

Upper-End

MARKET TRENDS 2013



THE
RE/MAX
COLLECTION

Newfoundland & Labrador

St. John's

The number of upper end sales in St. John's has remained relatively consistent year-over-year, bolstered by migration and corporate transfers, as well as healthy population and income growth. Fourteen luxury homes changed hands in the first quarter, compared to 16 during the same period in 2012. Buyer's conditions

continue to characterize the market, providing ample opportunity and favourable selection for those ready and able to make their moves. The oversupply has resulted in some price adjustments, but properties listed at fair market value are attracting attention after a slow start brought about by severe winter weather. With no sense of urgency, buyers are taking their time in making decisions, particularly given the tone of economic restraint evident in the recent provincial budget. Days on market have edged up year-over-year. Just under 200 homes priced over \$500,000 are currently listed for sale. Despite softer indicators, values in sought-after neighbourhoods—including Churchill Square, Clovelly Trails, Summit Place and Judge Drive—have held up quite well, with



good demand for both new and resale product. The most active price point continues to hover between \$500,000 and \$800,000. Considerable equity gains—among the highest in Canada over the past 10-year period—and continued low interest rates remain a solid impetus for those entering St. John's upper end market. This, factored along with income growth, has resulted in a modest increase in buyers that qualify at the low end of the luxury price spectrum. As a result, a growing number of upper-end sales are taking place at or slightly above the starter point for luxury sales, especially since money goes further in the current climate. Some limited infill activity is taking place in St. John's prime neighbourhoods, particularly in Churchill Square where coveted tear-down properties are commanding prices in the mid-\$300,000 range. The resulting building activity is bolstering average values, with completed homes typically worth \$750,000 to \$1.5 million. Speculation is non-existent, however, with virtually all rebuilds undertaken by end-users. The most expensive property sold to date—a 4,200 sq. ft. home on a large lot offering plenty of privacy—was located in Churchill Square and sold for \$820,000. Condominiums continue to represent a minute share of high-end sales. The most expensive condominium sold so far this year fetched just over \$530,000. The unit was located in the east end of St. John's within walking distance to downtown. Elizabeth Towers, Place Bonaventure Condominiums, King Edward Court and The Narrows remain among the city's most prestigious luxury condominium addresses. Overall, St. John's upper end real estate market is forecast to keep pace with 2012 levels, supported by stable economic fundamentals and propped up by favourable buying conditions.



Nova Scotia Halifax – Dartmouth

While a harsh winter dampened buyer enthusiasm in Halifax-Dartmouth's luxury home segment, activity is finally starting to gain momentum. The market posted a 26 per cent decline in the first quarter of the year, compared to the same period in 2012. The top performance, set in Q1 2012, was seriously bolstered by jubilation over the \$25-billion shipbuilding contract, announced the previous fall. Solid demand exists for upper end product, with 49 homes priced over \$500,000 changing hands in the first three months of 2013 vs. 66 one year ago. The pace is virtually on par with 2011, when 52 high-end properties sold. Recent confidence has been propped up by rumblings of progress at the shipyard, but also by ongoing offshore development, an abundance of capital projects and income growth that remains ahead of inflation. Favourable conditions have proved an impetus for many, with a buyer's market in place and an ample supply of inventory available for sale. Currently, 423 single-family homes and 32 condominiums are listed in the high end. Despite the generous selection, prices have remained fairly stable. The most expensive property to move in Q1 2013 was a spacious executive home





on Bloomingdale Terrace in the south end of Halifax. It sold for \$1.275 million. Taking the title of priciest condominium sale—at \$579,000—was a 1,450 sq. ft. unit offering magnificent harbour views and plenty of custom features. Ketch Harbour—southwest of the city—boasts Halifax-Dartmouth’s highest priced listing, with a sticker price of \$6.7 million. The 6,000 sq. ft. home is perched on a rocky bluff, located on a sprawling 41-acre property. Overall, the south end of Halifax peninsula remains most popular, followed by Bedford, Kingswood/Upper Tantallon, Fall River and Timberlea/Hubley. Infill activity and substantial renovations continue at a steady clip, particularly on the peninsula, where location is key. With activity picking up, positive in-migration, immigration, and higher than average military movement—including retirements—Halifax-Dartmouth should close most of the year-over-year sales gap, with 2013’s luxury market running relatively in line with 2012 by year-end.

Québec Québec City

Confidence has held up quite well at the top end of Québec City’s housing market. Sales of homes priced over \$500,000 edged up two units over 2012 levels to post the best first quarter on record in 2013 (61 sales vs. 59). The momentum is exceptional, considering that upper end sales in first quarter of 2012 also set a record—up 50 per cent over Q1 2011. Buyers remain enthusiastic, yet grounded, with few multiple offers to speak of. An ample supply of inventory and relatively stable prices have proven attractive. Despite the solid demand, listings are building in the city, with 400 luxury properties currently available for sale. As a result, market conditions now lean in favour of the buyer. Prices have

held up relatively well. The blue-chip neighbourhoods of Sainte-Foy and Sillery continue to be most sought-after—Sainte-Foy for its close proximity to transportation routes to the South Shore, as well as its easy access to shopping, the airport and the university. Buyers covet Sillery’s tree-lined streets, historic roots, views of the river, and desirable schools. Other popular areas include Cap-Rouge and Lebourgneuf. Vieux-Québec/Cap-Blanc/Colline Parlementaire was home to the most expensive home and condominium sold so far this year, at \$2.6 million and \$880,000 respectively. The city’s most opulent listings at present include a \$4.7 million home in Fossambault-sur-le-Lac—a suburb to the northwest—and a \$1.8 million condominium situated in the Cité-Universitaire area. The upper end of the market still comprises a very small component of Québec City’s overall residential sales at 3.5 per cent in the first quarter, up from 3.3 per cent during the same period in 2012. High-end condominiums are starting to gain momentum, accounting for 10 transactions over \$500,000 between January 1st and March 31st. Overall, the luxury segment continues to be supported by population growth, a stable economy and an unemployment rate that remains well under the national average. With solid fundamentals in place, Québec City’s upper end is expected to remain vibrant throughout the remainder of the year.

