



MOVE-UP BUYERS REPORT

Newfoundland

ST. JOHN'S

Typical Price Range
\$120,000 - \$150,000

Steady economic growth and solid consumer confidence levels in St. John's are driving home sales in the \$120,000 to \$150,000 range. Both overall sales and those in the move-up buyer segment have risen over 20 per cent in the first quarter of 2002. An influx of first-time buyers now entering the market has created a domino effect in move-up activity. With many new homebuyers looking to purchase their first homes, a ready market exists for those wishing to sell their current residences. Job growth has also served to boost consumer confidence, creating a favourable climate for move-up activity. Growth continues to occur in the offshore oil sector—

particularly with the development of the White Rose oil field—and in all segments of industry related to construction due to increased demand for all types of housing. There is a current trend towards in-migration, with many choosing to move from rural Newfoundland closer to large metropolitan centres such as St. John's. Consequently, new subdivisions continue to be the most popular choice among move-up purchasers, the majority of whom are younger families purchasing their second home or baby boomers. In both cases, buyers trading up are looking for newer homes that require less maintenance and homes that offer more square footage. Interest rates have also helped to spur activity in the move-up category, and as talk continues to stir about rising rates, more and more buyers are entering the marketplace. Move-up purchasers currently represent 30-50 per cent of all real estate transactions in St. John's. However, with limited product available in that segment, move-up buyers must act quickly and

decisively. Homes that are well-priced can sell in a matter of days, in multiple offer situations and for full list price. Prices for move-up homes in the St. John's area have remained fairly consistent, rising three to five per cent since 2001. However, if the current lack of inventory persists, purchasers may soon find prices on the upswing.

New Brunswick

MONCTON

Typical Price Range
\$150,000 plus

Secure in their jobs and confident about the future, move-up buyers have taken to the streets in Greater Moncton. Move-up buyers currently represent about 12 per cent of the market, up from eight per cent one year ago. These purchasers are spurring sales of homes priced at \$150,000 plus – with sales so far this year up 59 per cent to 64 units. With average price hovering at just under \$100,000, the climate is ideal for trading up. Low interest rates have had a major impact – providing an affordable, viable option for many move-up purchasers. Those sitting on the fence have been prompted to make their move in recent months, encouraged by sudden hikes in interest rates. Demand for move-up properties is strong and supply is limited. Multiple offers are

commonplace as purchasers vie for the few quality homes on the market. Purchasers are primarily in their late 30s to early 40s with children. Many have built equity in their first homes and now have the ability to trade-up. Thanks to favourable interest rates, most move-up purchasers can buy more home for the same monthly payments. The majority of buyers are local but there has been some influx from the northern part of the province as well as other areas of the country. Move-up purchasers tend to prefer neighbourhoods in close proximity to their offices, choosing the Kingswood and Evergreen communities in the North, Grove Hamlet and Camlot Estates to the East, Villa Dieppe and Champlain Gardens in Dieppe, and Riverview and McAllister Park.

SAINT JOHN

Typical Price Range
\$100,000 - \$150,000

An influx of first-time homebuyers entering the market, historically low interest rates, and increased affordability have been the catalyst for move-up buyers entering the market in Saint John. Move-up sales have increased significantly compared to the same period last year with sales in the \$100,000 to \$120,000 price range up 54 per cent, \$120,000 to \$149,000 up 25 per cent, and sales of homes priced between \$150,000 to \$200,000 up 64 per cent year to date. Consumer



Saint John \$159,900

confidence in Saint John has also helped to buoy move-up sales due, in part, to job growth in the high-tech sector. Purchasers, however, face some challenges in terms of limited inventory. Homes that are priced right and in desirable neighbourhoods commonly experience multiple offer activity, with many commanding full list price. The majority of move-up buyers are between 30 and 45 years old, and typically, most are trading up their starter homes for homes that are newer—less than 10 years old—and larger. Homebuyers in this segment are looking for homes that require less maintenance and homes that offer attractive features such as garages or bigger lots. Because prices have been consistently rising at a rate of five per cent per year, most move-up purchasers regard real estate as a safe investment and are comfortable making the move to larger and higher-priced housing. The Rothesay area is experiencing the majority of move-up activity and is widely regarded as the prestige community of the Saint John region. The Millidgeville area is in equally high demand. However, very few homes in this neighbourhood are currently listed for sale.

