



For immediate release

**House price appreciation across Canada
to slow as more listings come on stream in 2007, says RE/MAX**

Mississauga, ON (October 18, 2006) – Home buyers across the country will breathe a sigh of relief in 2007, thanks to a nationwide influx of new listings that is expected to slow price appreciation in major Canadian centres, says a report released today by RE/MAX.

The RE/MAX Housing Market Outlook 2007 found that while the number of homes listed for sale is set to climb, demand will remain strong in the 17 markets surveyed, including Vancouver, Victoria, Kelowna, Calgary, Edmonton, Regina, Saskatoon, Winnipeg, Kitchener-Waterloo, Hamilton-Burlington, Toronto, Ottawa, Montreal, Halifax, Charlottetown, Saint John and St. John's. With few exceptions, projections for sales volume in 2007 match or fall short of peak performance reported in 2005 and 2006, with more balanced conditions – characterized by healthy inventory levels and less urgency in the market -- expected to emerge.

Nationally, 462,000 properties are forecast to change hands next year, making 2007 the third best year on record. After four years of double-digit gains, average price is predicted to climb a modest five per cent to \$290,000 by year-end 2007, up from \$275,000 one year ago. All but three of the markets surveyed (Kitchener-Waterloo, St. John's, and Charlottetown) are predicting further escalation in housing values, ranging from three to 10 per cent, in 2007.

“Strong economic fundamentals continue to fuel healthy residential real estate activity in markets across the country, despite what is happening south of the border,” says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. “We are heading into another year of economic growth. Consumer confidence levels are strong. Unemployment levels are forecast to remain low. Oil prices are expected to hover at \$60 per barrel. The Canadian dollar continues to climb. The Bank of Canada is holding the line on interest rate hikes. It's all positive.”

Leading the country in terms of percentage increase in average price in 2007 are Calgary and Edmonton, with housing values rising 10 per cent to \$385,000 and \$265,900 respectively. Both markets experienced substantial upward pressure in pricing during 2006 –with Calgary climbing 40 per cent to \$350,000 and Edmonton rising 25 per cent to \$241,750. Affordability is eroding, particularly in Western Canadian markets, but consumers are adjusting to new market realities.

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“Affordability is one of the more serious issues facing today’s real estate consumer, yet purchasers remain steadfast,” says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “Buyers are simply getting more creative in their approach to homeownership, considering alternatives to single-detached homes such as semi and row housing, town houses, and condominium apartments. They’re also looking at peripheral areas located close to the city centre that provide a better bang for the buck. New mortgage products that extend the traditional 25-year mortgage amortization period to 30 and 35-years may also help them realize their goal of owning a home sooner rather than later.”

In 2007, the highest percentage increase in unit sales is expected to occur in Saskatoon, where sales are forecast to climb seven per cent to 3,630 units. Edmonton is expected to place a strong second, with the number of homes sold climbing five per cent to a record 21,300 units. Regina and Hamilton-Burlington are tied for third place, both projecting a two per cent increase in unit sales to 2,950 and 13,800 units respectively. Vancouver, Kelowna, Winnipeg, Ottawa, and Saint John are all projecting sales volume on par with last year’s levels.

RE/MAX is Canada's leading real estate organization with over 16,690 sales associates situated throughout its more than 625 independently owned and operated offices across the country. The RE/MAX franchise network, now in its 407 month of consecutive growth, is a global real estate system operating in over 63 countries. More than 6,545 independently owned offices engage 120,400 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

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Residential MLS Average Price

Market	2006 Estimate	% Change	2007 Forecast	% Change
Vancouver	\$ 503,000	18.0%	\$543,240	8.0%
Victoria	\$ 420,000	10.0%	\$440,000	5.0%
Kelowna**	\$ 422,900	19.0%	\$460,965	9.0%
Calgary	\$ 350,000	40.0%	\$385,000	10.0%
Edmonton	\$ 241,750	25.0%	\$265,900	10.0%
Saskatoon	\$ 158,000	9.0%	\$164,000	4.0%
Regina	\$ 134,000	8.0%	\$140,700	5.0%
Winnipeg***	\$ 153,000	14.0%	\$160,000	5.0%
Toronto	\$ 353,000	5.0%	\$371,000	5.0%
Hamilton-Burlington	\$ 248,000	8.0%	\$255,400	3.0%
Ottawa	\$ 258,000	4.0%	\$268,300	4.0%
Kitchener-Waterloo	\$ 240,000	9.0%	\$240,000	N/C
Montreal	\$ 213,900	5.0%	\$224,600	5.0%
Halifax-Dartmouth	\$ 212,000	12.0%	\$226,800	7.0%
St. John's (Newfoundland & Labrador)	\$ 141,160	n/c	\$141,160	N/C
Saint John	\$ 126,000	5.0%	\$130,000	3.0%
Charlottetown (PEI)	\$ 125,000	7.0%	\$125,000	N/C
National	\$ 275,000	10.0%	\$290,000	5.0%

Residential MLS Unit Sales

Market	2006 Estimate	% Change	2007 Forecast	% Change
Vancouver	40,000	-5.0%	40,000	N/C
Victoria	8,000	n/c	7,400	-8.0%
Kelowna**	9,900	-5.0%	9,900	N/C
Calgary	32,500	3.0%	30,000	-8.0%
Edmonton	20,300	9.0%	21,300	5.0%
Saskatoon	3,400	5.0%	3,630	7.0%
Regina	2,900	6.0%	2,950	2.0%
Winnipeg***	13,000	8.0%	13,000	N/C
Toronto	80,000	-5.0%	78,000	-3.0%
Hamilton-Burlington	13,565	n/c	13,800	2.0%
Ottawa	14,000	5.0%	14,000	N/C
Kitchener - Waterloo	58,000	-6.0%	5,500	-5.0%
Montreal	49,500	n/c	49,506	N/C
Halifax	6,300	-2.0%	6,000	-5.0%
St. John's (Newfoundland & Labrador)	3,300	3.0%	3,000	-9.0%
Saint John	1,850	-3.0%	1,850	N/C
Charlottetown (PEI)	1,200	-17.0%	1,100	-8.0%
National	483,250	n/c	462,000	-4.0%

*Source: CREA, TREB, OMREB, RE/MAX

** Central Okanagan

*** WREB Total MLS Sales