Greater Montréal

Homebuying activity in Greater Montréal’s upper end remains solid, despite a 15 per cent decline in sales over \$750,000 in the first quarter of 2013. Two hundred and fourteen homes changed hands during the first three months of the year—the second-best Q1 on record. This performance was only outdone by Q1 2012, when 251 properties over \$750,000 were sold. The Island of Montréal, where high end properties start at \$1 million, has held up even better, with 79 sales reported, just five per cent below the



record of 83—also posted in Q1 2012. Westmount remains the city's most sought-after neighbourhood, although the Town of Mount Royal, Outremont, Hampstead and Rosemère have also proven popular. Downtown Montréal and Plateau-Mont-Royal continue to be the city's most coveted condominium areas. The condominium segment, however, has softened considerably, with the current supply of listings representing 15.4 months of inventory. While many new units are being successfully absorbed into Montréal's rental pool, the oversupply could point to further price adjustments down the road if conditions do not improve. This, in turn, has many purchasers sitting on the fence. Prices remain more stable in the single-family home category, but inventory in this segment is also building, with over 400 properties currently listed for sale. Upper end activity is strongest between \$750,000 and \$1.5 million, while luxury condominiums are moving best closer to the entry-level price point. Older homes in established communities are favoured, with plenty of renovation activity ongoing, restoring the rich character of Montréal's prestigious neighbourhoods. Infill has eased, limited by municipal restrictions and a shortage of teardown properties. The most expensive home sold so far this year in Greater Montréal—at \$3.975 million—was located in Westmount, while the priciest condominiums moved for \$2 million in Île-des-Soeurs and Pointe-Saint-Charles. The city's highest priced listings at present include a \$9.8 million home and a condominium, offered at \$9.568 million and situated in Ville-Marie (Centre Ouest). With Greater Montréal's recent budget clearly demonstrating a tone of fiscal restraint and with slower economic growth in place, it is expected that the momentum in Greater Montréal's upper end market will continue to contract. Yet, sales should still prove quite healthy by year end, remaining above the five-year average.



Ontario Ottawa

A busy spring market is beginning to take shape after inclement weather hampered luxury sales in Ottawa during the first quarter of 2013. Seventy properties priced in excess of \$750,000 were sold between January and March of this year, down 19 per cent from the 86 sales reported during the same period in 2012. The difference—16 sales—is expected to be made up in the second quarter as the market gains traction. Steady improvement has been noted since February, with multiple offers occurring in key neighbourhoods and price points. The lion's share of activity continues to occur between \$750,000 and \$850,000, where 50 per cent of sales were recorded so far this year. While 13 homes sold over \$1 million, including the most expensive sale this quarter—a renovated Cape Cod home in Rockcliffe Park that moved for \$1.975 million—the number was down significantly from one year ago. While an adequate supply of homes is currently listed for sale—close to 500 single-detached homes and condominiums—fewer new builds are available. Infill priced from \$850,000 to \$1 million is especially tight. Entrepreneurs, business executives, professionals and politicians are in large part behind the push for residential homes in prestigious communities like The Glebe, Civic Hospital, Island Park Drive, Alta Vista, and Rockcliffe Park—where the most expensive listing at \$6.25 million can be found. New builds have also served to gentrify a growing number of downtown areas such as Little Italy. In fact, adjacent to every high-end neighbourhood is an up-and-coming sister neighbourhood that represents good value for the dollar. These are the affordable pockets that will eventually transition to upscale communities through the next wave of infill development. Changes to infrastructure are having a tremendous impact on



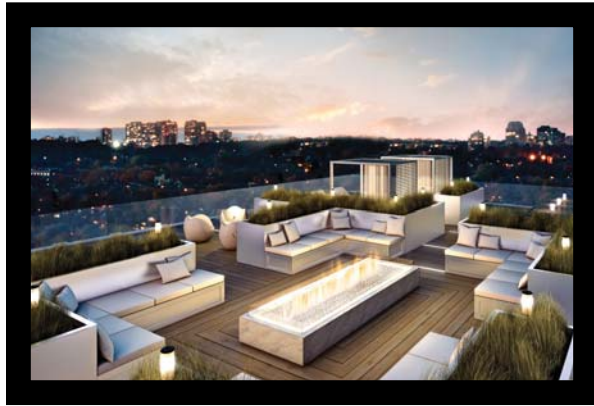
Ottawa's core areas. From rapid transit and an upswing in pedestrian walkways to the construction of bridges connecting communities, serious advancements are underway. Minto's Landsdowne project is a prime example of the transformation taking place. A key component in the downtown core, the project offers a unique combination of shops, restaurants, commercial and residential development. The move by local government to improve infrastructure dovetails with a recent report that expects Ottawa's current population to double by 2030. Quality of life, affordable price point for housing, and overall status as a world class city are factors driving immigration to Ottawa. Land on the outskirts is now being developed to accommodate a higher-density lifestyle. Density is also an issue in the core, with a multitude of new condos coming on stream. Demand remains solid for luxury product, yet inventory is relatively limited. The highest priced sale this quarter was a boutique condominium unit sold at \$1.045 million, while the most expensive listed is a 3,000 sq. ft. penthouse overlooking Byward Market, offered at \$3 million. Enthusiasm has slowly filtered into the city's housing market, supporting overall sales—particularly at the top end. Listings are generally selling for 95 per cent of ask price or higher. Price reductions are less commonplace over \$750,000, with just 13 occurring in 2013, compared to 21 in 2012. An upswing in the number of high net worth individuals may contribute to the market moving forward. According to a recent report, the number

of individuals in Ottawa with over \$1 million in investable assets rose by 11 per cent in 2012, climbing from 9,000 to 10,000—leading the nation and outperforming the worldwide average. That, in combination with strong economic fundamentals, should propel residential sales in the top end for the remainder of the year.

