cent to 17,810 units over the same period in 2001. Although still classified a sellers market - inventory levels remain scarce - activity is brisk. In fact, summer's slight slowdown was merely a reflection of focus shifting to fun in the sun. Job-hunters from British Columbia, Ontario and the Prairies are expected to add to the market's upswing in coming months. Prices are approaching \$200,000, up over eight per cent from this time last year. The neighbourhoods closest to the downtown core have experienced the greatest appreciation. Multiple offer scenarios continue to occur in mature neighborhoods and areas close to the city's core. Home ownership can best be described as more attainable due to lower lending fees but, conversely, less attainable due to higher prices and less availability of homes. First-time buyers and renters are looking at alternative housing, such as condominiums, as a compromise. With a five per cent down payment needed, most couples are utilizing savings, although some look to parental assistance or gifts as the way to first-time ownership. A sustained growth is expected to continue to the end of the year and possibly beyond, if prices remain affordable.

### Edmonton

#### Unit Sales

January – August 2002	11,571	+1.9
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#### Average Price

January – August 2002	\$149,476	+12.9
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A severe shortage of inventory has resulted in a dramatic increase in housing prices in the Edmonton real estate market. Average price of all types of residential housing has climbed close to 13 per cent, rising to \$149,476 year-to-date. Unbridled activity continued throughout July and August, traditionally slower months in terms of real estate movement. Attractive interest rates and a thriving economy are in large part responsible for the upswing in sales and price appreciation. Supply and demand has also contributed to heated market conditions. Multiple offers are now commonplace on reasonably-priced properties valued at up to \$200,000 (representing the bulk of market activity). The ceiling is also rising, with the upper-end of the market growing exponentially. Virtually impossible to find in today's marketplace are handyman's specials and fixer-uppers priced under \$100,000, typically popular with first-time buyers. Higher prices for new housing construction in suburban areas are prompting first-time buyers to consider resale properties priced between \$150,000 to \$160,000 in more established communities. As all boats rise and fall with the tide, condominium apartments and townhomes have also experienced a surge in activity, especially those catering to empty-nesters and retirees. With rental availability limited and monthly rates escalating, many renters are looking at homeownership as a viable alternative to renting. Overall, the housing outlook is bright for the Edmonton area. The only possible storm cloud on the horizon is the potential impact of the Kyoto Accord on the province's economy if it is ratified. Those who have lived in Alberta long enough vividly remember the blow the National Energy Program had on the housing market in the early 1980s.

Opinions are diverse with regard to what the effects of Kyoto might be — but most realtors are closely monitoring the situation.

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## SASKATCHEWAN

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### Regina

#### Unit Sales

January – August 2002	2,053	+3.5
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#### Average Price

January – August 2002	\$101,703	+4.7
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Today's purchasers are finding Regina's housing market a challenge. For the first time in many years, buyers are faced with the prospect of rapidly rising sales and price appreciation. Gone are the days when purchasers had the luxury of time to consider their choices – purchasers must now move quickly and decisively, especially in the \$60,000 to \$90,000 price range. A shortage of listings in virtually all price ranges has sparked multiple offers across the board. Homes priced between \$125,000 to \$150,000 are particularly tight, while a better selection exists at the top end of the market priced at \$200,000 plus. Interest rates continue to play a pivotal role in the market. Job security and an abundance of new employment

opportunities in the Regina area have all had a positive influence on the housing market. New commercial/retail construction continues at an accelerated pace, creating both full and part-time job opportunities for residents. Revenue-producing properties are also making a comeback, starting at \$40,000. These properties offer small investors an ideal investment vehicle – minus the volatility of the stock market. East, South, and North Regina continue to be most popular with purchasers, while new home construction on the peripheral areas prospers in Regina's heated housing market. As Regina becomes increasingly self-sufficient – no longer reliant on agriculture and the government – the housing market is expected to respond accordingly.

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### Saskatoon

#### Unit Sales

January – August 2002	2,176	+3.9
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#### Average Price

January – August 2002	\$117,909	+0.5
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Demand is outpacing supply in Saskatoon due a shortage of listings across all price ranges. Inventory levels have decreased by 16 per cent compared to the same period last year. Although multiple offers have

