



SPRING MARKET TRENDS REPORT 2014



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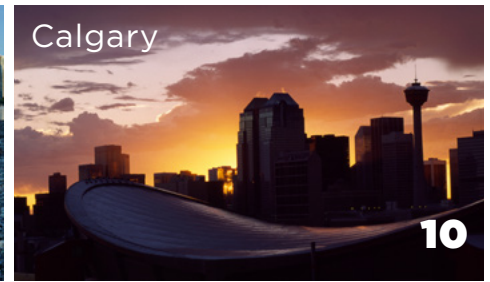
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Vancouver



Calgary



St. John's



Regina



Toronto



Montreal



Ottawa



Winnipeg



Halifax-Dartmouth

National Overview

DESPITE RECORD-SETTING

low temperatures and snow storms, housing market activity in Canada during the first quarter of 2014 showed year-over-year resilience in most regions, with some exceptions in Atlantic Canada, Manitoba and Ontario. In urban centres, house prices continued to post gains, in large part due to a lack of inventory; price increases were also seen in regions with strong local economies driven by the resource sector and major infrastructure development.

Potential homebuyers in Toronto and Calgary continue to be frustrated by low inventory and low affordability. In Toronto, where inventory has reached a record low, average residential sale prices increased almost 8 per cent year-over-year in March. RE/MAX is predicting a similar increase throughout the remainder of 2014. In Calgary, where a typical home spent only 34 days on the market, inventory levels were 30 per cent below the threshold of a balanced market. House prices in the region increased by over 5 per cent compared to the same period last year. Vancouver's balanced market posted a more modest year-over-year gain, but the average selling price of \$1.36 million for a single family house has priced many buyers out of the market. Low affordability in this desirable city has prompted some innovative solutions, where we are seeing entire new lines of multipurpose furniture developed for 400 square foot studios that are selling

in the \$150,000 price range.

Many potential first-time buyers in Calgary and Toronto have decided that purchasing a home is now more attractive given the reality of rising rents and a lack of rental selection. Both cities have extremely low vacancy rates with Toronto posting a rate below two per cent and Calgary's renters struggling with a rate of one per cent. In both markets desirable rental properties are now attracting multiple offers, creating additional frustrations for those waiting to buy.

Harsh winter conditions and power outages delayed market activity across most of Canada, but were most notable in Atlantic Canada as well as parts of southern Ontario. Looking ahead, spring sales in these regions are expected to make up for the lack of activity seen during the first two months of the year as new listings help satisfy pent-up buyer demand. For example, despite consumer confidence and a strong local economy, sales in St. John's decreased 9 per cent year-over-year in February as they experienced one of the harshest winters on record. Southern Ontario also suffered from snow storms and power outages. In Windsor, which suffered its heaviest snowfall winter since 1908, total first quarter unit sales declined 15 per cent year-over-year. However, March showed signs of recovery as unit sales were only modestly down one per cent year-over-year. This scenario is being played out in many of the markets that experienced a difficult winter.

Natural resources will



continue to play a crucial role in fueling the Canadian housing market in 2014, specifically in Calgary, Saskatoon and St. John's. In New Brunswick, Saint John buyers are waiting on announcements about pipeline and oil refinery developments that could have a transformative impact on their market.

Foreign buyers looking for investment properties or second homes have been

drawn to Canadian cities for a number of years due to close social and economic ties as well as confidence in Canadian real estate. More recently, a weakened Canadian dollar has created another incentive for those buyers to invest in Canada.

As the country shakes off the harsh winter, markets across Canada should see healthy activity through the remainder of 2014.

VICTORIA

TRENDS

- 1 Low inventory and low interest rates contributed to a healthy start to 2014
- 2 Victoria continues to be a popular retirement destination
- 3 Condo sales significantly slower than detached homes



A MODEST SUPPLY shortage and stable low interest rates fueled an active Victoria real estate market through the start of 2014.

The spring market started early in British Columbia's capital as unit sales increased by 2 per cent in the first two months of 2014, with notable fluctuations between Greater Victoria's 13 municipalities. Transactions

in desirable areas have increased, while the western communities have experienced a lag in prices. The condo market

also offered buyers options at various price points, with the mid-range of this market seeing the most activity. Less expensive units are selling, although demand is lukewarm amid relatively high inventory.

Buyers in Victoria are keen to take advantage of the favourable lending environment; however many in the market had bet on taking advantage of a market correction that never materialized. Instead, the moderate adjustment has provided some sellers with multiple offers and left buyers working harder to secure a deal.

At present, Victoria remains in

"OVERSEAS BUYERS ARE DRIVING THE UPPER-END MARKET, SNAPPING UP LUXURY PROPERTIES IN EXCESS OF \$2 MILLION"

a balanced market. The most active segment consisted of homes in the \$500,000 to \$600,000 range, just beyond the entry level for single family homes. The market is attracting a wide range of buyers. Victoria continues to be a popular retirement destination, with retirees from other parts of Canada actively searching for homes. Overseas buyers are driving the upper-end market, snapping up luxury properties in excess of \$2 million. Local condo owners are looking to sell with the hope of upsizing to a detached home, which comes at a cost. The average sale price for a condominium reached \$376,595 in February with an average of 76 days on the market. In contrast, the average detached home spent 20 fewer days on the market and sold for \$543,995.

There are many factors driving the market in Victoria. The provincial government is set to achieve a balanced budget and there is long-term optimism about British Columbia's economic stability. New provincial apprenticeship programs and a healthy shipbuilding industry have boosted the economy, and the comfortable weather has a habit of boosting the spirits of prospective homeowners.

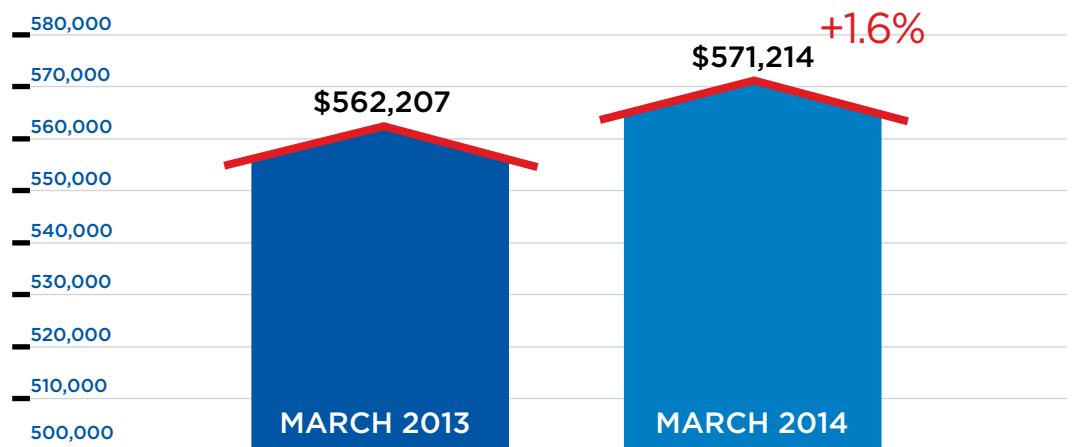
LOCAL CONTACT

Wayne Schrader
RE/MAX
Camosun
Westshore



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: VREB, AVERAGE PRICE FOR A SINGLE FAMILY DETACHED HOME

GREATER VANCOUVER AREA

TRENDS

- 1 Newcomers and foreign investors driving demand
- 2 Lifestyle and climate make Vancouver one of the most attractive places to live globally
- 3 Condo market offers first-time buyers affordable entry into the market



NO BLIZZARDS? No problem. Continued demand for real estate in Vancouver throughout the winter and into 2014 is indicative of the city's world class status. Vancouver continues to be attractive as a safe haven in which

foreign-born investors and newcomers with the capital can invest. With the average single family home price selling for \$1,366,932 in February, Vancouver residents may be astonished to learn their compatriots in cities on the Atlantic

coast routinely purchase single family homes for eight times less.

Vancouver's temperate climate, its social, cultural and economic links to Mainland China and stunning scenery have driven a market that is considerably healthier compared to the same time last year.

The market has been balanced between inventory and demand since the beginning of 2014 and is expected to continue on the same track. Modest growth in sales is projected, with prices anticipated to rise by 2 per cent this year. Inventory levels are expected to contract slightly, despite stricter lending criteria that have forced some buyers to wait

"VANCOUVER'S TEMPERATE CLIMATE, ITS SOCIAL, CULTURAL AND ECONOMIC LINKS TO MAINLAND CHINA AND STUNNING SCENERY HAVE DRIVEN A MARKET THAT IS CONSIDERABLY HEALTHIER COMPARED TO THE SAME TIME LAST YEAR"

GREATER VANCOUVER AREA

and save more, or to settle for spending less.

Developers have demonstrated confidence in buyer demand for condominium units. The enthusiasm for new construction has resulted in significant inventory in the condo market. While it is no secret that many foreign buyers are demonstrating an enthusiasm to spend, the foundation of the market continues to be local first-time buyers and buyers trading up to bigger spaces.

While prices have been driven in large part by market forces, homebuyers are expecting high end features to match the upscale pricing. Hardwood floors and tiles are common expectations, and there is now a whole generation of buyers who have to look up “linoleum” on the Internet.

Despite the low affordability, observers indicate individuals in their 20s are entering the market and that more young women than men are making up the bulk of first-time buyers. Young buyers are drawn to the condo market, which offers relative affordability, amenities and prime location choices.

The scarcity and price of real estate in Vancouver has caused many to reconsider previously held beliefs about density and space, and has driven innovation to maximize each square foot. For example, the development of 400-square-foot studios has led to new lines of “fold-away” furniture, which allow dining rooms to convert to lounges and bedrooms to become dens.