Greater Toronto Area

After a sluggish start to the year, luxury home sales have finally gained momentum in the Greater Toronto Area. Sales remain off last year's heated pace by 11 per cent in the first quarter of 2013, with just 366 homes changing hands over the \$1.5 million price point, down from 412 units reported during the same period in 2012. The top end, however, is still outperforming the overall market, where housing sales are down 14 per cent year-over-year. January and February saw the greatest decline in unit sales, while demand improved significantly in March—narrowing the gap between the two quarters. Single-detached homes remain most coveted in the GTA, representing 93 per cent of sales in the top end. The most expensive property sold so far this year in the GTA was a 12,000 sq. ft. home on an acre in south-east Oakville. The price tag? \$6.3 million. Despite the popularity of condominium apartments and town homes overall, only 10 properties sold over \$1.5 million, accounting for just three per cent of the market. The priciest condominium apartment sold was a 5,000 sq. ft. unit with a spectacular view of downtown Toronto for \$2.9 million. An ample supply of homes is currently listed for sale. With just under 1,000 units available across the Greater Toronto Area, supply is expected to meet demand in the months ahead. However, some of the blue chip neighbourhoods in the core have reported shortages, especially at the \$1.5 million to \$2 million price point, where 60 per cent of sales have occurred so far this year (219). Multiple offers are taking place—but at a slower pace than one year ago. Sales over the \$2 million





mark have pulled down overall statistics in the top end to some extent, with demand at that price and higher down 15 per cent in Q1 2013 versus Q1 2012. That said, the central core seems to be holding up better than average, with 103 sales over \$2 million, down just six units from the 109 units reported one year ago. In spite of the dip, the average price of a single-detached home edged up in the central core, hovering at \$2,696,251 in the first quarter, compared to \$2,666,922 during the same period one year ago. A proliferation of infill properties, combined with extensive renovation activity bolstering the quality of the city's high-end housing stock, has been in large part responsible for the uptick in values. Most properties are still selling for close to list price at an average of 96 per cent. Those in prime locations or offered at attractive price points may command more. The city's most competitive transaction to date recorded a sale-to-list price ratio of 119 per cent. Some neighbourhoods have posted sales in excess of one year ago. Bucking the trend are Rosedale-Moore Park, where 11 homes changed hands in the first quarter—up one unit from 10 one year ago—and the St. Andrews-Windfields area, where Q1 sales rose from 19 in 2012 to 21 in 2013. Upper-end sales—over \$1.5 million—are also up in Oakville, with 38 homes sold in the first quarter of 2013, an increase of 23 per cent over the 31 sales reported during the same period one year earlier. Affluent purchasers are also attracted to the city's west end, including prestigious neighbourhoods such as the Kingsway, Edenbridge, Thorn-

crest Village, Princess Anne Manor, and Baby Point. Inventory is limited, however, with approximately 50 homes currently listed for sale. Although there are fewer upper end homes overall in the city's east end, activity is brisk, having gained considerable momentum in recent weeks. Entry-level luxury homes, priced from \$1 million to \$2 million, are selling quickly. Infill lots are also being snapped up almost as soon as they come on stream. Less than 100 homes are currently listed for sale over \$5 million in the Greater Toronto Area, including the most expensive—a 10,000 sq. ft. condominium located in the heart of Yorkville. Offered at \$19 million, the price tag exceeds the value of the GTA's priciest single-detached listing—a waterfront estate in Oakville at almost \$17 million. The most expensive home in Toronto proper is a contemporary gem, boasting 18,000 sq. ft. with a premier Toronto address, listed for close to \$14 million. While the number of luxury home sales fell short of peak 2012 levels in the first quarter, their share of the residential resale market continues to climb. The top end now accounts for 2.07 per cent of all home-buying activity in the GTA, up from 1.95 per cent during the same period in 2012. Solid economic fundamentals are expected to support the upper end moving forward, with the strongest demand experienced in areas that are located in close proximity to transportation and the downtown core. The upswing in activity will be most evident in the coming months as confidence among luxury buyers gains greater traction. Sales are forecast to end the year on par with 2012 levels, hovering in and around 1,600 units—posting the second-best year on record.

Oakville

Demand for luxury homes in Oakville has surged in the first quarter of 2013, with sales of high-end product up 23 per cent. Thirty-eight homes changed hands over the \$1.5 million price point between January and March of this year, eclipsing the 31 sales reported during the same period in 2012. Luxury

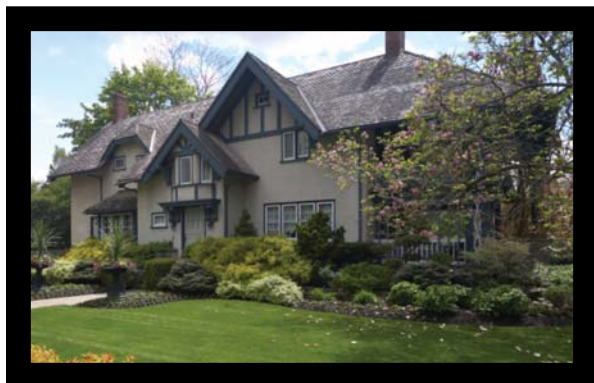


product in Oakville can command prices well into the tens of millions, but most sales typically occur in the \$1.5 million to \$2 million price range. The average price of properties sold over \$1.5 million in the first quarter was \$2,426,974—up seven per cent over last year. The top end represents about five per cent of total residential sales, and approximately 18 per cent of total dollar volume. While some foreign investment has been noted in recent years, particularly on lakefront properties, the vast majority of buyers in the area are local. The picturesque waterfront community also draws a good percentage of purchasers from the Greater Toronto Area. Just 30 minutes away from Toronto's downtown core, Oakville offers the best of both worlds. Southeast Oakville remains most coveted, with affluent buyers paying top dollar for new builds, infill product, and renovated homes on tree-lined streets within walking distance of the lake. There are a number of newer communities—such as Joshua Creek in northeast Oakville—that have seen an uptick in sales, as larger homes and more attractive price points serve to entice purchasers with budgets ranging from \$1.5 million to \$2 million. The area is expected to experience continued growth in the near future with the new construction under way north of Highway 5. Competing offers are occurring, although not at the same pace as one year ago. The most expensive single-detached home—offering 12,000 ft. on close to an acre—moved for \$6.3 million in southeast Oakville, while a high-rise waterfront apartment

with panoramic views of Lake Ontario was the priciest condominium sale, at \$1 million, in the first quarter of 2013. Both pale in comparison to the most expensive single-detached and condominium properties currently listed for sale in Oakville. A waterfront estate located on Lakeshore Rd. is Oakville's highest priced listing at close to \$17 million. The most expensive condominium, offered at \$6.895 million, is located in a gated waterfront community with 1,000 sq. ft. of shoreline. With the worst of the winter-like weather behind us, Oakville's traditional spring market is shifting into high gear. Healthy homebuying activity is expected to occur across all price ranges for the remainder of the year, with sales in the top end of the market forecast to exceed 2012 levels.