Nova Scotia

HALIFAX

Typical Price Range

\$125,000 - \$175,000

More than 2,200 homes have changed hands in Halifax during the first four months of the year, a substantial 17.5 per cent increase over the same period in 2001, according to the Canadian Real Estate Association. As all boats rise and fall with the tide, the move-up market, priced between \$125,000 and \$175,000, has experienced strong activity in recent months as young families in their late 20s and early 30s search for the perfect home. Typically, move up buyers are looking for two-storey homes with ideal square footage between 1,500 to 2,000 sq. ft. A solid job market and strong consumer confidence levels have fueled market activity to a great extent. A shortage of homes listed for sale has created a seller's market with multiple offers occurring on three to five per cent of all sales. Prices have started to rise in response to heated demand, climbing 11 per cent to \$146,000 so far this year. Upper Sackville, Beaver Bank, Hammond's Plains and Cole Harbour are drawing the lion's share of move-up purchasers. Approximately 35 to 40 per cent of the market is comprised of move-up buyers.



Moncton \$219,500

Quebec

MONTREAL

Typical Price Range
\$225,000 - \$375,000

Baby boomers are a serious force in Montreal's thriving housing market, fueling demand for move-up properties in the central core. Sales of homes in the Greater Montreal area priced in excess of \$150,000 are up significantly over the past year, rising from 23 per cent to 29 per cent of total sales between January and April 2002. Representing almost 30 per cent of the market, move-up buyers are taking advantage of low interest rates and relatively affordable housing values. Average prices are currently approaching \$140,000. Interest rates are at the root of most purchases, although inherited wealth is also contributing to the upswing in move-up activity. Strong consumer confidence continues to buoy market activity. Most move-up purchasers are coming from more suburban neighbourhoods like Beaconsfield, Dollard-des-Ormeaux, and Point Claire on the West Island and prefer areas like St. Laurent and Notre-dame-de-Grace (NDG), as well as more established communities like Outremont and the Town of Mont-Royal. Move-up properties typically start at \$225,000 in areas

like St. Laurent and NDG, but tend to escalate when nearing Outremont and the Town of Mont-Royal where prices start at \$350,000 to \$375,000. With demand outpacing supply of move-up properties, multiple offers abound. Prices are starting to spiral upward as a result, rising 10 to 15 per cent over the past year alone.

Ontario

WINDSOR

Typical Price Range
\$140,000 - \$250,000

Low interest rates have propped up move-up activity in the \$140,000 to \$250,000 segment of the market in Windsor. Reduced carrying costs have greatly contributed to a strengthening of demand in the \$140,000 plus price range. Close to 41 per cent of buyers are of the move-up variety, up from 32 per cent one year ago. Job security and a sense of contentment appear to be the impetus in the marketplace. Demand for resale properties is unprecedented, spurring multiple offers across the board. On several occasions, realtors have seen as many as three and four offers on properly priced properties. There has been significant upward pressure on pricing as a result of multiple offers, a reflection on the lack



Waterloo from \$239,900

of inventory currently available for sale. The shortage, particularly of homes priced between \$140,000 to \$250,000, has served to discourage some purchasers. For others, it's strengthened their resolve. Overall, the number of homes listed for sale is down by four per cent in Windsor. Strong demand has also prompted builders to raise prices by three to five thousand dollars. LaSalle, Tecumseh, Riverside, and South Windsor continue to attract the lion's share of move-up buyers. There has been some outward trending toward the counties, most notably Amherstburg and Lakeshore.

LONDON

Typical Price Range
\$150,000 - \$250,000

Demand from baby boomers, retirees, and young families has contributed to London's vibrant move-up housing market. Sales between \$150,000 to \$250,000 are up substantially, rising by 12 per cent so far this year. Affordability is key in the London area, with average price hovering at about \$138,000. Employment opportunities, a healthy economic outlook, and high consumer confidence levels have all contributed to the upswing in activity. A lack of inventory has placed upward pressure on pricing, bringing the average now in line with 1989 levels. Multiple offers have occurred with greater frequency in recent weeks. Move-up buyers tend to favour homes located in the North, West, Southwest, and Northeast areas of the city. New home sales have also experienced greater demand from move-up buyers. With London's ready supply of land, new housing developments are starting to crop up across the board.