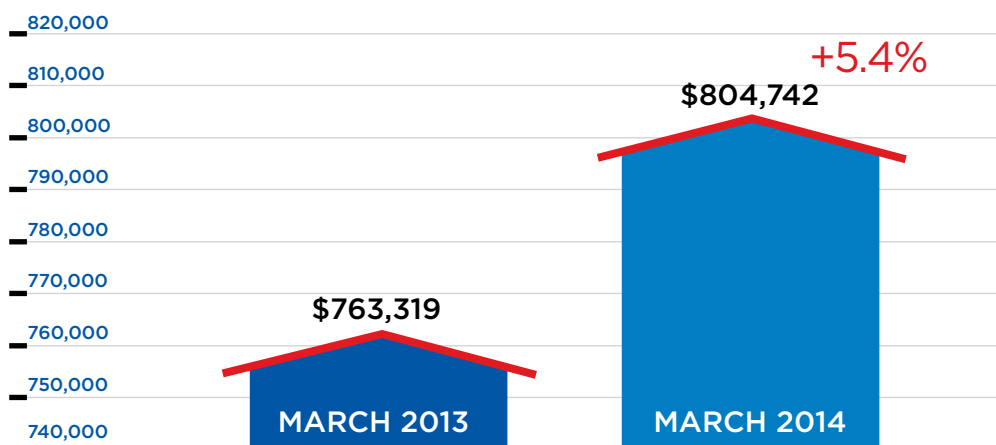
LOCAL CONTACT

Richard Laurendeau
RE/MAX
Westcoast



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: REBGV

KELOWNA

TRENDS

- 1 Healthy first quarter with strong unit sales
- 2 Direct flights from Fort McMurray helping drive demand from Alberta
- 3 Lifestyle, low interest rates and declining loonie fueling the market



KELOWNA'S REAL ESTATE

market enjoyed a healthy start to 2014, posting strong unit sales amid falling inventory and high demand. The market remained balanced despite a 10.5 per cent year-over-year decline in inventory

and a 14.5 per cent year-over-year increase in total residential unit sales to 194.

The market experienced an anomaly in February as stronger than usual luxury sales

pushed first quarter sales volumes up 30 per cent and average prices up to \$418,743. Eight upper-end waterfront properties were sold, compared with two for the same period last year. The median price of housing in Kelowna painted a more accurate picture, coming in at \$380,000 in March this year.

First-time buyers and move-up buyers continued to drive demand in Kelowna, with entry-level homes under \$500,000 seeing the most activity. Interest from Alberta residents remains strong and is expected to increase this year. Albertans in past years have

“KELOWNA IS A LIFESTYLE DESTINATION, AND INVESTORS LOOKING TO PURCHASE A SECOND HOME ARE INCREASINGLY CHOOSING KELOWNA OVER CITIES LIKE PHOENIX OR PALM SPRINGS”

KELOWNA

accounted for approximately 20 per cent of buyers in the spring and summer. This year, the Alberta factor was strong even in February, with approximately 17 per cent of Kelowna buyers coming from BC's neighboring province. As a result, demand from Alberta is expected to top historical norms fueled in part by the opening of direct flights from Kelowna to Fort McMurray.

Kelowna is a lifestyle destination, and investors looking to purchase a second home are increasingly choosing Kelowna over cities like Phoenix or Palm Springs. The loonie's depreciation against the US dollar has dissuaded many Canadians from purchasing property in the United States, and many are choosing Kelowna to get better value for their money. Most buyers seek single-family homes, but larger acreage property sales have also spiked in the Kelowna region, increasing 85 per cent year-over-year in the first quarter.

Consumer confidence is high and can be felt on a typical night out in town. Restaurants are full and locals are happy to open their wallets to spend, which hasn't been seen in Kelowna for quite some time. This confidence, low interest rates and falling inventory are expected to drive healthy price appreciation in Kelowna through the remainder of 2014.

LOCAL CONTACT

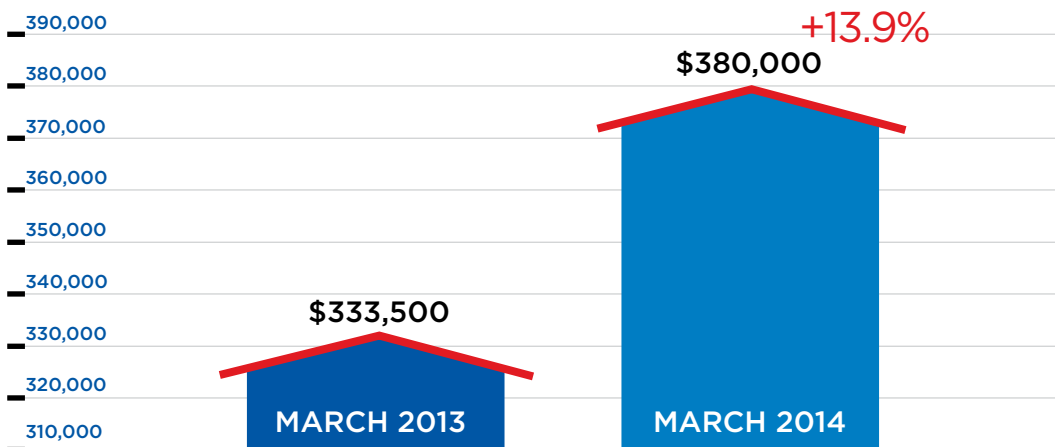
Cliff Shillington

RE/MAX
Kelowna



MEDIAN RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE OMREB

CALGARY

TRENDS

- 1 Harsh winter did not dampen housing activity
- 2 Low inventory and immigration fueling a red-hot seller's market



A BRUTAL WINTER did not dissuade Calgary homebuyers from entering the market, with demand far outpacing available inventory through the start of 2014.

Calgary experienced a red-hot seller's market in the first two months

of the year, with listings 30 per cent lower than where they would be in a balanced market. A total of 2,393 new listings were posted in January, down four per cent year-over-

year, but February and March saw a slight uptick in inventory. New listings increased 1.5 per cent year-over-year in February to 2,711, while 3,319 new listings were recorded in March.

Despite inventory increases, Calgary is expected to remain in a seller's market. There were 3,233 active listings at the end of March, which is 19 per cent lower than the same time last year. Low listings and high demand resulted in Calgary listings taking an average of 34 days to sell in March. Multiple offers are commonplace and tight inventory has also created a domino effect for sellers trying to find a

"CALGARY EXPERIENCED A RED-HOT SELLER'S MARKET IN THE FIRST TWO MONTHS OF THE YEAR, WITH LISTINGS 30 PER CENT LOWER THAN WHERE THEY WOULD BE IN A BALANCED MARKET"

new property before listing their own. Many are finding this challenging, which has further delayed new inventory from entering the market.

With a population of over 1.1 million and more than 30,000 new immigrants every year, current inventory levels are not keeping up with buyer appetite. Calgary's rental market remains very tight and is doing little to satisfy demand for housing. Rental vacancies are hovering around one per cent, motivating people to buy rather than hold off from entering the market.

The average Calgary home price was \$484,918 at the end of March, an increase of five per cent year-over-year. Upward price pressure continues to be driven by inventory, low interest rates and a robust job market. Economic optimism is high thanks to demand for skilled labour and prospects surrounding key pipeline projects. Skilled workers are flocking to Calgary from countries around the world, with many new residents looking to purchase property.

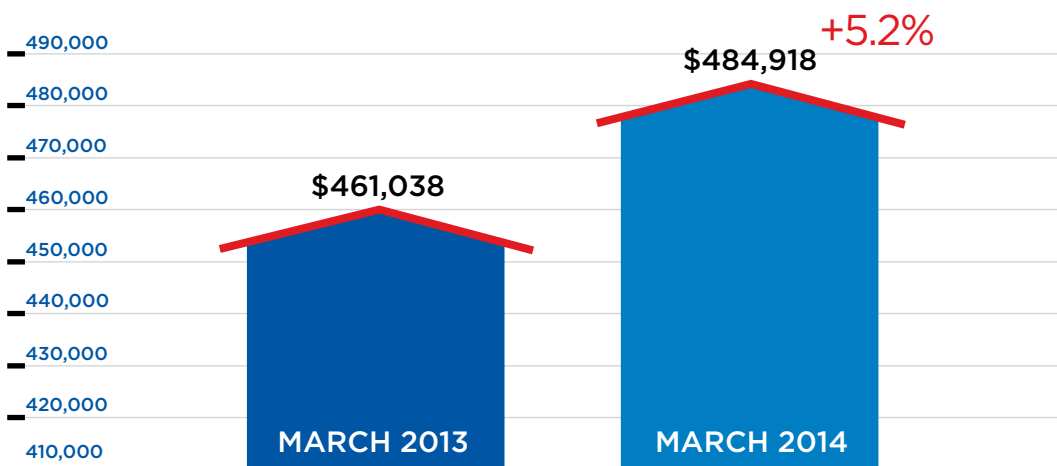
LOCAL CONTACT

Lowell Martens
RE/MAX
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(Mountain View)