Hamilton – Burlington

Value-conscious consumers continued to prop up demand for luxury homes in Hamilton-Burlington in the first quarter of 2013, as unit sales remain on par with last year's peak levels. Sixty-seven properties priced in excess of \$750,000 changed hands between January and March, matching the sixty-seven transactions recorded during the same period in 2012. Close to 300 properties are currently available for sale in Hamilton-Burlington, although shortages exist at some price points. The \$800,000 to \$900,000 price point has experienced especially strong demand, with approximately 40 per cent of sales moving in multiple offers so far this year. Young professionals, entrepreneurs, and senior executives—many from the Greater Toronto Area—are behind the push for product in the top end. Tyandaga, Millcroft and the Lakeshore have been most popular with purchasers in Burlington. Activity in older, established neighbourhoods has been particularly brisk this year, with large lot sizes and homes with “good bones” a major draw. Purchasers have been more than willing to undertake renovations, given the potential return on investment down the road. This is particularly evident in Carlisle, while





in Ancaster, older homes on estate lots—priced from \$300,000 to \$500,000—are demolished to make way for custom builds. At present, the upper-end represents close to three per cent of total residential activity in the Hamilton-Burlington area. The most expensive home sold so far this year—at \$2.8 million—was a new build in the Bluffs area of Burlington, while the highest priced sale in Hamilton moved for \$1.405 million. The vast majority of sales were single-detached homes. Only two condominiums moved in the first three months of the year. However,

the limited supply of condominium product available has had an impact on demand, with many empty nesters and retirees getting creative when it comes to realizing ownership. In some high-rise buildings, for example, purchasers have been buying up adjacent units and bringing down walls to achieve their goals and objectives. The highest priced condominium sale in the first quarter occurred in Burlington at \$870,000, while the priciest unit in Hamilton moved for \$812,000 in the Creekside development of Dundas. Most of the sales in the top end of the

UPPER-END RESIDENTIAL SALES 2013 – January 1 to March 31

Market	Price Point	Sales						
		2008	2009	2010	2011	2012	2013	% +/-
St. John's	\$500,000	4	6	17	18	16	14	-13%
Halifax-Dartmouth	\$500,000	23	24	39	52	66	49	-26%
Quebec City	\$500,000	18	24	47	39	59	61	3%
Greater Montréal	\$750,000	111	92	187	195	251	214	-15%
<i>Montréal Island</i>	\$1 million	50	25	73	79	83	79	-5%
Ottawa	\$750,000	37	17	48	73	86	70	-19%
Greater Toronto	\$1.5 million	157	66	259	277	412	366	-11%
<i>Central Core</i>	\$2 million	41	23	81	89	109	103	-6%
<i>Oakville</i>	\$1.5 million	24	6	18	24	31	38	23%
Hamilton-Burlington	\$750,000	38	15	46	54	67	67	0%
Kitchener-Waterloo	\$750,000	n/a	n/a	n/a	18	25	20	-20%
London-St. Thomas	\$500,000	25	16	36	30	43	45	5%
Winnipeg	\$500,000	16	9	23	68	58	61	5%
Regina	\$500,000	n/a	n/a	16	32	50	55	10%
Saskatoon	\$500,000	n/a	n/a	n/a	67	65	69	6%
Edmonton	\$750,000	52	22	53	49	51	72	41%
Calgary	\$1 million	86	35	67	106	115	172	50%
Greater Vancouver	\$2 million	187	80	250	550	404	287	-29%
<i>West Vancouver</i>	\$2 million	63	20	45	111	86	51	-41%
<i>Vancouver Westside</i>	\$3 million	38	11	64	144	90	74	-18%
<i>Richmond</i>	\$1.3 million	22	19	72	182	86	34	-60%
<i>White Rock/South Surrey</i>	\$1.3 million	24	17	37	102	66	38	-42%
Victoria	\$1 million	58	20	75	53	56	34	-39%

Source: RE/MAX, Local Real Estate Boards



market occur under the \$1 million price point, but higher priced product is available in the area. The most expensive property currently listed for sale in Burlington is a waterfront estate priced at \$6.85 million. The highest priced listing in Hamilton is located on “the brow.” The 10,000 sq. ft. home, situated on an acre, is priced at \$3.99 million. Given the region’s strong economic fundamentals and attractive price point for residential real estate, solid demand is expected to continue at the top end of the market.

Kitchener – Waterloo

Despite an overall upswing in homebuying activity in the Kitchener-Waterloo area, sales in the top end of the market remain somewhat sluggish. Twenty properties, priced in excess of \$750,000, have changed hands in the first quarter of the year, down 20 per cent from the 25 units reported during the same period in 2012. Representing 1.4 per cent of residential sales, the luxury market has experienced modest downward pressure since mid-2012 as economic concerns and the threat of layoffs loomed overhead. Positive economic news—coinciding with the successful launch of BlackBerry’s Z10—has served to bolster the market to an extent, with multiple offers now occurring in the \$250,000 to \$350,000 price range. Demand has yet to spill over into the upper end, where more than 120 properties are currently listed for sale. Although a slightly higher supply than the historical norm, the increased inventory represents opportunity for upscale buyers, especially in areas where listings have accumulated. In Deer Ridge, for example, there are 38 properties currently listed for sale at the \$750,000 price point. While the competition has held housing values in check at the top end, there are some bargains to be had. Today’s luxury purchasers are looking at product in Waterloo’s west end—closer to Baden and New Hamburg—Waterloo’s east end near Guelph, and the Chicopee area in East Kitchener. Not surprisingly,

most of these areas offer newer construction, with the vast majority of homes built within the last three years. Older communities in the Kitchener-Waterloo area are also popular with purchasers, but listings are few and far between. Waterloo’s Old Westmount neighbourhood has been a perennial favourite, offering Tudor-style homes on well-treed lots. Although many of the properties that come up for sale in the community require renovation, most buyers are more than willing to undertake that endeavor to realize ownership. In Colonial Acres, where older homes on half-acre lots sell for \$600,000, a similar trend is at play. While the frequency has subsided somewhat from last year’s frenetic pace, infill activity continues as end-users erect custom-built 4,000 sq. ft.-plus homes, featuring all the bells and whistles. The highest priced single-detached home sold so far this year moved at \$1.3 million in Kitchener, while the most expensive property currently listed for sale is an acreage on the outskirts of town, priced at \$3.75 million. Empty nesters and retirees are the driving force behind demand for luxury condominiums, yet product is limited in the Kitchener-Waterloo area. Carriage Crossing—a boutique condominium in close proximity to RIM Park on Waterloo’s eastside—offers some high-end units priced up to \$1 million, but buyers tend to prefer locations in downtown Kitchener or uptown Waterloo. New upscale units are available in just two buildings under construction, while overall, 15 luxury condominiums are for sale over the \$500,000 price point—the priciest of which is listed at \$1.19 million. While the traditional spring market arrived later than usual in 2013, due to inclement weather, demand is expected to gain momentum in Kitchener-Waterloo. Despite the upswing, sales in the city’s upper-end market are expected to fall short of 2012 levels.