### Top 10 Housing Markets by Sales Appreciation

Market	Unit Sales	% +/-
Kelowna	3,493	+ 39.0
Chilliwack & District	1,505	+ 31.0
Vancouver	24,400	+ 29.2
Thunder Bay	1,129	+ 27.7
Fredericton	1,237	+ 21.0
Greater Montreal	33,309	+ 19.8
Victoria	5,137	+ 15.6
Calgary	17,810	+ 14.9
London	6,100	+ 14.2
Toronto	52,680	+ 12.9

slowed in recent months, they continue to occur on homes that are competitively priced. Despite these conditions, the market continues to be active, and sales are up close to four per cent year-to-date, with 2,176 units sold. Tight supply and steady demand, however, have yet to put pressure on pricing, as the average price remains on par with last year's levels at \$117,909. The first-time homebuyer segment continues to be most active. Low-end condominiums, priced between \$80,000 to \$100,000 and offering approximately 900-1,000 square feet, are in high demand, selling faster than can be constructed. Another emerging trend among first-time homebuyers and the first-time, move-up purchaser is the preference toward more mature, established neighbourhoods that offer trees, landscaping, and a little more space. Interest rates are still the impetus for those entering the housing market, whether purchasing for the first time or trading up. Renters continue to convert to homeownership, due to increased affordability, and a good availability of entry-level product. Over the past year, there has been increased migration from rural areas into the urban centres. This has helped to buoy the volume of both resale homes and new construction in the city, and as demand remains strong, the outlook for Saskatoon's housing market looks positive through to 2003.

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## MANITOBA

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### Winnipeg

#### Unit Sales

January – August 2002	7,318	-1.4
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#### Average Price

January – August 2002	\$98,194	+5.3
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Despite a severe shortage of inventory, sales in Winnipeg have continued at a steady pace, remaining on par with levels reported in 2001. Sales peaked in May, continued strong through June, but softened in July

and August—common in the late summer months, as many families vacation or flock to their cottages. An upswing in sales, typical of the fall market in Winnipeg, is expected to occur in September and October. A good economic outlook, coupled with a healthy employment rate, has boosted consumer confidence, boding well for the city's housing market. Low interest rates continue to spur activity in the area. There is a great deal of new construction taking place. The revitalization of the downtown core continues to highlight the area's economic prosperity. Many buildings are being refurbished, particularly in the exchange district, and there has also been a fair amount of commercial real estate activity. Red River Community College has moved into the heart of downtown, but despite the potential, no new residential construction is yet planned for the city's core. The serious lack of listings in Winnipeg—down 12.5 per cent year-to-date—has already resulted in rising prices, with an eight to 12 per cent increase in the first six months of 2002. However, since then, prices have been holding steady, with the average now hovering at \$98,194. Multiple-offers have slowed slightly in recent months, but were common in the \$75,000 to \$250,000 price range during the first six months of the year in urban areas such as North Kildonan, St. Vital, Fort Garry, Lindenwoods, Southdale, Island Lakes and White Ridge. The seller's market remains strong in Winnipeg, as limited inventory has created a climate where homes continue to sell for full list price or more. Despite the upswing in prices and the competitive market, economic conditions still make homeownership an attainable goal for most first-time buyers — if they can find suitable product. First-time purchasers are most active in the \$60,000 to \$125,000 range, and are looking at single-detached homes and semis in older areas such as St. Vital, Elmwood, St. James and the West

End. Condominium sales have also picked up quite a bit, and some developers are converting old apartments into new condo stock, offering first-time buyers good value for their money with a one-bedroom priced as low as \$45,000. The resale market is also well-positioned for growth, as new construction is now more costly than resale product.

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## ONTARIO

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### Thunder Bay

#### Unit Sales

January – August 2002	1,129	+27.7
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#### Average Price

January – August 2002	\$112,274	+ 1.1
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Brisk sales activity characterized the Thunder Bay housing market during the first eight months of 2002. Sales were up close to 28 per cent compared to the same period one year ago, while average prices remained on par with last year's levels at approximately \$112,000. A significant increase in inventory levels served to boost sales activity throughout the traditionally slower summer months. Despite the increase in listings, there remains a shortage of good, quality homes listed for sale, particularly in the move-up price ranges. Move-up properties are typically priced between \$125,000 to \$180,000. Multiple offers remain limited to hot pocket neighbourhoods—located in newer subdivisions on the north side of the city—such as River Terrace and Sherwood estates, where homes are typically priced from \$175,000. With interest rates expected to remain at historically low levels and prices that have yet to rise, homeownership continues to be an attainable goal for more and more first-time buyers. As a university area, Thunder Bay continues to attract many new and younger residents, and average age now hovers at 42. This is expected to bode well for the city's housing market, especially in

the first-time and move-up segments. The economic outlook for Thunder Bay is positive. The city has recently built a new hospital and there are talks of a hydro plant being built in the area. As 2002 comes to a close, housing activity is expected to slow slightly, as cold weather makes it way to Northern Ontario much earlier than the rest of Canada. However, sales are expected to remain well above last year's levels.