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014

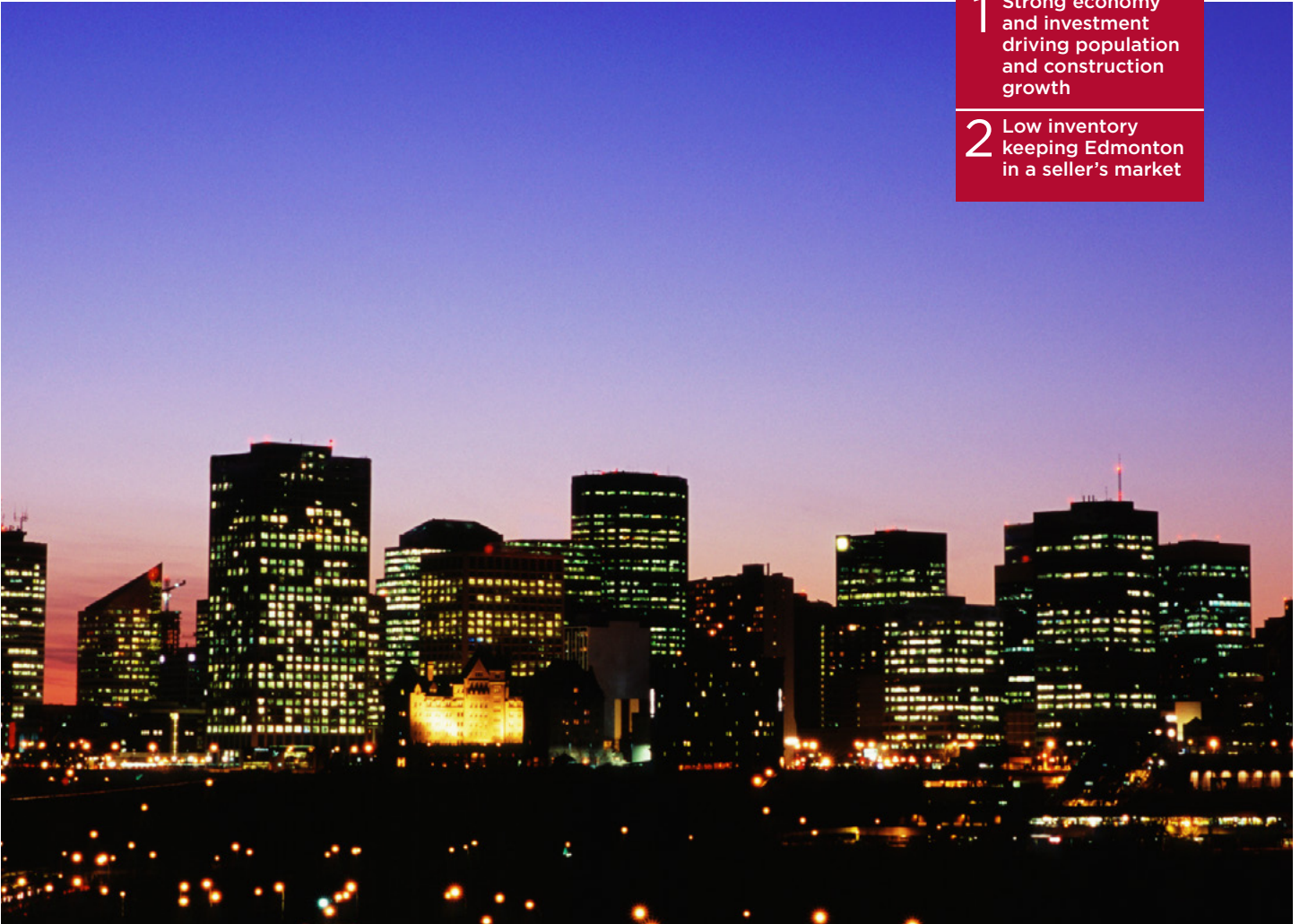


SOURCE CREB

EDMONTON

TRENDS

- 1 Strong economy and investment driving population and construction growth
- 2 Low inventory keeping Edmonton in a seller's market



EDMONTON'S HOUSING

market continued on a robust track through the start of 2014. Driven by a strong economy, infrastructure spending and major investments in the cultural and entertainment sectors, Edmonton has seen its population grow by 26,000 and is basking in a \$4.4 billion construction boom.

Edmonton is on an upswing and observers say the city has changed

more in the last three years than in the decade before. With records for multi-million-dollar sales and high rise construction in full swing, confidence is high that Edmonton is becoming a truly metropolitan city.

The average sale price for a home in January and February combined was \$356,542. This figure increased to \$361,870 in March, up 1.5 per cent year-over-year. Total unit sales came to 820 in January and 1,122 in February. The median price for detached homes, the largest category according to both price and volume, was \$385,000 in January and \$392,000 in February. On

“WITH RECORDS FOR MULTI-MILLION DOLLAR SALES AND HIGH RISE CONSTRUCTION IN FULL SWING, CONFIDENCE IS HIGH THAT EDMONTON IS BECOMING A TRULY METROPOLITAN CITY”

the whole, average selling prices increased by approximately \$25,000 over the previous two years. Inventory levels have increased slightly over 2013 and are predicted to keep pace with last year or finish 2014 slightly ahead.

Inventory within the key \$250,000-\$400,000 price range remains chronically low, in part because 85 per cent of buyers qualify for a home in that category. Much of the demand is being driven by young families who have spent some time in the rental market and accumulated enough savings to make a down payment on a home.

While Edmonton remains a seller's market, climbing inventory levels will lead to a more balanced market by June. Volume in the residential real estate market is expected to increase between two and four per cent annually and despite the growth, prices are likely at the ceiling. Based on a five percent down payment and family incomes across the province, average selling prices are very near the maximum of what the regulations will allow.

On balance, long term macroeconomic factors and significant private and public investments aimed at enhancing quality of life are at the core of what will be a healthy real estate market for the foreseeable future.

LOCAL CONTACT

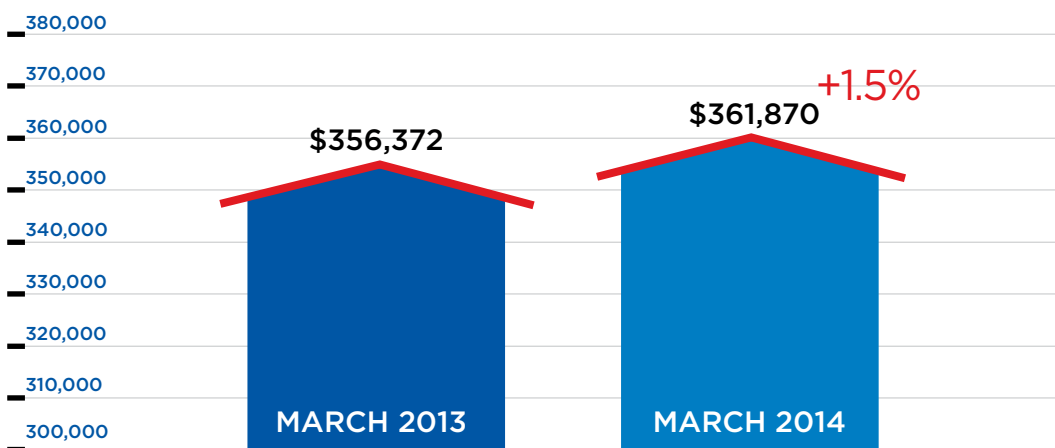
Greg Steele

RE/MAX
Excellence



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: THE REALTORS ASSOCIATION OF EDMONTON

SASKATOON

TRENDS

- 1 Inventory and unit sales both posted big gains despite the harsh winter
- 2 A strong job market continues to attract migrants from other provinces
- 3 New construction is helping inventory levels keep up with strong demand



SASKATOON'S HOUSING

market remained hot through the start of 2014 despite the cold winter. Inventory and sales surged in January and February,

driven by strong demand and plenty of new construction that has kept up with buyer appetite.

Low interest rates and confidence in Saskatoon's economy continued to fuel upward price pressure

in early 2014. The average sale price for a home in Saskatoon was \$349,000 in

February, an increase of seven per cent year-over-year. March posted a five per cent year-over-year average price increase to \$354,084.

Entry-level properties listed under \$400,000 saw the most activity in January and February, due in part to an influx of Canadians from other provinces moving to Saskatoon and choosing to purchase a home. A healthy job market in the resource, energy and mining industries has strengthened consumer confidence and encouraged buyers to enter the market.

Even with exceptionally high demand, Saskatoon leaned slightly

“ENTRY-LEVEL PROPERTIES LISTED UNDER \$400,000 SAW THE MOST ACTIVITY IN JANUARY AND FEBRUARY, DUE IN PART TO AN INFLUX OF CANADIANS FROM OTHER PROVINCES MOVING TO SASKATOON”

towards a buyer's market in the first two months of 2014. New construction across the city produced a healthy supply of inventory. The city's previously undeveloped west side now has 3 subdivisions, and new properties are proving to be a good fit for modern tastes.

A total of 635 new listings were posted in January, representing an 11 per cent year-over-year increase. New listings climbed even higher in February to 911, up a whopping 18 per cent from the same time last year. By the end of March, there were 2,801 total active listings in Saskatoon, up 15 per cent over last year. Year-over-year unit sales increased four per cent in January to 229, and surged 10 per cent in February to 393 sales.

Strong demand and new constructions show no sign of slowing. As a result, Saskatoon home prices are expected to increase by six per cent through 2014.

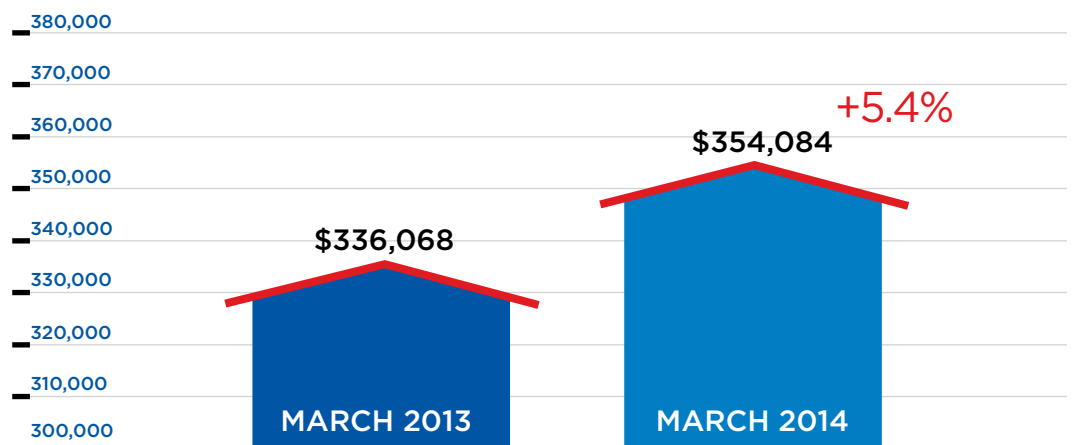


LOCAL CONTACT

Larry Stewart
RE/MAX
Saskatoon East

AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: SRAR

REGINA

TRENDS

1 Harsh winter resulted in a decline in January and February sales

2 Robust job market driving demand



REGINA'S HOUSING market looks set for a healthy spring following a slight dip in early 2014 activity due to the harsh winter. Total unit sales were down in January and February despite a healthy job market and

strong confidence in Regina's economy.

