



ONTARIO-ATLANTIC CANADA INC.  
For immediate release

*Upper-end sales up at least 40 per cent in most major markets*  
**Affluent Canadians add luxury homes to their  
investment portfolios, says RE/MAX**

**Mississauga, Ontario (September 20, 2004)** – From coast-to-coast, affluent Canadians are investing in a proven asset class that has shown remarkable resilience in recent years – the luxury housing market, according to a report released today by RE/MAX Ontario-Atlantic Canada and RE/MAX of Western Canada.

The RE/MAX Upper-End Report found that sales of upper-end homes are once again on the upswing, with percentage increases of at least 40 per cent reported in the vast majority of major centres surveyed year-to-date 2004 (January – August). Prices have also followed suit, with properties in many of the country's most coveted neighbourhoods experiencing appreciation that is several times the area average.

“Substantial equity gains, combined with today's historically low interest rates, have prompted many purchasers to trade up to more upscale homes or prestigious neighbourhoods,” says Elton Ash, Vice President and Regional Director, RE/MAX of Western Canada. “Given slow stock market recovery and poor returns on Guaranteed Investment Certificates, Canadians are clearly turning to upper-end real estate as an investment in lifestyle and in the future.”

Leading the country in terms of percentage appreciation is White Rock/South Surrey with a substantial 151 per cent increase in home sales over \$800,000 from January to August of this year, compared to the same period one year ago. In second place is Victoria, with sales activity in the \$700,000 plus price range doubling (108 per cent) from 2003 levels. Ranking third is West Vancouver with a 96.5 per cent increase in sales (January to July) over \$1 million. Regina reports upper-end sales of \$250,000 and more have increased 72 per cent year-to-date while luxury home sales (priced at \$500,000 plus) in Winnipeg have risen 70 per cent. Ottawa ranks sixth with home sales over \$500,000 up 62.5 per cent year-to-date (January to August). Edmonton ranks seventh with a 62 per cent increase in sales of homes priced in excess of \$500,000. Vancouver Westside recorded a 60 per cent increase in sales over a million dollars (January to July). Luxury home sales priced over \$700,000 are up 49 per cent in Montreal. Toronto claims tenth place with a 43.5 per cent increase in luxury home sales over \$1 million. Hamilton/Ancaster has experienced a 43 per cent increase in sales over \$500,000 so far this year. Calgary is up 31 per cent over one year ago in terms of sales over \$500,000. Kelowna ranks 13<sup>th</sup> overall, with a 26.6 per cent increase in sales over \$1 million. Halifax is up 7.5 per cent on sales over \$320,000 year-to-date. \* (Source: Local Real Estate Boards)

“It truly defies all logic. Housing markets across the country have faced numerous obstacles in recent years—ranging from economic uncertainty, terrorism, and war, to major health threats – yet they continue to exceed all our expectations,” says Michael Polzler, Executive Vice President, RE/MAX Ontario-Atlantic Canada. “The exceptional demand for upper-end homes is an indication of the strength of the overall market. It is usually the first segment to soften in the event of a slowdown—and there is absolutely no evidence of that. In fact, we continue to see record demand in the upper end, and that's expected to continue through year end.”

-more-

## Highlights

- The most expensive homes listed and sold this year in Canada both belong to Vancouver, with the highest sale at \$17.5 million and the highest listing now available for \$16 million in Vancouver Westside.
- Baby boomers continue to drive the upper-end market, with the vast majority of purchasers comprised of established professionals, corporate executives, entrepreneurs, celebrities and professional athletes.
- The most desirable upper-end neighbourhoods or “hot pocket” areas tend to be located in close proximity to the city and speak to location. Not surprisingly, price appreciation tends to be greatest in those areas.
- Waterfront properties remain among the most coveted class of upper-end homes across the country.
- While inventory levels have experienced a general improvement in a number of major markets, the most desirable neighbourhoods continue to experience a shortage, and pent-up demand remains a factor.
- Renovation activity is commonplace in the upper end, with most purchasers wanting to put their own thumbprint on their home. It is standard to see architects, engineers and contractors walk through upper-end homes prior to sale or even as a condition of sale.
- Bells and whistles are a requirement, not an option. Upper-end purchasers want all things “deluxe” and “luxury,” with only the best upscale finishings. Compromise, however, is a reality in the marketplace, as inventory is tight. The very best properties move quickly.

RE/MAX is Canada’s leading real estate organization with over 13,800 sales associates in nearly 600 independently-owned offices. The RE/MAX franchise network, now in its 31<sup>st</sup> year of consecutive growth, is a global real estate system operating in 52 countries. More than 5,100 independently-owned offices engage close to 96,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral, relocation and asset management. For more information, visit: [www.remax.ca](http://www.remax.ca).

###

For more information, please contact:

Marie Sheppy  
RE/MAX of Western Canada  
250-860-3628

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

Eva Blay/Charlene Quenneville  
Point Blank Communications  
416-781-3911