KITCHENER-WATERLOO

Typical Price Range
\$200,000 - \$275,000

Move-up purchasers are helping to propel a thriving real estate market in Kitchener-Waterloo. Year-to-date sales priced between \$225,000 and \$275,000 are up dramatically over 2001 figures. Homes listed for sale in the \$200,000 to \$250,000 range have experienced a 64 per cent increase

TYPICAL PRICE RANGE FOR MOVE-UP BUYERS BY MARKET

| Market | Price |
|-------------------------|-----------------------|
| Newfoundland | |
| St. John's | \$120,000 - \$150,000 |
| New Brunswick | |
| Moncton | \$150,000 plus |
| Saint John | \$100,000 - \$150,000 |
| Nova Scotia | |
| Halifax | \$125,000 - \$175,000 |
| Quebec | |
| Montreal | \$225,000 - \$375,000 |
| Ontario | |
| Windsor | \$140,000 - \$250,000 |
| London | \$150,000 - \$250,000 |
| Kitchener-Waterloo | \$200,000 - \$275,000 |
| Niagara | \$175,000 - \$250,000 |
| St. Catharines | \$140,000 - \$160,000 |
| Hamilton | \$150,000 - \$250,000 |
| Toronto | \$300,000 - \$500,000 |
| Ottawa | \$150,000 - \$225,000 |
| Thunder Bay | \$120,000 - \$180,000 |
| Manitoba | |
| Winnipeg | \$120,000 - \$180,000 |
| Saskatchewan | |
| Regina | \$80,000 - \$150,000 |
| Saskatoon | \$120,000 - \$145,000 |
| Alberta | |
| Edmonton | \$180,000 - \$250,000 |
| Calgary | \$200,000 - \$400,000 |
| British Columbia | |
| Victoria | \$275,000 - \$350,000 |
| Kelowna | \$200,000 - \$300,000 |
| Vancouver | \$300,000 - \$500,000 |

compared to the same period one year ago while the \$250,000 to \$299,000 price bracket jumped 98 per cent. Move-up buyers are fueling activity to a large extent. Good, quality product is very limited. Multiple offers are a frequent occurrence for most homes that are priced competitively, and that has served to put upward pressure on pricing in the area. In the first four months of 2002, for example, average prices in Kitchener-Waterloo have risen just over seven per cent, with the average now hovering at \$175,000. A positive employment outlook coupled with soaring consumer confidence and low interest rates have prompted many to trade in their current residence for newer homes that offer quality finishings as well as modern features and conveniences. In fact, while many homebuyers in the move-up segment are choosing to trade up to larger homes, there are also a growing number of purchasers who desire homes with less square footage and property. Instead, they are opting for easier maintenance, open-concept floor plans and quality finishing. The most popular type of home among the move-up segment continues to be the two-storey, three-bedroom home that offers 1,500 to 2,000 square feet of living space. Builders in the area are now accommodating that demand by offering model homes designed to appeal largely to that segment. With the prospect of renovations much less attractive than owning a brand new showpiece, many in the move-up

category are opting for new construction. The outlying areas where construction is most predominant have now become the hot spot among move-up homebuyers in Waterloo.

NIAGARA FALLS

Typical Price Range

\$175,000 - \$250,000

Confidence in the economy and a positive outlook for the future is helping to support sales in the move-up segment of the real estate market, priced between \$175,000 and \$250,000, in Niagara Falls. Overall year-to-date unit sales in Niagara Falls and the surrounding areas are up an exceptional 171 per cent, from 776 units in 2001 to 2,107 in 2002. Increased activity in the move-up category can be attributed, in large part, to low interest rates which have served to make the move to better housing much more affordable. New job growth—much of which has been credited to the construction of the new casino and a strong travel and tourism sector—combined with increased job security have created a surge in consumer confidence levels. Many young families with children, who comprise the majority of the move-up market in Niagara, are looking to upgrade to newer and larger homes that offer features such as double-



London \$198,900

car garages, three-to-four bedrooms, finished recreation rooms, etc. With a severe shortage of product listed for sale, newer subdivisions are experiencing the bulk of move-up sales activity. Areas where sales are particularly brisk include those where new schools have been constructed, making the Niagara-area suburbs an attractive option for those looking to buy. Increased demand is starting to give rise to an upswing in prices. Average price now hovers at \$132,000, up from \$125,000 in 2001 and \$114,000 in 2000. Multiple offers in the Niagara region are occurring, but on a limited basis. For the most part, homes are selling closer to or at list price.

