



For immediate release

Strong move-up activity occurring in major housing markets, says RE/MAX

Mississauga, Ont. (May 22, 2002) – A substantial reduction in carrying costs has bolstered move-up activity in virtually every major housing market in Canada, according to a joint report issued today by RE/MAX Ontario-Atlantic Canada and RE/MAX of Western Canada.

The RE/MAX Move-Up Buyers Report highlights move-up activity in 22 Canadian markets. Move-up sales have climbed considerably in the majority of markets surveyed. The most notable increases in sales activity, as reported by their local real estate boards, occurred in Toronto (71%), Calgary (70%), Edmonton (67%) Kitchener-Waterloo (64%), Moncton (59%), Saint John (54 %), and Victoria (41%). Prices have appreciated in tandem, allowing move-up buyers to realize significant equity gains on their existing properties.

The combination of lower interest rates and greater equity has been the catalyst for most purchasers who have chosen to upgrade their properties. Strong consumer confidence levels and job stability have also served to stimulate move-up activity.

“Move-up buyers are clearly making a statement,” says Pamela Alexander, CEO, RE/MAX Ontario-Atlantic Canada. “Whether they’re trading-up into a \$150,000 home or a \$300,000 home, they have the confidence and the means available to take their lifestyle to the next level. They are fulfilling their vision of homeownership.”

Despite recent fluctuations in mortgage rates, move-up buyers remain committed to achieving their goals. A shortage of housing inventory has failed to deter move-up activity. In fact, the shortage has sparked a sense of urgency.

“Multiple offers are commonplace in today’s market,” says Elton Ash, Vice President, Regional Director, RE/MAX of Western Canada. “Yet, despite the competitive environment, purchasers show no reluctance to participate in bidding wars. Move-up buyers, however, remain realistic in their expectations and cautious in their negotiations.”

Multiple offers are expected to continue given the limited number of homes currently listed for sale in most major centres. Patience is key as buyers wait for the perfect property – armed with pre-approved mortgages and offers containing fewer conditions.

The RE/MAX Move-Up Buyers Report also found that Toronto and Vancouver were the country's most expensive trade-up markets, costing purchasers between \$300,000 - \$500,000. The greatest value for the dollar was found in Saskatchewan and Manitoba where move-up properties can start as low as \$80,000.

Report highlights include:

- An influx of first-time buyers in the market has created a domino effect in move-up activity.
- Multiple offers are placing upward pressure on housing values across the board.
- Most markets are working with severely depleted inventory levels.
- Buyers are not discouraged from entering real estate markets in major centres.
- In most cases, move-up buyers are looking for larger homes and better neighbourhoods.
- There has been some trending toward country living in areas like St. Catharines. Lifestyle is also an important consideration, as evidenced by the increase in popularity of golf communities including those in Kelowna.
- Young families and baby boomers continue to fuel activity for move-up properties.

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For more information:

Christine Martysiewicz
RE/MAX Ontario-Atlantic Canada
(905) 542-2400

Eva Blay
Point Blank Communications
(416) 781-3911