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### Windsor

#### Unit Sales

January – August 2002	3,537	+6.4
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#### Average Price

January – August 2002	\$150,047	+6.4
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Brisk sales and steady activity have characterized Windsor's housing market so far this year, as first-time and move-up buyers continue to drive demand for housing in all price ranges. Year-to-date sales have increased by close to seven per cent over 2001 levels, while average prices have climbed by nearly seven per cent to \$150,047. A limited supply of inventory exists in Windsor, and mid-priced homes are in the shortest supply. As such, new construction in the city is moving well, particularly new homes priced between \$130,000 and \$150,000. Multiple offers continue to occur on well-priced homes throughout the city. More people are pulling out of the stock market, plagued by poor returns in recent years—and instead are redirecting their funds into real estate. Confidence in Windsor's housing market is particularly evident in the upper-end of the market, priced in excess of \$250,000, where year-to-date sales have increased by approximately 45 per cent over last year, up from approximately 188 units to 272 units. First-time buyers also continue to remain very active, as the city of Windsor offers young purchasers great value for their money compared to other major Canadian centres. A three-bedroom, brick

starter home can be purchased in the city of Windsor for between \$120,000 and \$130,000. As a growing number of renters become homeowners, vacancy rates have started to rise. The city's senior residents are also becoming more active in the real estate market, primarily purchasing condominiums and townhomes. The forecast for economic performance in the Windsor area is positive.

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## London

### Unit Sales

January – August 2002	6,100	+14.2
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### Average Price

January – August 2002	\$142,256	+2.2
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London experienced strong, steady sales during the first eight months of 2002, peaking at the end of the summer as the London Real Estate Board recorded their most active August in history. Overall, year-to-date sales in London & St. Thomas are up 14 per cent over 2001. Despite the upswing in sales and limited inventory in the area, average price remained virtually unchanged from last year—up just over two per cent to \$142,256. New home construction accounts for a considerable portion of sales activity, as builders cannot keep up with the demand for new homes. Resale product is also experiencing healthy activity, although listings are down 5.3 per cent so far this year. Multiple offers continue to occur throughout London on quality homes. Consumers tend to prefer resale product boasting modern features and finishes — a departure from the trend towards renovation experienced in the past. London has been through considerable growth and revitalization in the past few years, and as such, has experienced renewed interest from those living in surrounding communities and as far away as the GTA. The city recently invested \$45 million in a new arena/entertainment

complex, many new restaurants are opening and a number of new apartment buildings are being constructed downtown. Two years ago, an open-air market was also introduced into the downtown core and millions have been invested into the London Fair Grounds. The city is also home to a new VIA rail station. This unprecedented growth has led to new job creation and has served to attract many homebuyers to the city of London and its suburbs. As well, the central core has experienced a resurgence of sales activity. First-time buyers are driving sales in the South and North ends of the city which offer the best value for their money, but the North end, in particular, is expected to see stronger demand into next year, as the University experiences its first double cohort year. As such, housing most popular with students and first-time buyers — apartment-style condominiums — have increased in price by much as 15-20 per cent to between \$90,000 and \$115,000. First-time buyers are also purchasing new homes priced in the \$150,000 to \$160,000 range. The segment most influencing sales in London's thriving real estate market is move-up buyers, most active in the North and West areas of the city, where homes typically sell for \$200,000 and up. Luxury homes and new construction are increasingly popular among this segment, and there has been an increase in upper-end home sales in recent months. London is also becoming increasingly popular with retirees; a new golf course recently opened in the West End of the city, and retirement/lifestyle communities are beginning to crop up. Sales are expected to remain strong into the New Year in London, as the city is just beginning to experience the type of thriving activity common in many other Canadian centres.

## Sudbury

### Unit Sales

January – August 2002	1,500	+11.4
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### Average Price

January – August 2002	\$111,821	+2.7
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Known as the heart of Northern Ontario, Sudbury has been the picture of stability over the past year. Sales are up 11.4 per cent year-to-date and average price remains on par with last year's levels at \$111,821. High-demand areas have seen greater price appreciation—with increases as much as five per cent. These areas include the city's South End and New Sudbury where homes are generally priced between \$125,000 and \$150,000. Multiple offers continue to occur on well-priced homes in these neighbourhoods, in large part due to their close proximity to shopping, amenities and industry. A shortage of quality homes listed for sale, particularly in the move-up market, is beginning to put upward pressure on prices. Overall, inventory is down by almost 10 per cent. There is an emerging trend toward new construction among move-up purchasers in Sudbury, which has been further strengthened by the scant supply of resale homes available for sale. New construction in the city is generally marketed and priced for the move-up segment as opposed to the first-time homebuyer. Purchasers continue to be encouraged by record-low interest rates and the positive economic outlook. Although sales activity in the first-time buyer segment continues to be strong, there is room for further growth as more entry-level product becomes available. Most first-time purchasers look to areas that offer affordability and convenience, particularly those within 10-15 minutes from the city's core. Popular areas include Valley East, Nickel Centre, the city's West End and the city core. With healthy activity occurring across all price ranges, and in all types of housing, Sudbury's real estate market is expected to maintain its steady pace.