ST. CATHARINES

Typical Price Range
\$140,000 - \$160,000

Brisk activity, driven by low interest rates, continues to characterize the St. Catharines residential housing market. The move-up market in particular is thriving, with sales of homes in the \$140,000 to \$160,000 price range up considerably. Overall, sales in St. Catharines have increased 20 per cent over one year ago. Upgrading young families and baby boomers, representative of about 25 per cent of the market, are in large part responsible for the upswing in activity. Move-up buyers are looking for larger homes and lot sizes. In fact, there has been some trending toward country living in recent months. Newer and older, established areas have also benefited from the uptick in activity. The North and South Ends of the city, as well as newer developments in the

West, such as Martindale, are extremely popular with move-up buyers. Strong demand is also placing upward pressure on housing values – with average price up about seven per cent to \$148,000. A limited supply of inventory has caused an increase in the number of multiple offers in the market. As a result, many move-up buyers have been reluctant to place their homes up for sale for fear that they will be unable to replace them.

HAMILTON

Typical Price Range
\$150,000 - \$250,000

Strong consumer confidence levels have bolstered every aspect of residential real estate in Hamilton and the surrounding areas in recent months. The move-up market, priced between \$150,000 to \$250,000, has been particularly active, more so than in the heated 1980s. Prices, however, have reported a relatively modest increase of approximately five per cent year over year. Equity redemption is a major factor in the market as move-up purchasers take advantage of significantly reduced carrying costs. Baby boomers, for the most part, are driving move-up activity. There has been an influx of purchasers from the Toronto area because of Hamilton's attractive house prices – the average price for a two-storey home on Hamilton Mountain is approximately \$180,000. The 407 extension has made buying in Hamilton easier for those who are upgrading their accommodations. Some move-up buyers are making lateral moves in



St. Catharines \$149,900

terms of housing – trading for neighbourhood as opposed to housing. Popular areas include Ancaster, Dundas, Stoney Creek, and West Mountain. The area around McMaster University has seen a significant proliferation of multiple offers as parents looking to buy homes for their children attending the university vie for properties with move-up purchasers. Inventory is also an issue as the number of listings on the market has dropped to about 3,500, down from a norm of about 5,000 at this time of the year. New home construction has helped to meet demand from move-up buyers to some degree. With economic conditions expected to continue to remain healthy in the Hamilton area, the future remains bright for housing.

TORONTO

Typical Price Range
\$300,000 - \$500,000

Location continues to drive move-up buyers into Toronto. The long-term investment possibilities are top of mind for move-up buyers who are now choosing to invest in older, established communities in the Central, West, and East Ends of the city. Many are prepared to stretch their budgets to buy in close proximity to the downtown core. Sales of homes priced between \$300,000 to \$500,000, representing move-up

activity in the Greater Toronto Area, are up 71 per cent over the first four months of the year compared to 2001. Close to 20 per cent of purchasers fall into the move-up category, up from over 15 per cent one year ago. A stable economy, low interest rates, and job security are helping the trade-up buyer. Equity redemption has also played a substantial role. Many first-time sellers have realized significant appreciation in their homes and have decided to cash in and move-up. Given that their current mortgages are locked in at higher rates, the move to borrow a greater amount at a lower rate has made the upgrade a wash. Yet, move-up buyers concede that the second home they purchase will not be their last. Most realize it may take two to three more homes to achieve their goal. Availability continues to hamper sales activity to some extent as a shortage of homes listed for sale exists across the Greater Toronto Area. From High Park to East York, multiple offers are occurring on move-up properties. Although initially unwilling to participate in multiple offer situations, move-up buyers are getting more and more involved in bidding wars. Buyers, however, are still cautious regarding their investments. Many have set a limit of \$100,000 on their upgrade and refuse to move any higher. Choice neighbourhoods include Bloor West Village, Leaside, Cricket Club, Cedarvale, Allenby, and Riverdale.