London – St. Thomas

Sales of luxury homes in the London-St. Thomas area continue to gain traction, despite a decrease in overall residential unit sales in the first quarter of 2013. The segment, which represents approximately seven per cent of total activity, recorded 45 home sales over \$500,000, up from 43 units between January 1 and March 31st of 2012. To date, 73 per cent of upper-end sales occurred between \$500,000 and \$600,000. The most expensive property sold, at \$1.74 million, was a custom-built, single-detached home in the southwest part of the city, ideally situated on 1.4 acres. The property was one of two that sold for over \$1 million so far this year. The upswing at the top end—illustrating the level of confidence in the marketplace—bodes well heading into the traditionally busy spring season. Local professionals, entrepreneurs and business executives are expected to lead the charge for upscale product, especially in the city's northwest and southwest quadrants. Turnkey properties requiring little or no renovation are most sought-after, given more stringent lending policies now in place. While demand is greatest for two-storey, four-bedroom properties featuring approximately 2,400 sq. ft. of living space at the top end, new condominium bungalows are generating buzz in the market, offering all the bells and whistles of a detached home, but with a maintenance-free condo lifestyle. While some of the new bungalow product can be purchased under the \$500,000 price point, upgrades to the units can cost as much as \$100,000 or more. Such is the case with the city's priciest condominium sale, which moved for \$611,000 earlier in the year. An ample supply of single-detached homes and condominiums are available in London-St. Thomas, at just over 150 units. Conditions should remain balanced for the remainder of the year, with demand meeting supply. Luxury home sales in London-St. Thomas are expected to finish the year on par with last year's healthy levels.

Manitoba Winnipeg

Winnipeg's luxury real estate market posted healthy momentum in the first quarter of 2013, with sales running three units, or five per cent, ahead of 2012 levels. Sixty-one sales took place over \$500,000 from January to March 2013, compared to 58 during the same period in the previous year. The solid performance may have proved stronger, if not for the harsh winter and delayed spring weather. Balanced market conditions exist, with 191 upper-end listings available at present, including 16 condominiums. High-end properties are taking longer to sell, with fewer offers being registered overall. Only five of the 61 transactions in the first quarter involved a multiple offer. Buyers seem to be more cautious in their approach, taking greater time to make their moves. While the impact of tighter lending restrictions—announced in July—has been a factor, the ripple effect on the buyer pool at the upper end has been less pronounced than at the lower price points. Taxation remains a serious issue, affecting the city's growth potential and corporate expansion to the area. As a result, the bulk of buyers remain local, driving sales in blue-chip neighbourhoods such as Waverly West, Tuxedo, Pritchard Farm, Island Lakes and River Heights. Condominiums remain most sought-after on the riverfront and the city's Osborne Village, with Wellington Crescent on the river by far the most coveted. Today's buyers have demonstrated a clear preference for newer homes built within the past five years. Prices have held firm overall, with most priced at fair market value. Some price adjustments have been occurring, but most are limited to properties that had been overpriced by unrealistic sellers. The most expensive home to sell in Winnipeg so far this year was located in Bridgwater Forest. Boasting 5,400 sq. ft. of finished living space and all the bells



and whistles, it changed hands for \$1.65 million. The priciest condo to move—at \$700,000—was a four-year-old unit on prestigious Wellington Crescent, offering expansive city and river views. Winnipeg's most expensive offering at present is located in Charleswood. The 7,850 sq. ft. home on a riverside lot is listed at \$4.3 million. An 8,000 sq. ft. apartment unit on Wellington Crescent is the city's highest priced condominium at \$3.3 million. The upper end of Winnipeg's real estate market is forecast to remain stable throughout the year, with sales running close to 2012 levels.

Saskatchewan Regina

Demand for luxury homes remains brisk in Regina in the first quarter of 2013, with sales over \$500,000 up 10 per cent over one year ago. Fifty-five homes changed hands between January and March of this year, an increase of five units over the 50 homes sold during the same period in 2012. New communities continue to draw the lion's share of affluent purchasers, with the greatest number of high-end sales happening in the south and southeast quadrants of the city. Neighbourhoods such as Lakewood, Lakeridge, West Hill, Harbour Landing, Albert Park, Greens on Gardner, and the Creeks are joining perennial favourites like Wascanaview and Windsor Park in defining the standard for luxury. Much of the activity has occurred at the \$500,000 to \$750,000 price point, where 52 of the 55 sales were reported. The most expensive single-family home moved for over a million dollars—a price tag almost unheard of in years past—in Greens on Gardner. Regina's economic performance continues to impress—a fact reflected in the city's growing luxury market. Sales in excess of \$500,000 now represent eight per cent of resi-

dential activity, up substantially from the 5.47 per cent recorded one year ago. Just over 80 single-family homes and 10 condominiums are currently available in the top end, including the highest priced single-detached home in Regina, listed at \$1.45 million in Lakeview. The priciest condominium is listed for sale at \$899,900. The condominium lifestyle continues to resonate with purchasers, especially at the top end where bungalow-type units with single- and double-car garages are most sought-after. The convenience of condo living is a major incentive for empty nesters and retirees, many of whom winter in the Southern US. The concept is also popular with younger, affluent purchasers who have careers in banking and the private sector. The downtown locale is ideal, offering easy access to the office as well as shops and restaurants. While sales in the top end have outperformed all other price points so far this year, the number of residential unit sales in Regina is off last year's pace by 23 per cent. Harsh winter weather conditions have contributed to overall softer activity, with new concerns over the upcoming spring thaw prompting many purchasers to place their homebuying decisions on hold. Pent-up demand is building as a result, which should serve to seriously kick-start homebuying activity in late April/May. As all boats rise and fall with the tide, the market for luxury properties is expected to experience further growth, with the number of sales over \$500,000 finishing ahead of last year's solid levels.