## St. Catharines & District

### Transaction Ends \*

January – August 2002	4,221	+12.1
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### Average Price

January – August 2002	\$151,898	+7.2
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The residential housing market in St. Catharines and District is well-positioned for the future. Transaction ends have climbed 12 per cent to just over 4,200 year-to-date while average price has risen seven per cent to over \$151,000. Just one year ago, prices were on par with 1989 levels – they've now surpassed those levels and the current discrepancy between new home prices and average price suggests resale values have room to grow. The traditional Fall market is underway in St. Catharines, with sales and prices pressing forward. Although more listings are coming on-stream daily, inventory shortages still exist, particularly for homes priced between \$180,000 - \$220,000 in the North End of the city. Low interest rates are helping many consumers realize homeownership – in fact, first-time buyers are buying more home for their dollar. A good selection of entry level homes are available for sale, priced as low as \$70,000, but most first-time buyers are considering affordable semi-detached homes and bungalows in the desirable North End priced between \$105,000 to \$110,000 and \$135,000 respectively. Given today's low interest rates, a semi-detached home will carry for approximately \$550 (principal and interest) – less than rent in most areas of the city. St. Catharines is also attracting more than its fair share of empty nesters and retirees from the surrounding areas. Many are enthralled by the longer season in the Niagara region and the promise of more golf opportunities. Condominiums are popular with empty-nesters and retirees as are the new adult lifestyle communities that have cropped up across the Niagara Region.

## Kitchener-Waterloo

### Unit Sales

January – August 2002	3,781	+10.1
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### Average Price

January – August 2002	\$175,746	+6.6
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New construction in the Kitchener-Waterloo area continues to drive the resale housing market. The number of home sales this year are up 10 per cent over the same period in 2001, rising to close to 3,800 units. Most of the activity can be attributed to the move-up market – those who are trading-up into new, larger homes or making lateral moves into the abundance of new adult communities that are being built across the region. Multiple offers continue to occur on properties that are priced right and show well. Old Westmount and Old Beechwood are particularly active, with days on market hovering at just over 30 and sales to listing price ratio at 100 per cent plus. Although inventory levels have improved marginally over last year at this time, most consumers are having difficulty finding the right home. Overall housing in the Kitchener-Waterloo region is less attainable to first-time buyers in large part due to stricter CMHC policies governing the five per cent downpayment. It appears that fewer purchasers are meeting CMHC criteria, in spite of securing mortgages with traditional lending institutions. Areas East and West of Kitchener and Waterloo are proving most attractive to first-time buyers, with 130 new townhomes and 150 semi-detached homes coming on stream. Stock market uncertainty has also served to boost investment in triplexes and fourplexes in the Kitchener-Waterloo area. This type of activity has been dormant for years and has recently surged. In addition, multi-unit residential construction is now occurring at a greater pace, given the need to accommodate students from the area's two universities and colleges. A fair number of condominiums have also been built but they tend to attract empty nesters and retirees. First-time buyers would

rather own freehold townhouses as opposed to condominium townhouses with maintenance fees. A strong high-tech community combined with a solid economic forecast should ideally position Kitchener-Waterloo for the future.

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## Hamilton

### Unit Sales

January – August 2002	8,928	+11.7
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### Average Price

January – August 2002	\$183,304	+5.7
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Although home sales in Hamilton and the surrounding areas continue at a healthy pace, the market has slowed somewhat in comparison to the peak Spring months. During April and May, the threat of rising interest rates drove many purchasers into the residential housing market. In fact, sales in May reached 1,381 units, the highest May for property sales on record. Hamilton's housing market was characterized by an abundance of multiple offers, especially in the Westdale areas because of the double cohort program. Many properties were selling at over list price. Multiple offers have cooled somewhat over the summer months but there are still areas that generate multiple offer activity. Housing in Ancaster, for example, continues to hold steady in the \$250,000 - \$400,000, range. Entry-level properties in Ancaster are virtually impossible to find. A number of areas in the West Mountain are experiencing strong activity in certain price ranges. Overall listings are down 20 per cent in Hamilton — inventory depleted from last year's level of 4,000 to 4,500 down to 3,500 — and that factor has also contributed to multiple offer situations. Activity is expected to gain momentum in late September and October and return to more normal levels through the remainder of the year. The Bank of Canada's decision not to raise interest rates is expected to contribute to stable sales activity throughout the Fall.