Cold weather meant buyers were dissuaded from viewing properties this winter, leading to a decline in sales through the start of 2014. A total of 320

units were sold in January and February, down six per cent year-over-year.

Low demand and a surge in listings pushed Regina into a buyer's market this winter. Total inventory in January and February increased 11 per cent year-over-year from 953 to 1137. New home construction is selling well but ample inventory has pushed speculative sellers out of the market. Over-priced listings saw little sales activity in January and February.

Signs of a spring market upswing are already appearing, with initial March sales data showing improvement over January and February figures. Improv-

"IN PREVIOUS YEARS, IT WAS COMMON TO SEE YOUNG REGINA RESIDENTS MIGRATING TO ALBERTA FOR JOBS. NOW THAT JOBS ARE PLENTIFUL, MORE YOUNG PROFESSIONALS ARE CHOOSING TO STAY AND PURCHASE THEIR FIRST HOME."

ing weather is expected to encourage buyers to enter the market, and an increase in spring demand could shift Regina back towards a balanced market.

Even with high inventory levels and a decline in year-to-date unit sales, average prices in March increased 4.8 per cent year-over-year to \$328,781. Upward price pressure continues to be fueled by low interest rates, immigration and a strong local economy. With a pickup in spring demand, Regina home prices are expected to increase 3-4 per cent through 2014.

Skilled tradesmen from other provinces and immigrants from China and Ireland flocked to Regina this winter to fill jobs in the resource, manufacturing and agriculture industries. Local first-time buyers are also driving demand. In previous years, it was common to see young Regina residents migrating to Alberta for jobs. Now that jobs are plentiful, more young professionals are choosing to stay and purchase their first home. Entry-level homes in the \$350,000 range witnessed the most activity so far this year, with low rental vacancies and high rent costs making home ownership in Regina an attractive proposition.

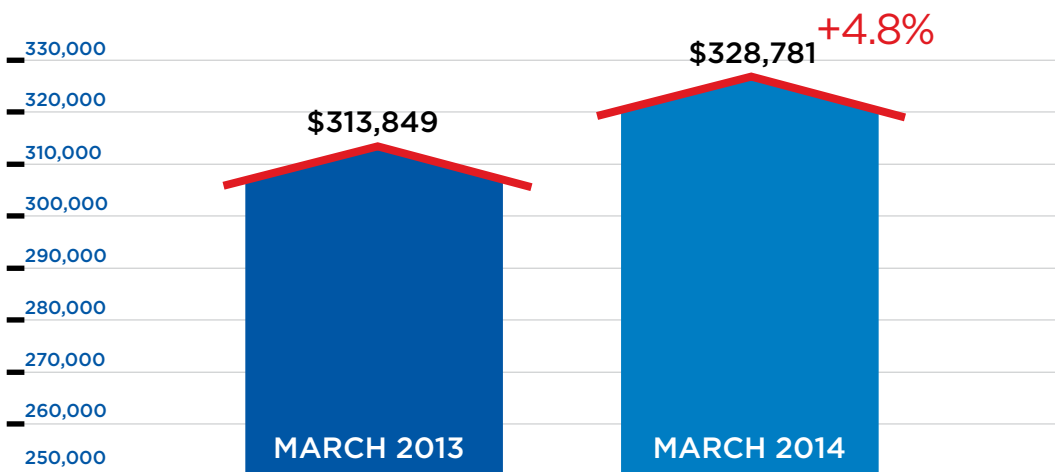
LOCAL CONTACT

Rob Nisbett
RE/MAX
Crown Real Estate



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: REGINA REALTORS

WINNIPEG

TRENDS

1 Brutal winter kept homebuyers indoors

2 Land transfer tax proving prohibitive for first-time buyers



ARCTIC TEMPERATURES, the usual epidemic of potholes and 1,300 homes without water caused potential homebuyers in Winnipeg to postpone house hunting until the spring.

“MANITOBA’S LAND TRANSFER TAX CONTINUES TO BE A PARTICULAR BURDEN ON FIRST-TIME ENTRANTS TO THE MARKET”

Listings are up and sales are down compared with the previous year. Overall inventory levels in February were 10 percent higher year-over-year and sales slowed, particularly on the upper-end. In February, only 15 houses sold for more than \$500,000. Sales of proper-

ties on the upper-end of the spectrum are expected to remain slow, with inventory building as the year progresses. However, after a dozen years as a seller’s market, Winnipeg is expected to be more balanced in 2014.

Immigrants, locals who have accumulated significant savings and those having benefitted from Winnipeg’s robust agricultural and manufacturing sectors have been the most active in the market. Manitoba’s land transfer tax continues to be a particular burden on first-time entrants to the market, who arrive with little or no equity to place against the purchase of a new home.



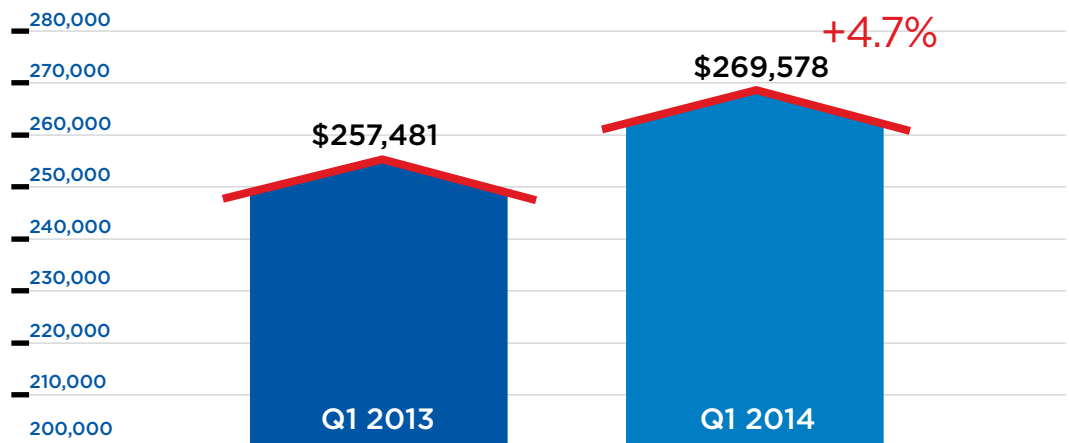
First-time buyers entering the market are expected to purchase both condos and houses, although the potential for spring flooding could wash away emerging momentum.

Low interest rates and Winnipeg's economic outlook are expected to help push average prices up moderately through 2014, with some discrepancies between price ranges. Properties under the \$400,000 mark are expected to appreciate 4-5 per cent, while more expensive properties are projected to increase by 1-2 per cent.



AVERAGE RESIDENTIAL SALE PRICE

Q1 2013 COMPARED TO Q1 2014



LOCAL CONTACT

Cliff King
RE/MAX
Executives Realty

SOURCE: WINNIPEG REALTORS, EXTRAPOLATED FROM SALES VOLUME AND UNIT SALE FIGURES

WINDSOR -ESSEX

TRENDS

- 1 Spring market delayed due to harsh winter
- 2 Increase in March listings show signs of spring upswing



THE WINDSOR-ESSEX spring housing market was delayed this year by the worst winter since 1908. January and February inventory and unit sales posted significant year-over-year declines, but March showed signs of increased activity leading into spring.

Low inventory levels pushed Windsor into a sellers' market during the start of 2014. Total first quarter listings decreased 11 per cent year-over-year from 2,873 to 2,549. However, Windsor is expected to transition back into a balanced market

once the weather improves. Evidence is already appearing to support this as total new listings increased from 732 in February to 892 in March.

Optimism is high for a healthy market through the remainder of 2014. Confidence in the local auto industry has improved and the job market has stabilized thanks to greater diversification in the local economy.

This year's harsh winter kept buyers indoors as total first quarter unit sales fell 15 per cent year-over-year to 1,038. March unit sales showed significant improvement over January and February, with 403 unit sales repre-

"WINDSOR'S AFFORDABLE HOME PRICES AND LOW COST OF LIVING MAKE IT AN ATTRACTIVE MARKET FOR COST-CONSCIOUS BUYERS"

senting a one per cent year-over-year decline. Windsor-Essex home prices are projected to increase between 3-4 per cent in 2014, with the delayed spring market expected to slow appreciation.

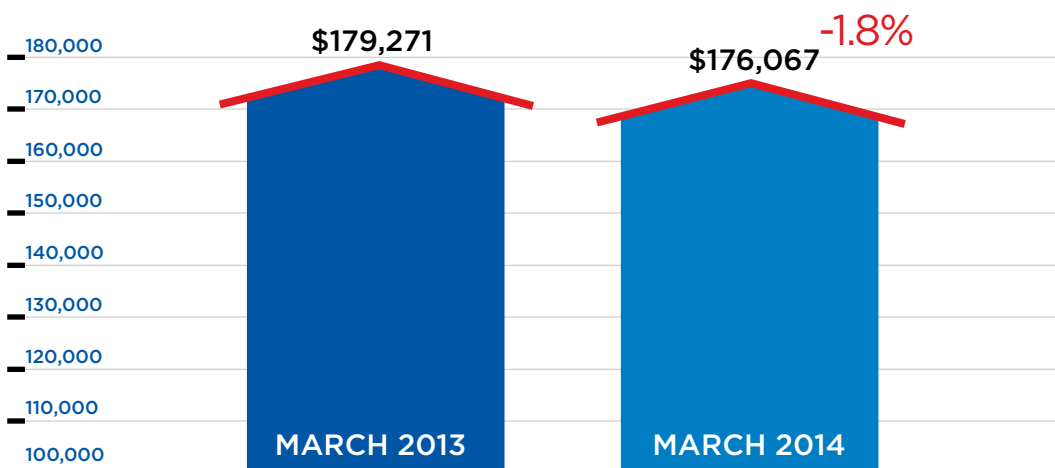
Windsor's affordable home prices and low cost of living make it an attractive market for cost-conscious buyers. Single-family homes saw, by far, the most sales activity in Windsor, accounting for 342 of the 403 units sold in March. Sales figures in the first three months of 2014 were consistent across all price ranges, with slightly more activity for properties under \$180,000 compared with higher priced options.