Saskatoon

Inclement weather has had an impact on luxury home sales in Saskatoon so far this year, but demand continues to climb in tandem with temperature. From January 1 to March 31, 69 properties priced in excess of \$500,000 changed hands, compared to 65 units in the first three months of 2012. Pent-up demand is expected to be a factor in the market moving forward, given the recent upswing in activity within real estate offices and the growing traffic at open houses.



The most expensive home sold for \$1.3 million in Grosvenor Park in Saskatoon's east end in the first quarter. Demand for properties is greatest in upscale areas featuring new construction such as Rosewood, Briarwood, Evergreen and Willowgrove; golf course communities such as the Willows and Greenbryre Estates; and prestigious older communities with cachet such as Nutana and Varsity View—where the majestic character homes of yesteryear back onto the Saskatchewan River. Turnkey product is most sought-after, a trend best illustrated by the infill phenomenon currently underway in Saskatoon. Custom builders are breathing new life into the city's aging housing stock. Bells and whistles remain top of mind with upscale purchasers; media rooms, wine cellars, and three-car garages top the list of must haves. More than 200 properties are currently listed for sale over \$500,000 in Saskatoon, including the most expensive home priced at \$1.75 million in Riverside Estates. While single-detached homes represent the vast majority of sales in the top end, condominiums are slowly gaining in popularity as retirees and empty nesters are increasingly attracted to the convenience of the lifestyle. Young professionals working in executive positions are also drawn to condo living, driving demand for some of the newer warehouse/loft developments along the river and on Broadway. In fact, the most expensive condominium sale so far this year was a 1,865 sq. ft. unit in the Eaton Lofts at \$610,000. The priciest condo currently available for sale sports a price tag of \$949,000 in Varsity View. Existing homeowners and in-migration continue to prop up demand for housing throughout the city. Given the overall healthy fundamentals underpinning Saskatoon's residential housing market, sales of luxury product will likely match or slightly exceed 2012 levels by year end.



Alberta Edmonton

Demand for upscale product in Edmonton's residential real estate market has shifted into high gear with the advent of the traditional spring market. Housing sales over \$750,000 have jumped 41 per cent in the first three months, rising from 51 units reported in Q1 2012 to 72 units during the same period in 2013. Alberta's recovering economy has been in large part responsible for the rebound, with the vast majority of sales in the top end occurring under the \$1 million benchmark. At present, a four-and-a-half-month supply of upscale inventory exists—typical for this type of product at this time of the year. New construction continues unabated, with a number of larger homes coming on stream in the city's west end. Edmonton's peripheral areas have also been a magnet for more affluent purchasers, many of whom are drawn to the 3,000 sq. ft.-plus homes offering all the bells and whistles in communities such as St. Albert and Sherwood Park. The most expensive sale year-to-date occurred in Quesnell Heights, a core neighbourhood offering homes that back onto the North Saskatchewan River. Featuring good river frontage, tiered landscaping, and close to 5,000 square ft. of living space, the property built in





1965 sold for \$2.72 million, just shy of the original \$2.99 million price tag. The most expensive property currently listed for sale in Edmonton is located in the city's west end. Backing onto a ravine, the custom bungalow, built in 2006, features more than 3,000 sq. ft. and has a walk-out on the lower level. Unlike demand for single-detached homes, activity in Edmonton's luxury condominium segment has been soft. Only one upper end condominium was sold in the first three months of the year. The downtown unit, which moved at \$810,000, offered close to 1,700 sq. ft. with a river valley view. Yet, several new condominium developments have been planned for the downtown core, including a number of luxury high-rises overlooking the River Valley. To date, only one condominium, introduced in 2004-2005, has exclusively targeted the top end of the market—sales were brisk and the project sold out quickly. Empty nesters and retirees still account for the lion's share of condominium purchasers—it remains to be seen what will happen when new luxury product is introduced to the marketplace. On the whole, healthy demand is expected to continue for upper-end homes in Edmonton, with solid activity forecast for the remainder of the year.

Calgary

Luxury home sales in Calgary posted the strongest percentage increase of all major markets across Canada in the first quarter of 2013, with a substantial 50 per cent increase over year-ago levels. The trend follows an uptick in the overall market and is reflective of the renewed confidence emerging among the city's homebuyers. One hundred and seventy-two homes changed hands from January 1st through March 31st, representing 150 detached houses and 22 condominiums. Balanced market conditions exist, with an estimated three-month supply of homes listed for sale over \$1 million. Calgary's inner core remains most desirable, including the city centre, Hillhurst, Elbow Park and Killarney—to name a few.

A good mix of purchasers are active in the marketplace, including locals, out-of-province and international buyers. The mindset among purchasers remains cautiously optimistic, but many continue to take their time in making decisions. Despite the solid upswing in activity, few multiple offers have been recorded. Several exceptions have been noted on well-priced properties in established areas in close proximity to the inner core, such as Lakeview and Wildwood, for example. Improved interest in properties that once stagnated during the downturn has been a positive sign of a changing tide. In fact, Calgary's most expensive sale ever recorded took place recently on an Aspen Woods listing that originally came on stream in July 2011. Built on speculation, the 9,300 sq. ft. home, with a sticker price of \$11.495 million, ultimately moved for \$10.35 million—\$50,000 above the previous benchmark set in 2009. The city's priciest condominium sale of 2013 pales in comparison, at just \$2.58 million for a 3,100 sq. ft., riverview unit in Eau Claire. The most expensive detached listing currently on the market is an \$11.5 million home in Crescent Heights, just north of downtown, offering close to 10,000 sq. ft. of living space as well as stunning views of the downtown core, river valley and mountains. On the condominium side, a three-bedroom, 5,100 sq. ft. unit located on the Elbow River in Mission sports a sticker price of \$7.99 million. The bulk of Calgary's luxury home sales is occurring between \$1 million and \$1.5 million, accounting for just over 70 per cent of activity. Preference seems to be equally split between newer homes and those in older, established areas. Infill activity remains strong, and plenty of properties are either knocked down, rebuilt or totally renovated. If the current level of buyer enthusiasm continues in the upper end, 2013 could enter the books as a record year for luxury home sales in Calgary.