## Toronto

### Unit Sales

January – August 2002 52,680 +12.9

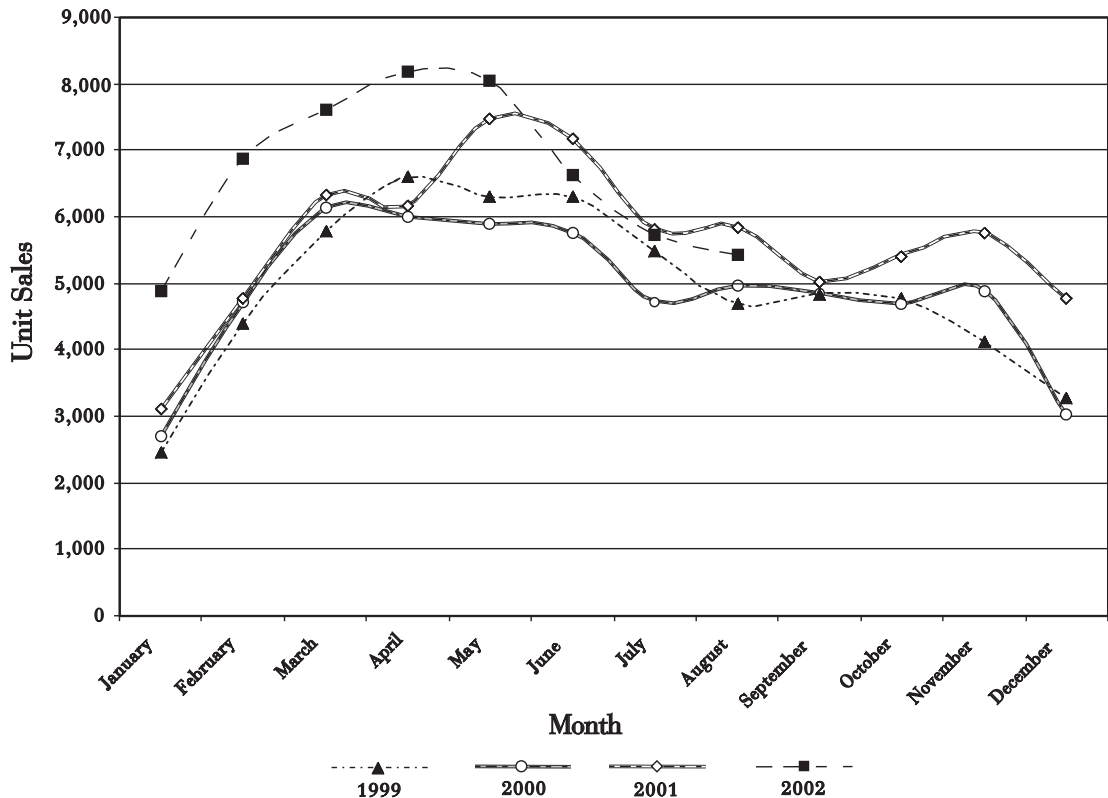
### Average Price

January – August 2002 \$273,840 +9.1

Toronto's housing market continued to rattle and hum through the first eight months of the year—at times breaking records and approaching levels not seen since housing sales and prices peaked during the late '80s. Year-to-date sales have increased by close to 13 per cent to just over 50,000 units. Prices in Canada's largest city climbed almost 10 per cent—with the year-to-date average now at \$273,840. Despite the escalation in pricing, housing in Toronto remains more affordable than ever, as interest rates continue to keep carrying costs at a 40-year low. Inventory levels, which have fallen across all price ranges in recent months, have been a contributing factor to a traditional summer slowdown in the

market. As vacationing families head back to school and work, an increase in inventory and market activity is expected. Multiple offers, now largely limited to hot pocket areas, are still occurring on well-priced homes in desirable neighborhoods in the East such as the Beaches, Riverdale, Leaside, as well as areas of Central and West Toronto. The trend toward homeownership continues unabated and is expected to remain strong throughout the latter half of the year, as more and more renters become homebuyers. East York, Scarborough, Upper Beach, the Danforth-Woodbine area, Roncesvalles, and South Parkdale—where the average home is priced close to \$250,000—continue to be popular among first-time homebuyers. A trend toward purchasing income-producing properties, such as those with basement apartments, is also emerging among the first-time buyer segment. Consumer confidence remains high, and all

## Housing Sales by Month in the Greater Toronto Area



indications are that there continues to be room for growth in the housing sector. With the advent of the traditional Fall market, Toronto is expected to see a return to the strong, steady housing activity experienced during the first half of the year.

## Ajax, Pickering, Whitby

### (Durham Region)

#### Unit Sales

January - August 2002	6,181	+10.4
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#### Average Price

January - August 2002	\$206,188	+10.9
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A severe lack of product in older, established communities in Ajax, Pickering, and Whitby has placed upward pressure on pricing. Average price in the Durham Region, including Ajax, Pickering, and Whitby, is up almost 11 per cent over one year ago. Although new homes have kept prices in check, demand in hot pocket neighbourhoods continues to prop up pricing. Multiple offers are a common occurrence on homes that are properly priced and well-maintained. Strong sales activity is expected to continue through September, October, and November. Consumer confidence is the single, largest factor influencing sales. Most consumers are re-evaluating their investment strategies, taking money out of mutual funds, and ploughing it back into real estate. Interest rates are also a contributing factor. First-time buyers are finding market conditions tight but affordable, especially in areas like South Pickering, Ajax and parts of Whitby. Many are now looking at alternative forms of housing such as semi-detached homes and townhomes in close proximity to the GTA. Although first-time buyers tend to prefer single-detached housing, many would have to travel to Clarington, Oshawa, and further east to accommodate their price range.