First-time homebuyers were the most active segment in Windsor, with young professionals taking advantage of low interest rates to purchase their first home. Retirees were also active in Windsor's market, as buyers from Toronto and other regions continued moving to the city for its low cost of living and waterfront lifestyle.



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: WECAR

LOCAL CONTACT

Glen Muir
RE/MAX
Preferred Realty Ltd.

LONDON -ST. THOMAS

TRENDS

- 1 Unusually cold winter slowed the London-St. Thomas market
- 2 March significantly more active than January and February
- 3 Immigrants and retirees driving demand from outside the region



THE UNUSUALLY COLD

winter in Southwestern Ontario slowed the London-St Thomas real estate market in the first two months of 2014.

As spring kicks in, warmer temperatures are expected to draw potential buyers out of their homes and into showings and open houses. Pent-up demand grew as winter subsided, with

real estate Sales Associates reporting both an increase in enquiries for listings and customers waiting to see properties. Sales in March were measurably higher over the same period one year ago and the market appears primed for a spectacular spring.

London's market is stable, confidence in London's economic climate remains strong and growth in price is expected to continue by approximately 1.5-2 per cent over the year. Inventory

“AS SPRING KICKS IN, WARMER TEMPERATURES ARE EXPECTED TO DRAW POTENTIAL BUYERS OUT OF THEIR HOMES AND INTO SHOWINGS AND OPEN HOUSES”

rose by approximately four per cent in first two months of 2014, contributing to a balanced market, ample selection for buyers and sufficient supply to keep up with demand.

Two-story townhomes remain the most popular when compared with other residential properties. A typical detached home sold for \$260,411 in February, with the average condominium selling for \$179,287. Inventory typically spent 30-45 days on the market although observers note that well-priced homes are selling more quickly. It is expected that interest rates and the balance of supply will play a key role in determining the direction of the market through the remainder of 2014.

London's demographic shift has influenced the real estate market with new Canadians choosing to make the city home. Post-secondary institutions, safe communities and proximity to major centres such as Toronto, Chicago and New York City are contributing to growing demand, particularly in the north end of the city. Retirees are also choosing London for its green space and top-tier medical facilities.

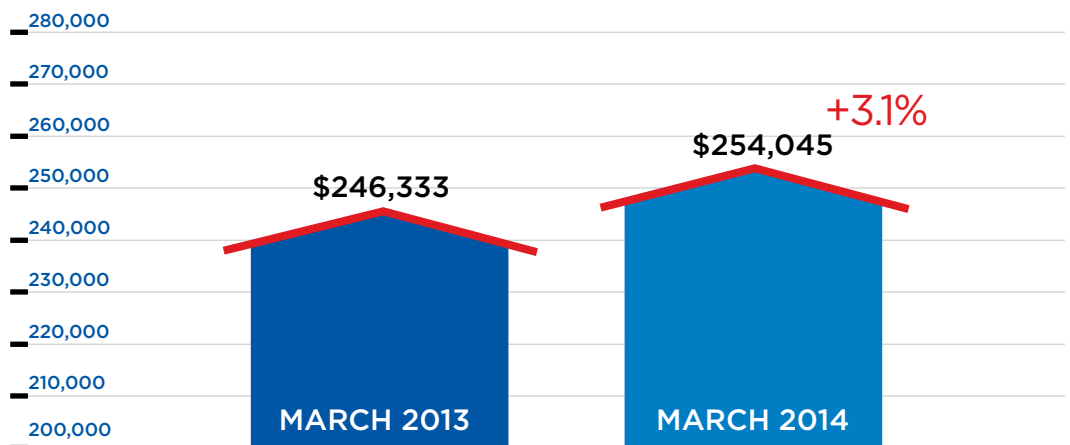
LOCAL CONTACT

Roger Guindon
and Carl Vandergoot
RE/MAX
Centre City Realty Inc.



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: CREA, LSTAR

GREATER SUDBURY

TRENDS

A HARSH WINTER

slowed Sudbury's real estate market, but didn't discourage first-time buyers from snapping up homes in the \$180,000 - \$240,000 range through the start of 2014.

With an average home price of \$246,142 in February, Sudbury continues to offer an affordable option for homebuyers. Buyers seeking lower barriers to entry are finding options on the outskirts of town, where prices are generally lower. Conversely, supply is scarce in Sudbury's south end and in New Sudbury.

The winter contributed towards a slight decline in

"BUYERS SEEKING LOWER BARRIERS TO ENTRY ARE FINDING OPTIONS ON THE OUTSKIRTS OF TOWN, WHERE PRICES ARE GENERALLY LOWER"

average prices for detached homes to \$235,000, but single-family detached homes remain the most popular property type in Greater Sudbury. Average prices in March increased to \$250,000. Multi-family units remain popular among investors, who view them as a more profitable alternative to RRSPs and traditional investments. Sudbury has not seen a large number of buyers searching above the \$400,000 price point in the first quarter of 2014.

Confidence is high in the long-term viability of Sudbury's market. Real estate fortunes in the city ebb



1 Most activity seen in the \$180,000-\$240,000 range

2 Low nickel prices and harsh winter slowed Sudbury's market

and flow with commodity prices and many jobs are dependent on mining giants and their suppliers. When nickel and other commodity markets slow, the housing market follows suit. Nevertheless, Sudbury residents are aware of their status as the unofficial capital of Northern Ontario. The city is home to a new school of architecture, is well regarded in the healthcare sector and acts as a hub for doz-

ens of smaller communities, making it among the most attractive real estate markets in Northern Ontario. Over the years, Sudbury has become quite diversified and employment is expected to edge higher.

Overall, prices are expected to increase by two per cent in 2014, in line with historical norms. CMHC expects a slight increase in new builds as compared to last year to approximately

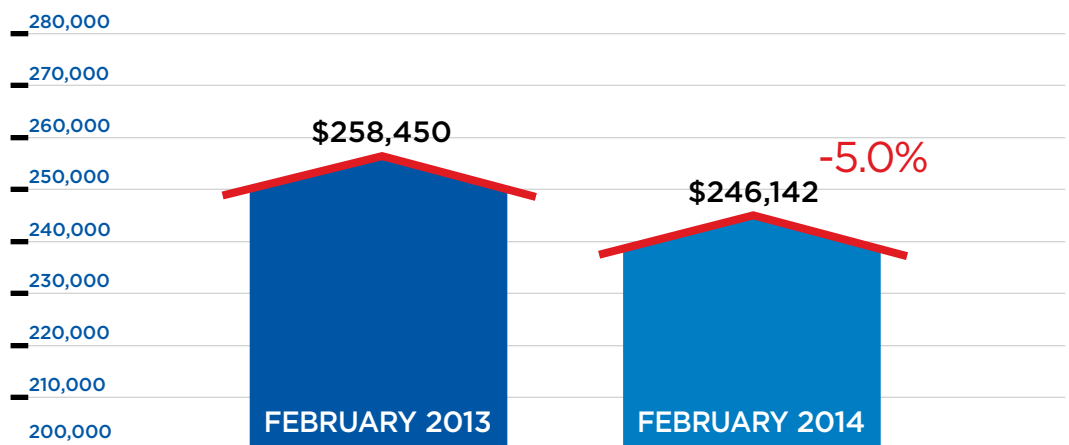
455, up from 431, contributing to what is expected to be a balanced market through the remainder of 2014. The vacancy rate in Sudbury remains at approximately three per cent.

LOCAL CONTACT

Cathy Gregorchuk
RE/MAX
Crown Realty
(1989) Inc.

AVERAGE RESIDENTIAL SALE PRICE

FEBRUARY 2013 COMPARED TO FEBRUARY 2014



SOURCE: SREB, CREA (FEBRUARY 2013 EXTRAPOLATED FROM FEBRUARY 2014 DATA AND PERCENTAGE CHANGE)

KITCHENER - WATERLOO

TRENDS

- 1 High-tech job market remains strong
- 2 Diverse range of buyers fueling the market
- 3 Spring activity set to increase following a harsh winter



THE HARSH WINTER slowed Kitchener-Waterloo's real estate market in early 2014 while concerns over local technology sector jobs eased, setting the stage for a pickup in spring activity.

"YOUNG BUYERS ARE KEEN TO PLANT ROOTS IN TRENDY UPTOWN WATERLOO AS WELL AS KITCHENER'S GENTRIFYING DOWNTOWN."

Sellers were reluctant to list their properties in a frigid January and February, which saw a 14 per cent decrease in residential listings compared with the same period in 2013.

Confidence in the region is growing as internal changes at local technology

employers only marginally impacted the Kitchener-Waterloo real estate market. The overall job market in Ontario's high-tech hub remains strong, with established firms and numerous start-ups heading to the region in search of skilled workers.

The price of a single family home increased over three per cent in the first two months of 2014. While unit sales remain low, they are expected to increase once the snow disappears, leading to a balanced market throughout the rest of the year. A surge in properties priced between \$150,000 and \$200,000 in the first quarter was attributed to cheaper

condos coming on the market. Condo sales are up one per cent overall. Prices are expected to rise by two per cent on flat sales this year.

A range of buyers have demonstrated interest in Kitchener-Waterloo. First-time buyers, those looking to move up and retirees are all present in the market. Young buyers are keen to plant roots in trendy uptown Waterloo as well as Kitchener's gentrifying downtown. Growing families are moving out of townhouses and into detached homes, while retirees are splitting their equity between homes in Canada and vacation properties. A small number of homes over the \$750,000 mark sold in the first two months of the year.