British Columbia Greater Vancouver

The pace has shifted in Greater Vancouver's luxury housing market, reflecting the obvious pullback in foreign investment. With that component now largely factored out of the mix, activity has returned to more typical sales levels, evident prior to 2011. On a year-over-year basis in the first quarter, sales of homes priced over \$2 million are down 29 per cent, with 287 properties changing hands compared with 404. Higher prices, a softer Chinese economy, financing and immigration regulations have all contributed to softer demand. West Vancouver and White Rock/South Surrey have seen sales moderate more in line with the overall Greater Vancouver market, while Vancouver Westside has proven quite resilient, down just 18 per cent year-to-date on sales over \$3 million, proof that "location, location, location" remains key. With prices off peak levels in many areas, buyers have been more attracted to neighbourhoods closer to or within Vancouver proper, rather than the suburbs—one reason Richmond posted a sharper decline in activity (down 60 per cent on sales in excess of \$1.3 million). The pace of price adjustments has slowed in Greater Vancouver, and market values have stabilized for the most part,



with some exceptions. Properties listed with the current climate in mind are moving relatively well, while overpriced properties continue to stagnate. Regardless of where they're buying, purchasers in Greater Vancouver have become more cautious in their approach, taking greater time to comparison shop and weigh decisions before committing. The most expensive property currently available continues to be a \$28.888 million listing on Marine Drive, selling primarily for lot value and the potential to subdivide. It's been on and off the market since June 2011. The highest priced sale so far this year in Greater Vancouver was recorded at \$18.6 million in the University area on the coveted Westside—a clear sign that some affluent buyers remain quite confident. While the momentum of the peak market has abated, some positive indicators emerged in late March and early April suggesting that demand may be improving. The forecast calls for a healthy pace moving forward, yet far from the fervor of days past.

West Vancouver

Stable pricing, low interest rates, and a good selection of high-end homes listed for sale have created ideal opportunities for affluent purchasers in West Vancouver's luxury real estate market in 2013. Yet, sales were off to a slow start this year, as international purchasers stepped to the sidelines and a more cautious local buyer pool emerged. Tougher financing parameters for foreign buyers have had some impact, but none more so than softening economic conditions, particularly in China. Once regarded as a bargain compared with other world class markets, Vancouver has lost some of its appeal among international investors due to rising housing values. Fifty-one sales in excess of \$2 million were recorded in the first quarter, compared with 86 during the same period one year ago—a substantial 41 per cent decline. Momentum has slipped back to a stable and more sustainable 2010 level that existed prior to the record-breaking run-up that began in 2011. With an



abundance of choice, purchasers are taking their time and weighing their options. Some are holding back on buying intentions, waiting to see if prices soften, while others have been testing the market with lowball offers. On the other hand, many sellers at the top end have yet to adjust to new market conditions, although deals are coming together with greater ease at the luxury market's entry-level. Currently, 293 listings are available over \$2 million, with 68 properties listed over \$5 million. A clear preference exists for newer, turnkey properties, which tend to move a little quicker. As a result, product requiring considerable renovation must be priced accordingly to remain competitive. Overpriced properties are stagnating. Infill is still occurring at a steady clip in the high end. Homes with great views, priced from \$1.8 million to \$2.8 million are being torn down and replaced with larger homes that bring values into the \$5 million to \$6 million range. Teardown properties are the only product still generating multiple offers, if priced under \$2 million. The most expensive listing to sell in the first quarter changed hands for \$6.55 million. The one-year old home in prestigious Chartwell offered a great view and 7,700 sq. ft. of living space on a generous lot. The priciest single-family listing is currently a \$28.888 million teardown home, situated high on a bluff on Marine Drive with panoramic views and the potential to subdivide the lot. In second place is a \$22 million listing in Whitby Estates, boasting over 9,500 sq. ft. of living space in a home that's one-year new, located on a large lot. The most expensive condominium to sell in West Vancouver in the first three months moved for \$4.4 million. Located in Whitby Estates, the unit offered 4,400 sq. ft. of living space, with three bedrooms, four baths and big views. Sales have been spread fairly evenly throughout West Vancouver to date, with many taking place in the perennially favoured Chartwell/British Properties area. Over the \$5 million price point, Canterbury—offering homes between one and three years old—has become most sought-after. Moving forward, luxury homebuying activity should

maintain its current slow, but steady pace, remaining healthy, but well below the enthusiastic levels of 2011 and 2012.

Vancouver Westside

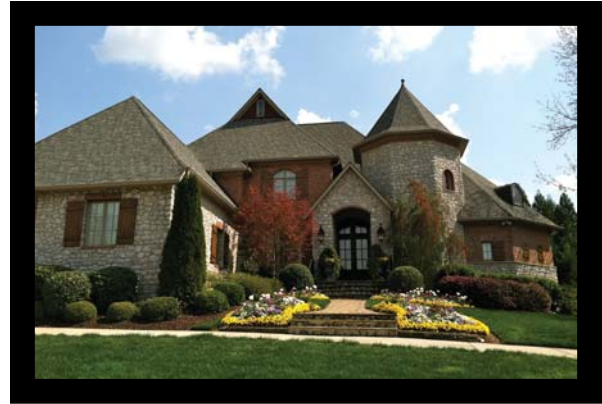
While first quarter demand for luxury homes has softened on Vancouver's coveted Westside year-over-year—with sales down 18 per cent from 2012, the second-best Q1 on record—activity remains at a historically healthy level. Seventy-four homes priced over \$3 million changed hands in the first three months of the year, demonstrating that confidence in what is arguably the city's pre-eminent blue-chip area, continues to be buoyant—a testament to the industry adage, 'location, location, location.' Yet, the market has been impacted by current economic realities at home and abroad. The enthusiasm of international buyers, and the Chinese in particular, has waned, as growth has slowed in China and as Vancouver's prices have posted substantial gains over the past five years. Currently, the market remains in balanced territory, with the University area emerging as 2013's most sought-after neighbourhood, while the perennial favourite, Shaughnessy, takes second place. In the condominium segment, Coal Harbour, with its close proximity to Stanley Park, is attracting the bulk of buyers, followed by Yaletown. While inventory has edged up, along with a slight increase in days on market, activity in late March and early April showed signs of improvement. Currently, 341 detached homes and 59 condominiums are listed for sale on the Westside. Prices have held up relatively well, although luxury condominium buyers typically have some room for negotiation. The lion's share of upper end sales is occurring between \$3 million and \$4 million, yet purchasers also remain active in the ultra-high end, as demonstrated by this year's most expensive sale to date—a 9,700 sq. ft. home with exceptional views on a large lot on Newton Wynd in the University area. It moved for \$18.6 million. The benchmark still stands



