



PRESS RELEASE



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Canadian housing markets buck recession and trend upwards, says RE/MAX

KELOWNA, British Columbia, September 24, 2009 — With the worst of the recession over, residential real estate markets in major Canadian centres are poised for growth in the final quarter of 2009, according to a report released today by RE/MAX.

The RE/MAX Bricks and Mortar Report found the bounce back that began in early Spring has made this recession one of the shortest on record for real estate. Low interest rates, pent-up demand, and improved affordability levels have all played a role in the recovery now well-underway. Percentage increases in sales from January to August 2009 were led by Vancouver, (up a substantial 14 per cent to 23,158), Victoria (up 7.4 per cent to 5,266), Edmonton (up 6.2 per cent to 13,691), Regina (up five per cent to 2,597), Ottawa (up 2.4 per cent to 10,830) and Toronto (up 1.8 per cent to 58,421). Housing values are already ahead of record-breaking 2008 levels in seven of the 11 markets surveyed, including Newfoundland-Labrador (18.1 per cent year to \$203,584), Regina (6.4 per cent to \$244,088), Halifax-Dartmouth (3.5 per cent to \$239,633), Winnipeg (3.5 per cent to \$207,006), Ottawa (3.3 per cent to \$301,684), and Toronto (up 0.3 per cent to \$385,978). Nationally, average price hovers at \$312,585, up 0.5 per cent over one year ago.

“The strength of the residential housing sector cross-country has taken many economists and housing analysts by surprise once again,” says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “In terms of its impact on the resale market, by historical standards, this recession was one of the mildest. The resilience of bricks and mortar has been demonstrated time and again. While there may still be some challenges down the road, the worst is definitely behind us in the housing industry.”

The recovery of Canada’s resale housing markets speaks to the tremendous value Canadians place on the importance of owning a home. The number of Canadians overall who own a home has increased since 1981 from 62.1 per cent to 68.4 per cent, with some markets posting even higher homeownership rates -- Calgary (74.1), St. John’s (71.5), Regina (70.1), and Edmonton (69.2). Significant gains have also been made over the same period in markets such as Ottawa -- where homeownership levels rose from 51.4 per cent to 66.7 per cent -- and Toronto, where levels rose from 57.3 to 67.6 per cent.

“Markets are heating up across the country,” says Michael Polzler, Executive Vice President, RE/MAX Ontario-Atlantic Canada. “Purchasers are clearly taking advantage of affordable prices and rock bottom interest rates. Those who missed the boat in years past have found that sitting on the sidelines can be a costly move. Prices are on the upswing and inventory levels are tightening, so the push toward homeownership is expected to continue throughout the Fall and possibly into early 2010.”

Over the past thirty years, the Canadian residential real estate market has experienced three major downturns – 1981, 1989, and 2008. While there have also been regional fluctuations throughout the years, return on investment over this period has been substantial, with Vancouver, Victoria, Toronto, Regina and Ottawa leading the country in terms of price appreciation.

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The overall stability of real estate as an investment has also played a role. Markets like Halifax-Dartmouth, Regina, Ottawa, Winnipeg and London have provided steady returns (especially in recent years), with minimal fluctuation.

Public sentiment can best be illustrated by a recent Angus Reid Omnibus Survey* that asked the question “In which do you feel more comfortable investing your money? The stock market or real estate.” Out of 1,000 respondents from coast-to-coast, 77 per cent chose real estate. The results of the RE/MAX Bricks and Mortar Report are clearly representative of this national dynamic at work.

RE/MAX is Canada’s leading real estate organization with over 17,000 sales associates situated throughout its more than 677 independently-owned and operated offices across the country. The RE/MAX franchise network, now in its 36th year, is a global real estate system operating in more than 70 countries. Over 6,700 independently-owned offices engage nearly 100,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral, and asset management. For more information, visit: www.remax.ca.

* The Angus Reid Omnibus Survey was conducted on September 15, 2009 and yields a margin of error of +3.1 per cent, 19 times out of 20.

Homeownership Rates

Canada and Major Centres

	1981	2006
Canada	62.1	68.4
Metropolitan Areas*		
St. John's	69.5	71.5
Halifax	55.6	64.0
Ottawa	51.4	66.7
Toronto	57.3	67.6
London	58.0	65.9
Winnipeg	59.1	67.2
Regina	65.4	70.1
Calgary	58.4	74.1
Edmonton	57.9	69.2
Vancouver	58.5	65.1
Victoria	59.8	64.7

Source: Canada Mortgage and Housing Corporation
(May 2008)

*Homeownership rates based on 1986 boundaries for the Census Metropolitan Area (CMA)

Top Performing Markets by Price Appreciation

Market	1980 Avg. \$	YTD 2009 Avg. \$	% Increase 1980 - 2009
Greater Vancouver	\$100,065	\$574,061	473.7%
Victoria	\$85,066	\$466,611	448.5%
Greater Toronto	\$75,694	\$385,978	409.9%
Regina	\$48,628	\$244,088	402.0%
Ottawa	\$63,177	\$301,684	377.5%
Halifax-Dartmouth	\$53,161	\$239,633	350.8%
Winnipeg	\$50,491	\$207,006	310.0%
Calgary	\$93,977	\$380,489	304.9%
London – St. Thomas	\$55,210	\$213,683	287.0%
Newfoundland & Labrador	\$52,768	\$203,584	285.8%
Edmonton	\$84,623	\$319,939	278.1%
Canada	\$67,024	\$312,585	366.4%

Source: Canadian Real Estate Association (CREA), RE/MAX

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