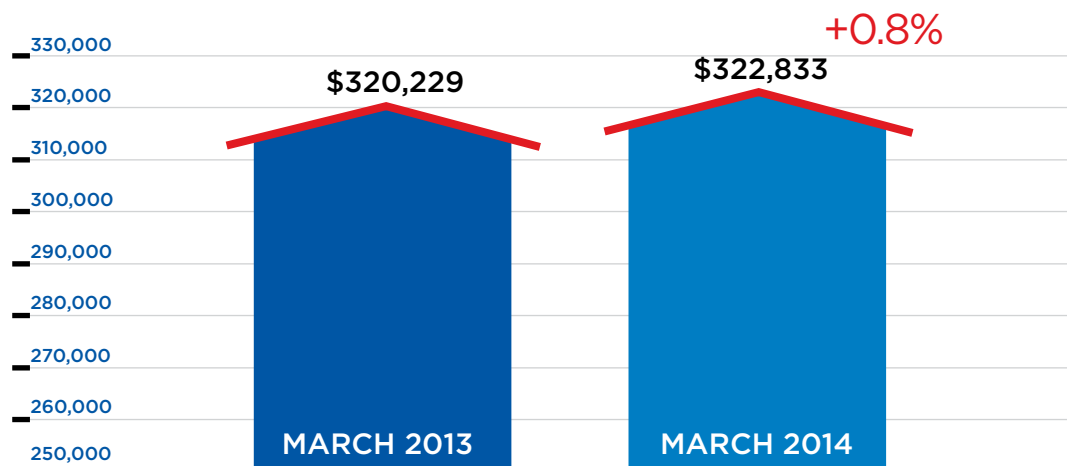
Optimism is high for the remainder of 2014 as the region boasts a diversified economy. Major employers include insurance companies, high-tech firms and manufacturers, with a robust start-up sector and two universities attracting a new generation of new movers and shakers. In addition to Oktoberfest, year-round tourism is beginning to take hold, with a second new hotel under construction near historic St. Jacobs. The GO Transit system now operates a rush hour train service between Kitchener and Toronto, and a new light rail line will connect north Waterloo to Kitchener.

LOCAL CONTACT
Adrian Baas
RE/MAX
Twin City Realty Inc.



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: KITCHENER-WATERLOO ASSOCIATION OF REALTORS

HAMILTON -BURLINGTON

TRENDS

- 1 Low inventory leading to multiple offers and sales above listing price
- 2 Winter made sellers reluctant to list in January and February



A LACK OF INVENTORY

has shaped the Hamilton and Burlington real estate markets over the first few months of 2014. The harsh winter has limited the number of single family homes for sale over this period as sellers chose to wait for better weather before listing their properties.

In Hamilton, year-over-year listings of detached homes were down by 4.3 per cent while condos decreased by 3.3 per cent. Burlington's

detached home inventory was down by 25 per cent; however, this was offset by a large increase in condo listings resulting from new developments in the region. The Burlington condo market saw a 35 per cent year-over-year increase in listings at the beginning of March.

For those that did list their property during the first quarter of the year, multiple offers were common, which resulted in properties selling for above list price. Competitive offers across the region saw the average detached home sale price in Hamilton and Burlington hit \$350,000 and \$578,000 respectively. Overall, average residential

“FOR THOSE THAT DID LIST THEIR PROPERTY DURING THE FIRST QUARTER OF THE YEAR, MULTIPLE OFFERS WERE COMMON, WHICH RESULTED IN PROPERTIES SELLING FOR ABOVE LIST PRICE.”

HAMILTON-BURLINGTON

sale prices increased 8.6 per cent year-over-year in March to \$409,684.

Looking forward to the remainder of the year, healthy price appreciation is expected for the entire region. Single family homes will likely see the greatest demand with first-time buyers and investors both seeking solid detached options. Prices for Burlington are predicted to increase five per cent for the year, while Hamilton expects to see an average year-over-year increase as high as seven per cent.

Economic and non-economic factors alike will mean the sellers' market that defined the region in early 2014 is likely to continue for much of the year. Low interest rates continue to drive demand alongside the strong local job market, driven by a regional industrial renaissance and growth in the health care sector.

Affordability, lifestyle and space are also contributing to what some have called the "GTA effect", where a significant number of individuals have relocated to the region from Toronto. The proximity to the GTA allows people to commute to jobs across the region while living in an affordable urban setting with attractive amenities.

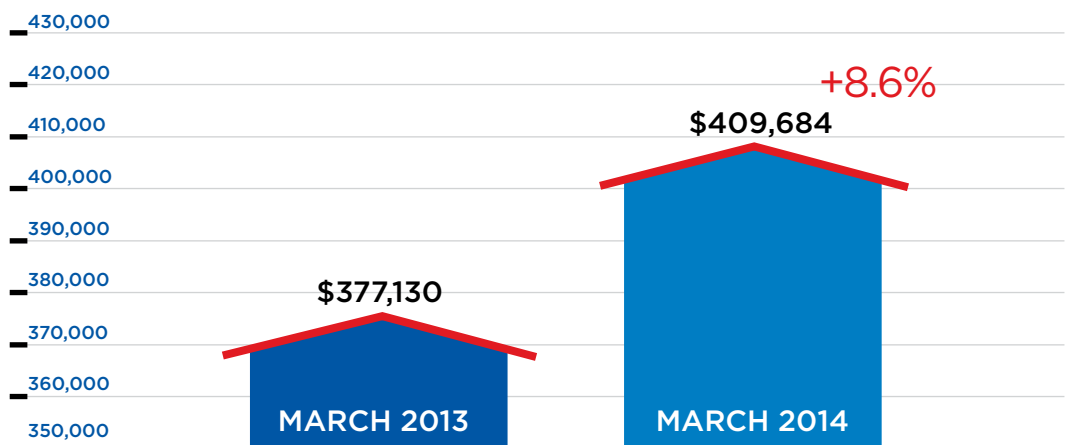
LOCAL CONTACT

Conrad Zurini
RE/MAX
Escarpment Realty Inc.



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: CREA

BARRIE AND DISTRICT

TRENDS

- 1 Harsh winter slowed early 2014 market
- 2 Low inventory has led to multiple offers and price appreciation
- 3 New construction and improved transit links to fuel growth



AS WITH MANY CITIES

across Canada this winter, harsh weather impacted the housing market in Barrie over the first months of 2014. After a moderate dip in January, sales figures rebounded and are on a similar track to a year ago. Lower than average

inventory has resulted in multiple offers and nudged average sale prices upward.

The bulk of buyers in Barrie seek out single family homes, which are typically listed between

\$250,000 and \$350,000. However low lending rates and the appeal of rural properties and waterfront living has boosted demand for properties in excess of \$450,000. The average sale price for a townhouse in the region was \$264,000 in February, while the average detached home in Barrie sold for \$315,000 and in the entire region for \$356,000. Total sales volume grew from \$62 million in January to \$99 million in February. Buyers across the spectrum are active in the market, with first-time purchasers, move-up buyers and investors all driving demand.

Barrie is expected to lean toward

“ACTIVITY IN THE CITY’S DOWNTOWN AREA IS INTENSIFYING, WITH WATERFRONT CONDOS AND NEW APARTMENT BUILDINGS SPROUTING UP.”

BARRIE AND DISTRICT

a seller's market for much of the year, although the number of listings in the city is anticipated to increase as warmer weather improves curb appeal and motivates more individuals to put their properties on the market.

Looking forward, strong fundamentals are expected to drive economic confidence and real estate demand across the region. Activity in the city's downtown area is intensifying, with waterfront condos and new apartment buildings sprouting up. Overall, Barrie home prices are expected to increase between four and six per cent through the remainder of 2014.

Those with an interest in the region have a lot to be excited about. Frequency of service is expected to increase on the regional GO Train, linking Barrie to Toronto. In turn, the daily commute for thousands of people will become increasingly viable, offering even easier access to and from Toronto during off-peak recreational hours. And although developers have annexed land in surrounding Simcoe County, infrastructure is still in development stages and a substantial increase in supply is not expected in the near term.

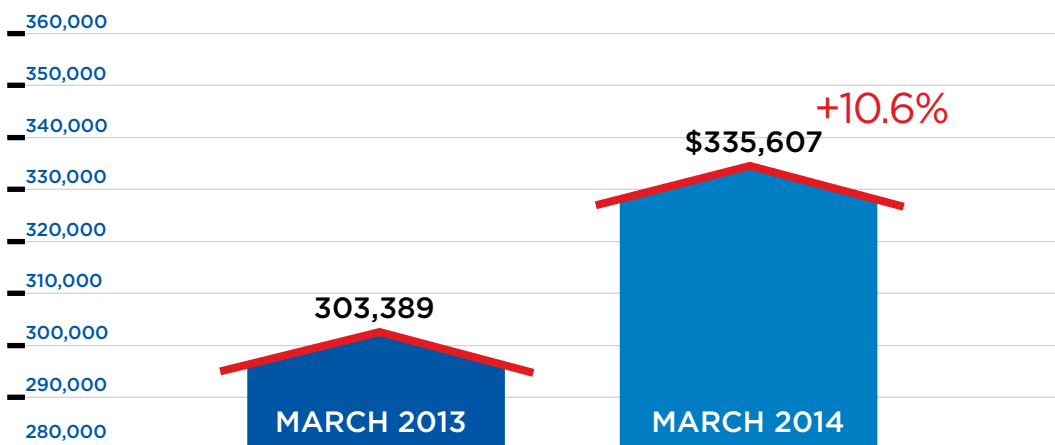
LOCAL CONTACT

Mark Pauli
and Corrie Holliday
RE/MAX
Chay Realty Inc.



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: CREA

ST. CATHARINES

TRENDS

- 1 Difficult winter slowed sales activity
- 2 Signs of improvement in March as weather improves
- 3 Seller's market expected to become more balanced through summer



ST. CATHARINES IS YET

another community in Ontario where the unusually hard winter impacted the local real estate market in early 2014. This was marked by slower-than-normal sales activity compared to previous

years. While January and February were sluggish, figures in March have shown momentum, indicating an upswing in the market that is expected to continue through the remainder of the year.