at \$19.8 million for a property on Belmont Ave., sold in January of 2012. The most expensive condominium sale in the first quarter was also a substantial transaction at \$8 million for a four-year-old, 5,700 sq. ft. unit. That's well off the record of \$10.1 million once fetched for a prime Cordova suite. The most expensive listing currently available on Vancouver's Westside is a home boasting nearly 7,900 sq. ft. of living space, situated on an oversized lot on Westbrook Crescent. Its sticker price? \$23.8 million. The priciest condominium offering, located on West Cordova, is listed at \$28.8 million. While touting extraordinary views and more than 6,400 sq. ft. of opulence, the unit has remained on the market for over a year and a half. Recent indicators appear positive, although upper end sales in Vancouver Westside are expected to remain off the 2012 pace through year-end, but should maintain their present level of overall health and stability.

Richmond

While the advent of the traditional spring market is expected to spark a nominal upswing, sales of upper-end homes in Richmond have fallen short of year-ago levels. Thirty-four homes priced in excess of \$1.3 million have changed hands in the first quarter of 2013, down from 86 units over the same period in 2012. Almost 60 per cent of properties sold in Richmond during the first three months of the year moved under the \$2 million price point. Those confident to make the leap into homeownership have taken advantage of historically low interest rates and Richmond's attractive housing values. Single-detached homes remain most coveted, with neighbourhoods such as Maple Lane, Terra Nova, Westwind, Sunnymede and Penny Lane a popular choice with today's purchasers. Maple Lane, with its two-storey executive homes on generous lots and tree-lined streets, has become a magnet for those looking for an exclusive address. Many of the homes in the area have been renovated, while others have



been demolished to make room for large custom builds that max out on square footage and feature the latest bells and whistles. Although most purchasers are locals, there are some buyers coming from the downtown core looking to take advantage of the reasonable price point. The most expensive home sold this year moved at just under \$2.4 million in Broadmoor, while the priciest property currently listed for sale is a 50-acre parcel with a \$10 million price tag. While the supply of strata properties at the top end is limited, demand remains constant. Empty nesters and retirees are generally behind the push for condominium product, with lifestyle and low maintenance supporting factors. A 4,300 sq. ft. penthouse at the Perla in Brighouse is the most expensive unit currently available for sale at \$2.88 million. Overall inventory levels are slightly below historic norms, with sellers waiting until current market conditions improve. Purchasers, on the other hand, may have placed their homebuying decisions on hold as they wait for the results of the upcoming provincial election before they move forward.

White Rock/South Surrey

White Rock/South Surrey's luxury real estate market has fallen back into a more sustainable pattern of activity, in line with historical averages, as foreign investment has eased. Changes to existing financing rules and regulations, as well as new immigration



policies, have impacted foreign investors, especially over the past year. From January 1st through March 31st, 38 homes priced over \$1.3 million changed hands compared with 66 in 2012—marking a 42 per cent decline. Local buyers—attracted to the area’s family-oriented communities and good schools—remain quite active, with healthy interest and momentum noticeable in the marketplace. With a wide selection of inventory available, however—303 detached homes and two attached properties—most are taking their time making their moves. The most expensive home sold in the first quarter, located in Crescent Beach/Ocean Park and boasting 9,500 sq. ft. of living space looking out onto the ocean, moved for \$3.95 million. The most expensive listing—a 6,200 sq. ft. oceanview home situated in White Rock—currently sports a sticker price of \$7,488,888. Elgin Chantrell continues to be most sought-after, with homes priced between \$1.7 million and \$2.4 million moving well. Morgan Creek, Crescent Beach and Ocean Park are also popular choices. The condominium segment is virtually non-existent in White Rock/South Surrey, with just seven sales recorded over the past three years. Listings rarely come on stream and range widely in price. For example, this year’s top condo sale came in at \$740,000 for a nearly 1,300 sq. ft., oceanview unit on the 19th floor. The priciest condominium currently listed for sale is a 2,000 sq. ft. penthouse in the Miramar with ocean views, offered at \$2.299 million. White Rock/South Surrey continues to be value-driven, with purchasers realizing the area provides more for one’s money—typically greater square footage and/or a bigger lot. Given its lower luxury price points, the area’s appeal—along with prices—has held up relatively well. Overall, steady activity is forecast through year end, with sales in line with healthy levels reported in years past, but well off the peak of 2011/2012.

Victoria

While anticipation of the removal of the HST by April 1st hampered sales of newly-built, upper-end properties during the first quarter, the much-awaited May 14th provincial election is expected to have a stabilizing effect on the market, positioning Victoria’s luxury home segment for growth in the months ahead. Thirty-four homes sold over the \$1 million price point, falling short of the 56 units reported in the first quarter of 2012. Yet, the city recently recorded a \$3.28 million sale, indicating that confidence may be returning to the market. Historically low interest rates, softer housing values, and the resolution of provincial issues may prove the impetus necessary to reignite the market. Overall activity is on the upswing, with open houses seeing increased traffic patterns and phones ringing at local offices. Approximately 300 single-detached homes are currently listed for sale, while just 19 condominium units are available over \$1 million—including a 4,000 sq. ft. unit in the downtown core, priced at \$1.45 million. Local professionals and entrepreneurs are driving demand for properties in the Victoria area. Interest remains greatest for single-detached homes, with buyers gravitating toward popular waterfront communities such as Oak Bay, Saanich Peninsula, and 10 Mile Point. Old Victorian architecture—character homes with ‘good bones’—has been particularly coveted, prompting many purchasers to renovate and return the properties to their original splendour. Some infill activity has also been reported on the Peninsula, with older homes built in the 1970s and 1980s demolished to make way for new custom-builds. Should the market maintain its current momentum, luxury home sales in Victoria are expected to end the year on par with levels reported in 2012.

Upper-End

MARKET TRENDS 2013

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