## Ottawa

### Unit Sales

January - August 2002	9,561	+9.8
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### Average Price

January - August 2002	\$200,491	+14.2
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Continued stability in the public sector has absorbed much of the shock brought about by the destabilization of Ottawa's tech industry. Consumers, confident regarding job security and spurred by low interest rates, are contributing to one of Ottawa's most buoyant housing markets. Average price, now up 14 per cent year to date, has topped the \$200,000 mark. Although sales are expected to outperform 2001 levels, they are forecast to taper off from peak Spring activity in the months ahead. Listings generally tend to increase in September and October. Stock market uncertainty has prompted many consumers to consider income properties as a viable investment strategy. As a result, inventory levels of multi-unit residential properties are extremely low. The market overall continues to experience a shortage of residential homes listed for sale which has led to multiple offer situations in virtually all neighbourhoods. Older, established areas like Glebe, Ottawa South, and Alta Vista continue to strongly attract buyers. Properties listed in those areas tend to sell in bidding wars. The competition for bungalows in peripheral areas such as Westboro has also been heated. More purchasers are also willing to invest a little sweat equity in their properties, vying for older homes in need of renovation. Homeownership remains an attainable goal for most first-time buyers, given today's low interest rates. Many first-time buyers tend to gravitate toward townhouses priced at \$135,000 to \$165,000 and toward the lower priced, older "closer in" suburban homes in the \$185,000 - \$200,000 range. Newer homes on smaller lots are also available in the suburbs in similar price

ranges. Although average price is reduced by almost 50 per cent in adjacent Hull, very few purchasers are choosing to cross the river.

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## QUEBEC

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### Greater Montreal

#### Unit Sales

January – August 2002	33,309	+19.8
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#### Average Price

January – August 2002	\$140,881	+9.8
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Heated demand continues to outpace supply for all types of homes and in all price ranges throughout Greater Montreal, creating an ideal climate for multiple offers. Sales during the first eight months of the year were brisk in Montreal, peaking in July but quieting slightly in August. The beginning of September saw activity regain its steady momentum. The only potential factor that could dampen sales as autumn approaches is a continued lack of inventory. Inventory is limited all across Greater Montreal, but becomes increasingly tight approaching the downtown core — a point best illustrated by a 15 to 20 per cent decline in available product in the popular Mont-Royal area. Sales, however, continue to experience double-digit increases over 2001 levels, rising close to 20 per cent year-to-date to 33,309 units—in large part a reflection of the city's rocketing consumer confidence levels and intense demand for all types of real estate. Multiple offers have become commonplace throughout the city and surrounding suburbs. Twenty-five to 30 per cent of all listings experienced multiple-offer activity during the first half of 2002, with bidding wars more prevalent in the lower-end of each price range. Buyers are becoming increasingly frustrated, but nonetheless are compelled into the market, understanding the need to act quickly. Average prices have escalated by close to 10 per cent in Greater Montreal so far this year, while some areas saw

values rise more sharply, increasing by as much as 20 per cent. Incomes, on the other hand, have not grown at the same pace as prices, and homeownership, to some degree, has become a more difficult goal particularly among first-time purchasers. Montreal residents, like those in other major centres, are slowly accepting the idea that a larger portion of their disposable income must be directed toward housing costs. First-time purchasers are most active in the \$125,000 to \$150,000 range, preferring condominiums and single-family bungalows in suburban areas. Inheritance is playing a greater roll in average, middle-class families in Montreal, and it is beginning to be a factor in the city's housing market—particularly among move-up purchasers who are investing their new wealth into real estate.

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## NEW BRUNSWICK

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### Saint John

#### Unit Sales

January – August 2002	1,032	+1.7
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#### Average Price

January – August 2002	\$103,703	+7.0
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Record employment levels and strong consumer confidence are driving housing activity in virtually every price range in Saint John's busy real estate market. Sales are up close to two per cent compared to the same period last year, and average prices have risen seven per cent to \$103,703. Listings are down slightly over 2001 levels, creating a backlog of purchasers in some price ranges. The shortage has forced potential purchasers to become more aggressive in their search for the perfect home. Multiple offers continue to occur on homes that are competitively priced, although mostly limited to hot pocket areas such as the growing community of Rothesay/ Quispamsis, where the average price hovers at approximately \$135,000. Neighbourhoods