“MOVE-IN-READY PROPERTIES THAT WERE LESS THAN 10 YEARS OF AGE REGULARLY SAW MULTIPLE OFFERS, WITH THE GREATEST DEMAND AIMED AT HOUSES LISTED BETWEEN \$220,000 AND \$330,000”

Low inventory levels were the norm, with 606 active listings on the market in January and 605 in February. This was due to the cold weather, which kept many from listing their houses during the first months of 2014.

Listings did begin to creep up in March, contributing to predictions of a robust spring that will see the current seller's market become more balanced as summer approaches. The St. Catharines region will likely experience steady price increases over the course of the year, with prices predicted to appreciate by around three per cent at the end of 2014.

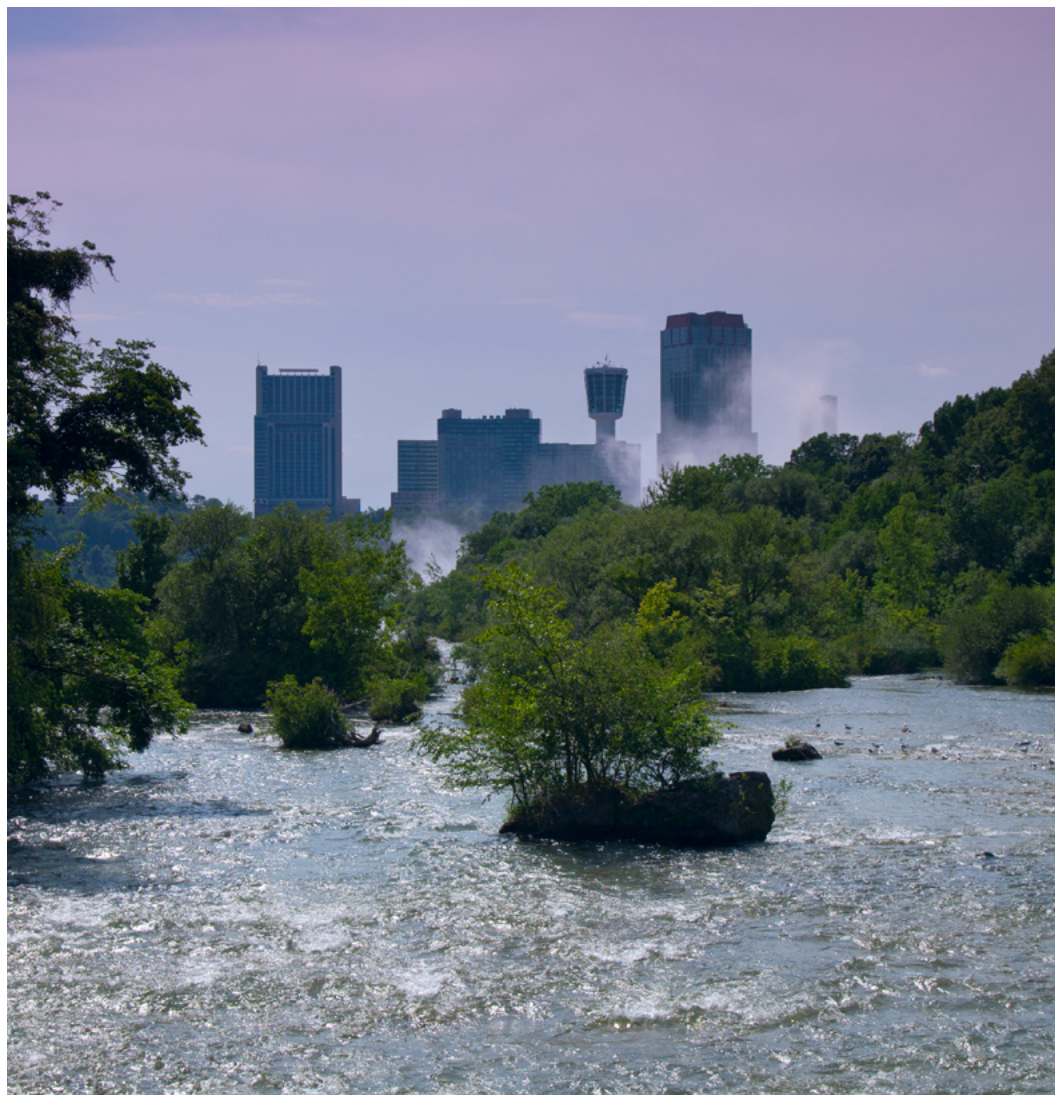
Single family houses have seen the greatest buyer demand during the first quarter of the year. Move-in-ready properties that were less than 10 years of age regularly saw multiple offers, with the greatest demand aimed at houses listed between \$220,000 and \$330,000.

Growth in the local economy should have a positive impact on the housing market this year. Development projects such as the expansion at Brock University, the new arena for the Ice Dogs, as well as new shopping and performing arts centres will contribute to employment in the region and drive housing demand.

Looking ahead at the remainder of the year, low interest rates are expected to motivate a range of buyers who will contribute to an active market. This will include retirees and health care professionals drawn to the community by the St. Catharines Health-care Complex and Cancer Centre, which opened last year. Affordability and recreational options offered in the surrounding Niagara region are also expected to attract down-sizing baby boomers moving out of larger urban centres, while investors looking to purchase student rental properties continue to have an impact on the market.

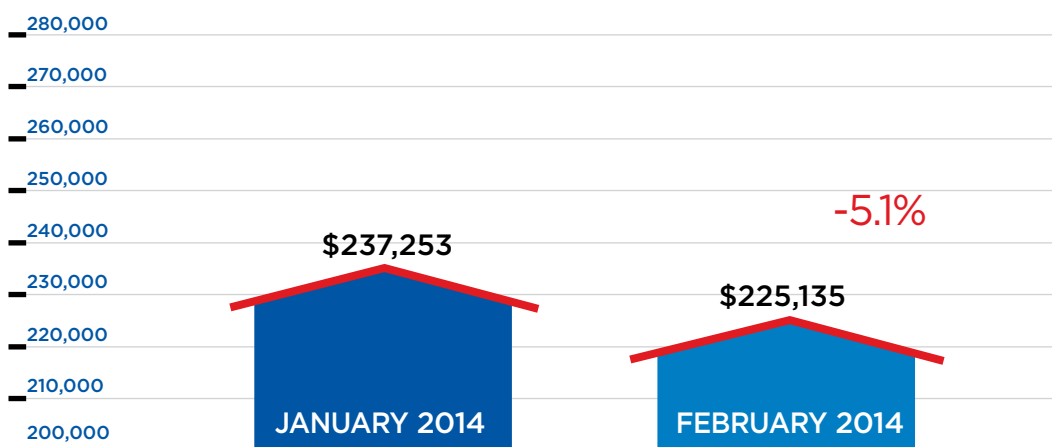
LOCAL CONTACT

Phyllis Gleeson
RE/MAX
Garden City
Realty Inc.



AVERAGE RESIDENTIAL SALE PRICE

JANUARY 2014 COMPARED TO FEBRUARY 2014



SOURCE: RE/MAX, NIAGARA ASSOCIATION OF REALTORS

GREATER TORONTO AREA

TRENDS

- 1 Positive sales figures despite brutal winter
- 2 Record low inventory driving seller's market



ONTARIO'S ECONOMIC

powerhouse emerged from a brutal winter in strong shape with sellers in control of what will be a brisk summer market.

Sales figures were positive even over the winter as low interest rates, foreign investors and a scarcity of listings drove

prices up 7.8 per cent year-over-year as of March 2014.

The average price of a home reached \$553,193 in February, with a typical de-

tached home selling for \$718,400 and a condo selling for \$347,200. Overall average residential prices crept up to

\$557,684 in March. In certain high-end neighbourhoods, it was not unusual for 40-foot lot with a tear-down house to sell for more than \$800,000.

Inventory levels across the city are at an all-time low; despite the growth of the Greater Toronto Area over the past decade, there were only 14,000 active listings this February compared with 17,000 in 1999. Detached freehold homes remain the hottest commodity in the region, although half of all sales in the City of Toronto are condos.

Toronto continues to lead the Western Hemisphere in terms of residential high rise construction; for many here, a detached home in the downtown

"TORONTO CONTINUES TO LEAD THE WESTERN HEMISPHERE IN TERMS OF RESIDENTIAL HIGH RISE CONSTRUCTION"

core is simply out of reach. With little construction of new rental stock in the city, investors have continued to purchase individual condo units for rentals. The rental market is surprisingly tight, with a vacancy rate below two per cent leading to multiple offers on rental units in attractive locations. Condos are stepping in to fill a need in the market, as Toronto has seen no significant multi-family residential rental construction in 30 years.

After a decade of suburban sprawl in the surrounding Peel Region and York Region, real estate priorities are shifting back to the core of the city. With commute times from the suburbs getting longer and land for new suburban communities scarce, a new generation of buyers are opting for city life. Buyers with equity built up are taking the opportunity to upsize, while retirees are cashing out and moving into smaller homes or condos. With the higher costs associated with entering the market in this region, many first-time buyers are doing so with financial assistance from their parents.

Economic opportunities in the Greater Toronto Area, coupled with low interest rates will continue to drive demand. All signs point to continued growth in the market, with sellers realizing significant returns and buyers competing for coveted properties.

