



ONTARIO-ATLANTIC CANADA INC.
For immediate release

Pent-up demand satisfied as more listings come on-stream in Ontario's major housing markets, says RE/MAX

Mississauga, ON (December 9, 2004) -- After reaching near crescendo levels one year ago, pent-up demand for residential housing has been satisfied in major markets throughout Ontario, according to a report released today by RE/MAX Ontario-Atlantic Canada.

The RE/MAX Market Trends Report 2004 found that listing inventories improved substantially this year in the nineteen markets surveyed in Ontario, prompting a decline in sales-to-listings ratios. As a result, strong activity characterized housing markets throughout the province in 2004, with most setting new records in average price and unit sales. The number of homes changing hands was up over 2003 in all major cities across the province, with the highest percentage increases reported in Niagara Falls, North Bay, Sudbury, Belleville, Kitchener-Waterloo, Durham Region, and Barrie. Average price was also on the move, with the most substantial appreciation occurring in Niagara Falls, Orillia and Belleville.

"All in all, more balanced conditions have started to emerge for the first time in more than four years," says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. "With supply and demand on more even ground, housing values are expected to moderate somewhat in coming months -- unlike 2004, when average prices had strong upward momentum."

The greatest percentage increase in average price occurred in Niagara Falls where values rose 13 per cent to \$161,700 in 2004. Houses in Orillia and Belleville have appreciated 12 per cent over one year ago, with values placed at \$186,000 and \$142,200 respectively. Cambridge and Peterborough were tied for third place with an 11 per cent increase in average price that brought values to \$209,000 and \$188,000. Kingston, Guelph, and London-St. Thomas reported overall appreciation of 10 per cent from 2003 levels, with average price climbing to \$175,000, \$216,000, and \$167,200 respectively.

Sudbury led the province in terms of double-digit percentage increase in the number of homes sold in 2004. Unit sales topped 15 per cent in Sudbury while Niagara Falls-Ft. Erie rose 13.5 per cent this year compared to 2003 levels. Kitchener-Waterloo reported strong activity, with home sales up 13 per cent over one year ago whereas Belleville saw an 11 per cent upswing in unit sales. The Durham Region experienced solid demand throughout much of the year, stimulating a 10 per cent increase in homes sold.

"After experiencing nine solid months of unparalleled real estate activity, some markets began to wind down earlier than expected," says Polzler. "Less urgency in the marketplace allowed buyers to take their time with important housing decisions while vendors found themselves pricing their homes more realistically in an effort to realize a quick sale."

The only exceptions to the rule were older, established communities in major centres. Demand for properties located in blue chip neighbourhoods generally outpaced supply, consequently contributing to multiple offer activity in 2004.

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Throughout the year, first-time buyers worked in tandem with move-up buyers to stimulate home-buying activity, explains Polzler. Homeownership continued to be a reasonable expectation in virtually every market in the province, including Toronto where one in five sales occurred under the \$200,000 price point in 2004. Affordability, however, has been drawing more and more purchasers to areas like Durham Region, Barrie, Peterborough, Cambridge, Guelph, Sudbury, Thunder Bay and Kingston and the trend is expected to persist as prices rise in larger centres

Highlights:

- Barrie, Cambridge, Guelph, Hamilton and Kitchener-Waterloo all topped the \$200,000 benchmark for average price for the first time in history in 2004.
- First-time buyers in some of the smaller centres are bypassing entry-level housing to purchase homes priced at or above average price. The trend was widespread in Kingston , Sudbury and Thunder Bay.
- Move-up buyers are spending an average of \$40,000 plus to move-up to larger, more expensive properties or more desirable neighbourhoods, especially in Kingston, Sudbury and Thunder Bay.
- Most markets, including Ottawa, Kingston, the Greater Toronto Area, Durham Region, Orillia, Sudbury and Windsor have experienced a serious upswing in luxury home sales in 2004. Homes priced at \$1 million plus have topped 1,000 units in Toronto, up 36 per cent over 2003 levels. In Ottawa, sales of homes priced in excess of \$500,000 rose close to 61 per cent this year, compared to the same period one year ago.
- Empty nesters and retirees are driving unprecedented demand for condominium bungalows or garden homes in major centres across the province.

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Pent-up demand satisfied as more listings come on-stream in Atlantic-Canada's major centres, says RE/MAX

Mississauga, ON (December 9, 2004) -- After reaching near peak levels one year ago, pent-up demand for residential housing has, for the most part, been satisfied in major markets throughout the Atlantic Region, according to a report released today by RE/MAX Ontario-Atlantic Canada.

The RE/MAX Market Trends Report 2004 found that listing inventories improved substantially this year in five of the six markets surveyed in Atlantic Canada, prompting a decline in sales-to-listings ratios. The only exception was Charlottetown where tight inventory levels prevailed throughout much of the year. The number of homes changing hands was up over 2003 in all but two major cities, with the highest percentage increases reported in Moncton, Fredericton and St. John's. Average price was also on the upswing, with the most substantial appreciation occurring in Fredericton, where city values have risen 19 per cent to \$150,000 over 2003 levels.

"We're starting to see more balanced housing market conditions in Atlantic Canada for the first time in several years," says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. "That's good news for first-time homebuyers in the region, particularly Moncton, where multiple offers were commonplace throughout the year. With supply and demand on more equal footing, average prices are expected to moderate somewhat from this year's hectic pace in coming months."

The vast majority of housing markets in the region will set new records in unit sales and average price in 2004. The greatest percentage increase in average price will have occurred in Fredericton, followed by an 11 per cent increase in Saint John, bringing values in the area to \$115,700. Both St. John's and Halifax-Dartmouth are expected to post a nine per cent increase in average price in 2004, which will push values to \$131,700, and \$177,300 by year-end. Moncton and Charlottetown are forecast to experience an eight per cent hike in housing values, driving average prices to \$113,000 and \$98,000 respectively.

Moncton leads Atlantic Canada in terms of percentage increase in the number of homes sold in 2004. Unit sales are expected to top 2,000 units in Moncton this year, an increase of 13.5 per cent over one year ago. Home sales are also projected to climb in Fredericton (12 per cent), St. John's (five per cent) and Saint John (3.5 per cent).

"Although heated market conditions were prevalent during the first nine months of the year, sales activity began to level off in the fourth quarter in most major markets," says Polzler. "The slowdown provided buyers with a welcome break, allowing them the opportunity to take their time with important housing decisions. Vendors, on the other hand, found themselves pricing their homes more realistically in an effort to realize a quick sale. Those listings priced above fair market value had a tendency to stagnate."

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Homeownership continued to be a reasonable expectation in virtually every market in the region, including Halifax-Dartmouth where average price is approaching \$180,000. Affordable alternatives also exist in most major centres, including condominium apartments and garden town homes.

Highlights:

- First-time buyers in St. John's are bypassing entry-level housing to purchase homes priced at or above average price.
- Move-up buyers are spending an average of \$40,000 plus to move-up to larger, more expensive properties or more desirable neighbourhoods, especially in St. John's, Newfoundland and Saint John, New Brunswick.
- Most markets, including St. John's, Halifax-Dartmouth, Saint John, Fredericton, Moncton, and Charlottetown, experienced serious double-digit increases in luxury home sales in 2004. To illustrate, sales of homes priced in excess of \$200,000 are up 75 per cent over one year ago in Fredericton.
- Empty nesters and retirees are driving unprecedented demand for condominium bungalows or garden homes in major centres across Atlantic Canada.

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