such as Millidgeville are also starting to experience multiple offer activity. Baby boomers continue to drive the city's housing sales, as young professionals with families move into bigger, more expensive housing in desirable neighbourhoods. Young people are also more encouraged than ever to become homeowners and the timing is ideal, as the city experiences record job growth and increased affordability. Many first-time purchasers are taking advantage of the government's First-Time Buyer's Plan, five per cent down payment programs, and some are also gaining financial support from parents in the form of gifts. Townhouses and rowhouses are becoming increasingly popular with first-time purchasers. Housing starts are strong in the city so far this year, and with new homes pre-selling quickly, fewer construction firms are building on a speculation basis. In fact, with a shortage of skilled workers, demand is far out-pacing supply. The same is true in resale housing, where year-to-date sales are nearing record levels set in 1999. There is a great deal of development taking place in Saint John and surrounding communities which will serve to attract more homebuyers to this growing area. Saint John is opening its first industrial condominium—a type of project more common in Canada's big cities. The project, also a first for the province of New Brunswick, is entering its second phase of construction. In addition, the Saint John Waterfront Development Partnership has introduced plans for the revitalization of Saint John's inner harbour. This would result in a network of trails and parks lining Market Square to Chesley Drive and Bentley Street. The waterfront project also includes the potential for condominiums, a four-star hotel, convention facilities, a cruise terminal, plazas, shops, restaurants and more. As residents are only beginning to see the impact of steady job creation and

strong economic activity, the housing market in Saint John is expected to experience steady growth during the next two years.

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## Moncton

### Unit Sales

January – August 2002	1,263	+9.9
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### Average Price

January – August 2002	\$99,100	+8
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Given the fact that 2001 was a record year for real estate in Moncton, the heated activity experienced throughout 2002 came as a surprise for many realtors. Momentum continues to build, with August sales 32 per cent ahead of last year's levels. It's expected the trend will continue throughout the remainder of the year, tapering in mid-November in anticipation of the Christmas slowdown. In-migration from other areas of the province has played a substantial role in heated market conditions. Job creation continues to occur at a rapid pace, with 2,700 new jobs added in recent months. Unemployment levels in Moncton are below the national average and consumer confidence levels are strong. A recent survey of employers in the area found that most expect to increase staff in coming months – another positive economic indicator for the region. New home construction is up 111 per cent over last year's levels. The vast majority of multiple offers are occurring in the mid to high-end of the market, priced at \$130,000 plus. Upper-end subdivisions including Kingswood, MacAllister Park in Riverview, and Villa Dieppe in Dieppe, to name a few, are extremely popular with purchasers. There is a clear shortage of homes listed for sale, reflected in a five per cent decrease in new listings. Sales to listing ratios are at an all-time high, at 51 per cent. Homeownership is still attainable for many first-time buyers. With rent hovering at \$650 to \$700 for a two-bedroom

apartment in a desirable building, buying a home makes good sense. Semi-detached homes can be purchased for as little as \$85,000 in Greater Moncton. Demand from first-time buyers varies from a linguistic point of view – French-speaking buyers often look to Dieppe for housing while English-speaking buyers gravitate to Riverview. Bilingual first-time buyers consider most areas of Moncton. Empty nesters and retirees are fuelling the condominium market to a large extent, with units ranging in price from \$150,000 to \$270,000. Income properties are gaining momentum as small investors choose the security of real estate over the stock market. Although the demand for multi-unit residential properties such as apartment buildings has increased, inventory is virtually non-existent.

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## Fredericton

### Unit Sales

January – August 2002	1,237	+21
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### Average Price

January – August 2002	\$115,000	+7.1
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The simple theory of supply and demand has placed serious upward pressure on housing prices in Fredericton. Average price is up just over seven per cent to \$115,000 year to date, while sales during the same period increased 21 per cent. The severe shortage of inventory is unprecedented. Transfers into the area from the technology sector and the Department of National Defence have contributed to the upswing in sales and prices. New housing construction has been steady and the economy has been thriving. Although listings are scarce in Fredericton, multiple offers are not occurring. Typical time on market for a property has dropped from 45 to 60 days one year ago to 30 to 45 days. The North side of the city continues to be most popular with purchasers. Communities such as Skyline Acres are particularly active. First-time buyers are

easily able to realize homeownership, with single-detached homes starting at \$95,000. Low interest rates are the key to record activity in the Fredericton area.

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## NOVA SCOTIA

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### Halifax/Dartmouth

#### Unit Sales

January – August 2002	4,885	+10.2
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#### Average Price

January – August 2002	\$147,889	+11.3
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Heated activity in Halifax/Dartmouth's residential housing market prompted a substantial increase in multiple offer situations throughout the year. The increase in bidding wars was directly attributed to a serious shortage of quality inventory listed for sale. Virtually all types of properties, including condominiums, enjoyed renewed vigour. Sales during the first eight months of this year were up 10 per cent compared to the same period last year, rising to just under 4,900 units. Housing values increased 11 per cent, with the average now hovering at \$147,889. In spite of the fact that inventory levels are up marginally over one year ago, purchasers continue to have difficulty finding the ideal property. Home sales slowed slightly during the warmer summer months but overall remained ahead of last year's levels. With the advent of the traditional Fall market, sales activity is forecast to be on par with 2001. Solid consumer confidence levels, steady over the past two years, combined with a strong economy led by offshore oil activity, are the major factors expected to have a positive influence on the residential housing market. Homeownership continues to be attainable for purchasers in the Halifax/Dartmouth area. Consumers are in the driver's seat as lending institutions compete for mortgage business through lower interest rates and innovative incentives. First-time-buyers, taking

advantage of RRSP access and the five per cent down payment plan, are seeking properties in Forest Hills, Sackville and Hammond's Plains. Given tight vacancy rates, renters have also set their sights on the housing market.