OTTAWA

Typical Price Range
\$150,000 - \$225,000

Heated demand exists for all types of properties in virtually all price ranges in the Ottawa area. Overall unit sales have increased by close to 21 per cent year to date over 2001 levels, with sales in the move-up category—priced between \$150,000 and \$225,000—recording similar increases. Interest rates, which fell to historic lows in 2001, have served to unleash enormous pent-up demand that has been building over the past few years. As a result, the marketplace is experiencing a considerable shortage in inventory across the board. Today's



Toronto \$489,000

purchasers must be prepared to take “calculated risks” by paying more than what was originally planned, engaging in competition, and presenting more attractive offers with few or no conditions. Move-up home buyers, however, have no qualms about the current market situation. A key factor contributing to the influx in move-up activity is that many homebuyers now consider real estate to be a solid investment strategy. Buyers are now taking advantage of current economic conditions that, combined, have served to create an ideal climate for trading-up to newer or larger homes or homes that offer better quality or a more desirable location. The vast majority of those purchasers are 30-45 years of age with young families and are secure in their decision to buy because of confidence brought about by increased equity in their previous home, a positive economic outlook, a stable job market and increased affordability. Areas that are most popular with the move-up segment include the East and West End suburbs. Whether buying in new subdivisions or in older, established neighbourhoods, purchasers are paying significantly more than just one year ago. Residential home prices have been consistently trending upward in the Ottawa region, rising to just over \$212,000 year to date compared to close to \$189,000 during the same period in 2001—a significant 12.6 per cent increase.

THUNDER BAY

Typical Price Range

\$120,000 - \$180,000

Favourable interest rates are spurring move-up buying activity in the \$120,000 to \$180,000 price range in Thunder Bay. In fact, sales are up 15 per cent over last year in this category. Current real estate market conditions are creating an ideal climate for move-up activity. Many move-up buyers selling their homes are benefiting from built-up equity, while buyers take advantage of increased affordability and lower carrying costs brought about by lower interest rates. These conditions have made it possible for purchasers to afford more. While demand and affordability are on the rise, prices have remained stable, and supply—to some extent—has been limited in recent months. Some buyers are waiting on the sidelines for more product to become available. Multiple offers are occurring, but only on homes that are well-priced, in good condition, and in desirable locations. Buyers most active in this price range generally are between 35 and 50 years old with young families or grown children still living at home. These purchasers are looking to make the move into larger homes with newer upgrades and features such as finished basements and extra bathrooms. The convenience factor is increasingly important to



Thunder Bay \$131,900

the move-up buyer segment in Thunder Bay, as buyers are looking for homes that are easier to maintain—freeing up more time to focus on family, recreation and quality of life. Neighbourhoods that are experiencing the majority of move-up buyer activity include newer areas such as River Terrace and Sherwood Estates as well as older, more established areas such as Grandview, Mariday Park, and parts of Northwood.

Manitoba

WINNIPEG

Typical Price Range
\$120,000 - \$180,000

A substantial reduction in carrying costs has fueled move-up activity in one of Canada's most affordable housing markets. Sales between \$120,000 to \$180,000, the traditional move-up market, have increased 29 per cent in the first four months of the year, rising from 269 to 348 unit sales in 2002. More and more buyers are cashing in on the equity they've realized in the past 12 to 18 months. Housing values in Winnipeg have appreciated 10 per cent to date and are expected to climb another five per cent by year end. A lack of inventory is in large part responsible for the upswing in prices. Multiple offers are also commonplace as a result of the shortage – in fact, 32 per cent of all homes are selling at or above list price since the beginning of

this year. Move-up buyers, representing 27 per cent of the market in Winnipeg, come from all walks of life – some are baby boomers, others are young professionals. They all share the desire for a lifestyle change – they're looking for bigger homes featuring open concepts, great rooms, and more space in general. Some move-up purchasers are willing to pay a little extra to build the ideal home – but only if they can find the ideal lot. Low unemployment rates, construction activity, and the revitalization of the central core of the city have served to buoy consumer confidence in the area. New homes, as well as resales, are in huge demand. Areas popular with move-up buyers include St. Vital, White Ridge, Lindenwoods, Charleswood, East Kildonan/North Kildonan, Transcona, and the Maples.

Saskatchewan

REGINA

Typical Price Range
\$80,000 - \$150,000

The demand for bigger homes and better neighbourhoods has, in large part, been fuelled by lower interest rates in Regina. Increased consumer spending power has contributed to a 25 per cent increase in sales activity in the \$80,000 to \$150,000 price range so far this year. Job security and rising consumer confidence levels are also driving the move-up market. A lack of quality product on the market has caused



Winnipeg \$169,900

some hesitancy on the part of the trade-up buyer. Many are reluctant to sell before they buy for fear of not finding a home. Some homes are selling within a day or two and multiple offers are occurring, albeit on a limited basis. East, South, and Northwest Regina are most popular, offering move-up buyers a good balance of newer homes and older, established neighbourhoods from which to choose. Rather than discouraging purchasers, today's market conditions are encouraging buyers to enter the housing market. Virtually all segments of the economy are thriving and the demand for housing in Regina is reflective of that fact. Average prices have been rising as a result of increased demand, with values appreciating from \$83,000 in 2001 to their current level of about \$97,000.

SASKATOON

Typical Price Range
\$120,000 - \$145,000

The traditional Spring market is well underway in Saskatoon, driven by low interest rates and strong consumer confidence. Sales of homes priced between \$120,000 to \$145,000, commonly referred to as the move-up market, are up substantially. The number of homes sold overall has climbed 14 per cent so far this year. Young families, individuals between the ages of 30 and 45 years, are leading the charge to upgrade. Most are looking for more square footage, better

locations, and closer proximity to schools and amenities. Dual incomes are helping many families to realize their goals of homeownership. A shortage of inventory, however, is placing pressure on consumers as well as prices. Multiple offers are now commonplace here, with many homes selling at or over list price. Move-up buyers are now getting pre-approved early so that they can submit offers with fewer conditions. Affordability continues to be the key factor in the housing market in Saskatoon. The average price hovers at about \$115,000, making the city one of the most affordable areas in the country in which to live. An estimated 35 per cent of the market consists of move-up purchasers. Trade-up buyers tend to favour newer developments, including Silver Springs, Erindale, Arbor Creek, Dundonald, Lawson Heights, and Lakeview.

Alberta

EDMONTON

Typical Price Range
\$180,000 - \$250,000

Move-up activity has experienced a marked increase in recent months, driven by low interest rates and strong consumer confidence levels. Overall activity in Edmonton has been solid, with April representing the 21st consecutive month of



Regina \$122,500

increasing sales in the Edmonton region (with the exception of March which faltered slightly due to a shortage of inventory). The lack of inventory has applied upward pressure to prices, yet demand continues to exist. Both new and resale properties have benefited from the upswing, with many experiencing multiple offers. The move-up market, typically priced between \$180,000 to \$250,000, was up six per cent in April, rising from 12 per cent to 18 per cent this year. Sales between \$180,000 and \$250,000 are up 67 per cent this year, compared to the same period (January to April) in 2001, according to the Edmonton Real Estate Board. The former government-based economy has diversified and the outlook for the future is quite positive. CN has recently built a container yard and the area is now a hub for Northern Alberta. Edmonton is also servicing the Ft. McMurray area and that is another factor that has served to buoy the economy. In spite of strong upward momentum, move-up buyers remain relatively cautious. In any case, the checks and balances are in place to prevent a repeat of the 1980s. Most move-up buyers are young families in established careers currently living in a condominium or starter home. Size and neighbourhoods play a significant role in the decision to trade up. New homes and resales are in strong demand in the South and Southwest areas of the city. More sophisticated move-up buyers are looking to established areas like Glenora and Valleyview where the move-up market starts at \$300,000.