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## NEWFOUNDLAND

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### St. John's

#### Unit Sales

January – August 2002	1,865	+11.9
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#### Average Price

January – August 2002	\$112,459	+7.3
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Newfoundland is leading the country in terms of economic growth, and the momentum is evident in St. John's thriving housing market. The trend toward investment in housing continues as consumer confidence gains more strength. Year-to-date unit sales are up close to 12 per cent and average prices have followed suit—up more than seven per cent over last year's levels to \$112,459. More established, urban hot-pocket neighbourhoods such as the Pius Tenth area and Churchill Square continue to experience strong demand and multiple offers. Two-storey, detached, executive homes, priced between \$250,000 and \$350,000, are particularly popular. However, inventory levels in the area have

decreased by 4.3 per cent compared to the same period last year, and good, quality product is limited. Some buyers are frustrated by the lack of homes listed for sale, but most continue to monitor new listings, prepared to act quickly to secure that dream home. First-time homebuyers continue to buoy market activity, as more renters, encouraged by affordable carrying costs, realize the advantages of homeownership. The vacancy rate in St. John's is trending downward, as some rental stock has been converted into condominiums. First-time homebuyers are primarily purchasing homes priced under \$150,000, with the most active price range being \$100,000 to \$150,000. Bungalows with basement apartments are becoming increasingly popular with the first-time buyer segment, but all types of housing, including duplexes, condos and townhomes, continue to attract young purchasers. The outlook for the housing market in St. John's is strong, as the area continues to experience a flurry of economic activity, positive job growth, high levels of consumer confidence, low interest rates and increased affordability. Even with a moderate rise in interest rates, St. John's is expected to experience several years of steady growth in the housing sector.

\*All statistics quoted in the RE/MAX Market Trends Report 2002 are sourced from the Canadian Real Estate Association and Local Real Estate Boards.

## NATIONAL CONTACTS

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### RE/MAX of Western Canada

Elaine Langhout 250-860-3628

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### RE/MAX Ontario-Atlantic Canada

Christine Martysiewicz 905-542-2400

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### Point Blank Communications

Eva Blay 416-781-3911

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## LOCAL CONTACTS

Market	Contact	Office	Phone Number
<b>British Columbia</b>			
Vancouver	Scott McDonald	RE/MAX Sabre	604-942-0606
Chilliwack & District	Alex MacDonald	RE/MAX Nyda	604-792-7175
Victoria	Wayne Schrader	RE/MAX Camosun	250-478-9600
Kelowna	Rick Baker	RE/MAX Kelowna	250-717-5000
<b>Alberta</b>			
Calgary	Lowell Martens	RE/MAX Real Estate	403-247-5171
Edmonton	Bill Briggs	RE/MAX Real Estate	780-488-4000
<b>Saskatchewan</b>			
Regina	Rob Nisbett	RE/MAX Crown	306-789-7666
Saskatoon	Larry Stewart	RE/MAX Saskatoon	306-242-6000
<b>Manitoba</b>			
Winnipeg	Ernie Friesen	RE/MAX Real Estate	204-987-9800
<b>Ontario</b>			
Thunder Bay	Mario Tegola	RE/MAX First Choice	807-344-5700
Windsor	Glen Muir	RE/MAX Preferred	519-944-5955
London	Gary Robinson	RE/MAX Advantage	519-649-6000
Sudbury	Cathy Gregorchuck	RE/MAX Crown	705-560-5650
St. Catharines & District	Wayne Quirk	RE/MAX Garden City	905-641-1110
Kitchener-Waterloo	Adrian Baas	RE/MAX Twin City	519-885-0200
Hamilton	Ralph Schmidt	RE/MAX Escarpment	905-575-5478
Toronto	Ken McLachlan	RE/MAX Hallmark	416-462-1888
Ajax/Pickering/Whitby	Ron Gordon	RE/MAX First	905-831-3300
Ottawa	Bill Lenardon	RE/MAX Metro-City	613-737-7200
<b>Quebec</b>			
Montreal	Nicholas Stephens	RE/MAX du Mont-Royal	514-731-7575
<b>New Brunswick</b>			
Saint John	Gordon Breau	RE/MAX Professionals	506-634-8200
Moncton	Paul Richard	RE/MAX Moncton	506-857-0123
Fredericton	Mike Butler	RE/MAX Group Four	506-452-9888
<b>Nova Scotia</b>			
Halifax-Dartmouth	Wayne Power	RE/MAX Nova	902-468-3400
<b>Newfoundland</b>			
St. John's	Ted Rowe	RE/MAX Realty Specialists	709-726-8300