CALGARY

Typical Price Range

\$200,000 - \$400,000

Move-up homebuyers in Calgary's bustling real estate market have been busy in recent months. Home sales priced between \$200,000 and \$400,000 were up over 70 per cent in the first four months of 2002 versus the same period in 2001, with move-up purchasers representing close to 43 per cent of all homes sold, up from 31 per cent from just one year ago. Approximately 15 per cent of homes are selling at or above list price, with some in multiple offer situations, prompting the need for homebuyers in this segment to be both savvy and proactive in their real estate decisions. With a shortage of quality listings, the need to act quickly is also becoming a requirement for buyers who have their hearts set on owning a particular dream home. In fact, the average time on the market for homes listed in the Calgary area has decreased 21 per cent from 42 days in 2001 to just 33 days. In some cases, however, homes in desirable neighbourhoods, in close proximity to the downtown core can sell within a matter of days. Young professionals and those aged 35-50 with families are driving the move-up market in Calgary, with interest rates, the desire for quality of life, and growth in equity being the chief factors influencing the decision to move to bigger and more expensive housing. Purchasers in this segment are looking for homes that are more central to the city that offer



Calgary \$424,900

convenience and access. Focused on lifestyle, these buyers are not interested in renovations, but instead prefer all the bells and whistles including hardwood floors, granite countertops, imported tile, custom cabinetry, main or second-floor laundry rooms, etc. Move-up neighbourhoods that are experiencing strong activity include Altador, South Calgary, Killarney, Lakeview and North Glenmore.

British Columbia

VICTORIA

Typical Price Range
\$275,000 - \$350,000

Virtually all aspects of real estate have performed well over the past year, spurred by lower interest rates and a relatively healthy economy in Victoria. The move-up buyer, driving activity for homes priced from \$275,000 to \$350,000, represents approximately 27 per cent of the market. Activity in this segment was up 41 per cent over one year ago. A shortage of inventory has hampered sales to some degree. Between 3,000 and 4,000 homes are typically listed for sale this time of the year. This year, that figure has plummeted to 2,000 units. The tail end

of the baby boomers (aged between 40 and 50 years) as well as young professionals with dual incomes are taking advantage of current market conditions. Buying more home for the same money appears to be the impetus in the marketplace. More multiple offers are occurring in the market. Prices are starting to increase as a result, rising approximately 10 per cent year over year. Oak Bay, Gordon Head, Fairfield, and Broadmead have proven to be popular with move-up buyers, particularly with those purchasers already situated in those areas.

KELOWNA

Typical Price Range
\$200,000 - \$300,000

Move-up buyers in the Kelowna area are choosing homes that offer lifestyle upgrades. Golf course communities, waterfront and lakeview properties are in high demand as purchasers in their mid-thirties to mid-forties with established careers and growing families make their moves. Economic performance in the area has been relatively strong over the past 12 months, further buoyed by low interest rates. Strong demand and a lack of available product in the traditional move-up market priced between \$200,000 to \$300,000 have created a market where multiple offers occur with some frequency. Prices have also responded to growing demand by rising approximately 10 per cent over one year ago. For



Victoria \$289,900

purchasers involved in a bidding war, the best advice is to have an offer that contains as few conditions as possible. Move-up buyers represent about half of all transactions in the Kelowna area at present. Popular areas include Mission, as well as golf communities such as Gallagher's Canyon, Quail Ridge, West Kelowna Estates, and Shannon Lake. The suburban areas tend to attract the lion's share of move-up buyers.

VANCOUVER

Typical Price Range
\$300,000 - \$500,000

Sales of move-up homes in the Vancouver area, priced between \$300,000 and \$500,000, are on the upswing thanks to low interest rates and pent-up demand for quality listings. Year-to-date sales are up 64.3 per cent to 12,789 units compared to the same period in 2001. High consumer confidence, brought about by a positive economic outlook for the region, has been the impetus for many trading up to more expensive housing. Buyers in this segment run the gamut from young families and professionals to baby boomers and retirees. They are typically looking for homes that are larger—more than 1,500 square feet—and homes

that reflect quality from modern features to finishing details. A shortage of inventory in the move-up price range, and across all segments of the market, has been a source of frustration for many looking to buy, causing some to “sit on the fence” until the ideal home becomes available. For others, however, the shortage calls for the need to be more flexible, and instead they are choosing to purchase a home that fits most, instead of all, of their criteria. In either case, decisions must be made swiftly since quality listings often sell within days, and even a slight hesitation can mean losing out. For the most part, low inventory levels and heated demand has sparked a sense of urgency and an increasing number of multiple offers. More and more buyers are recognizing the need to be prepared—to get pre-approved and to present offers with few or no conditions. Prices are also on the rise, with the average now approaching \$300,000—up over four per cent year to date versus 2001.



Kelowna \$259,900

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