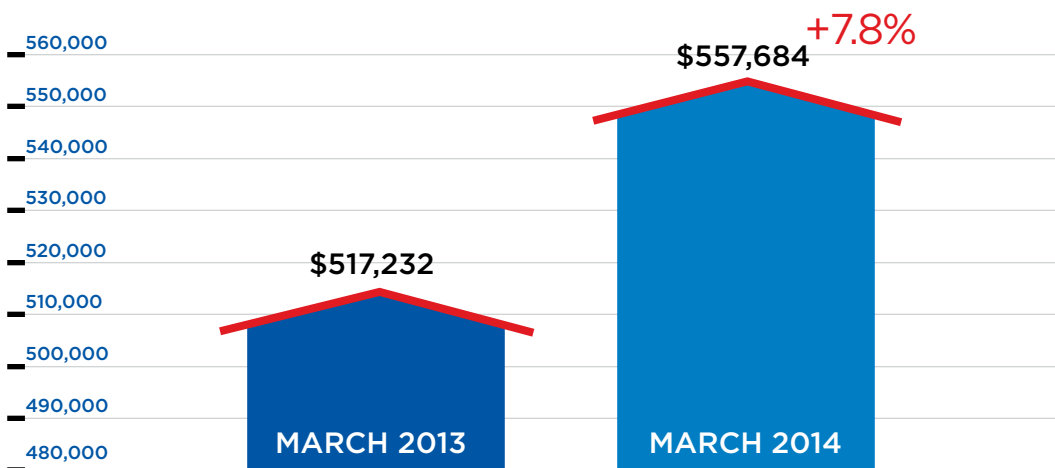
LOCAL CONTACT

Cameron Forbes
RE/MAX Realtron
Realty Inc.



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014

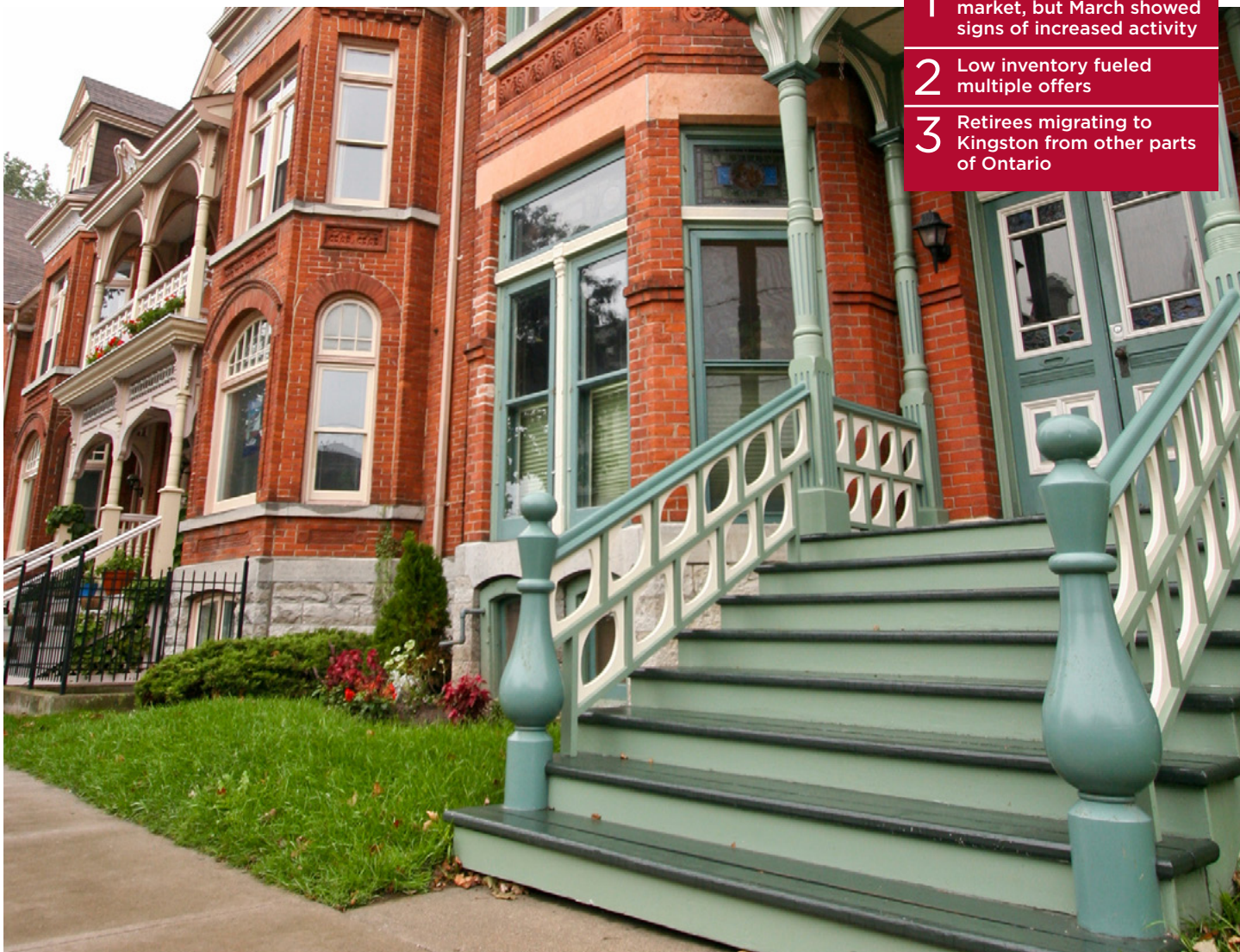


SOURCE: CREA, TREB

KINGSTON

TRENDS

- 1 Harsh winter slowed the market, but March showed signs of increased activity
- 2 Low inventory fueled multiple offers
- 3 Retirees migrating to Kingston from other parts of Ontario



A LONG, HARD WINTER

put a chill on sales in the Kingston area through the start of 2014. This slow-down was seen in a 23 per cent drop in year-over-year sales and a four per cent drop in listings in January and February.

Prices were also flat with a 0.1 per cent increase as of the beginning of March.

Activity is expected to pick up during the spring

market as the weather warms and sellers who held back during the snowy months begin to list their property for

sale. By the end of 2014 annual sales are predicted to increase by a healthy five per cent compared to 2013.

While listings have been low, the market has been comfortably balanced between buyers and sellers. Multiple offers were not uncommon, especially for well-maintained detached single family listings; but these were not the 15-buyer-bidding-wars that were seen further west along highway 401 in the Greater Toronto Area. Multiple offers in the Kingston region were most commonly two competing offers on a single listing.

Low interest rates and Kingston's strong job market continue to fuel

“LOW INTEREST RATES AND KINGSTON’S STRONG JOB MARKET CONTINUE TO FUEL CONFIDENCE IN THE MARKET”



confidence in the market, as the military and post-secondary institutions continue to underpin solid regional employment. Relocation transfers at Canadian Forces Base Kingston are expected to be down this year, which might put slight downward pressure on the market. However, it's likely this will be offset by the ongoing expansion at CFB Trenton that will see new buyers trickle into the Greater Kingston Area.

Sales associates from across the region also continue to see new out-of-town buyers migrating to Kingston. One group leading this charge is downsizing baby boomers. These new retirees are drawn to the area for its waterfront lifestyle, cultural offerings and proximity to Ottawa and Toronto. The region's affordability compared to larger urban markets elsewhere in Ontario also makes Kingston an attractive destination for new retirees.

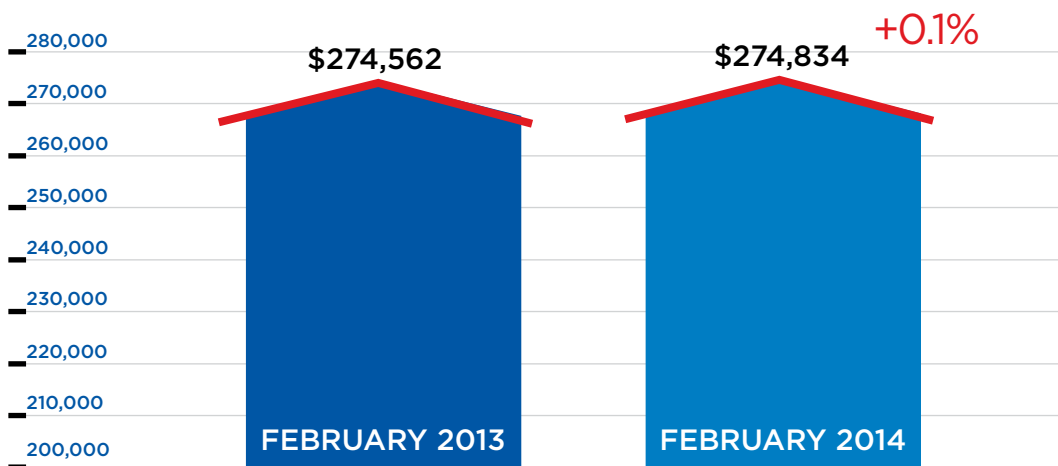
LOCAL CONTACT

CINDY HAGGERTY
RE/MAX
Realty Concepts
Corp.



AVERAGE RESIDENTIAL SALE PRICE

FEBRUARY 2013 COMPARED TO FEBRUARY 2014



SOURCE: KAREA, CREA

OTTAWA

TRENDS

- 1 Slight drop in sales during the first part of 2014
- 2 High inventory expected to keep prices in check
- 3 First-time homebuyers driving the most demand



A CHILLY WINTER, HIGH

inventory and layoffs in the civil service contributed to a slight drop in

“BY THE END OF FEBRUARY, THE NUMBER OF PROPERTIES LISTED HAD RISEN BY 17 PER CENT TO 6,200, WITH FURTHER INVENTORY PROJECTED TO ENTER THE MARKET THROUGH THE SPRING”

sales in Ottawa's real estate market so far in 2014.

By the end of February, the number of properties listed had risen by 17 per cent to 6,200, with further inven-

tory projected to enter the market through the spring. Increased inventory is expected to keep prices in check. The market is expected to continue on

a modest track, with no large gains or losses expected.

First-time homebuyers are driving demand in Ottawa, typically seeking out condos in the \$175,000-\$225,000 price range or homes priced in the \$275,000-\$400,000 range. The upper-end market, fueled by the region's business leaders, has seen flat sales. Downsizers are active as well, eager to move closer to children and grandchildren. Ottawa is not typically known as a retiree town, and many who have left the full-time workforce are keen to pick up part-time or contract work.

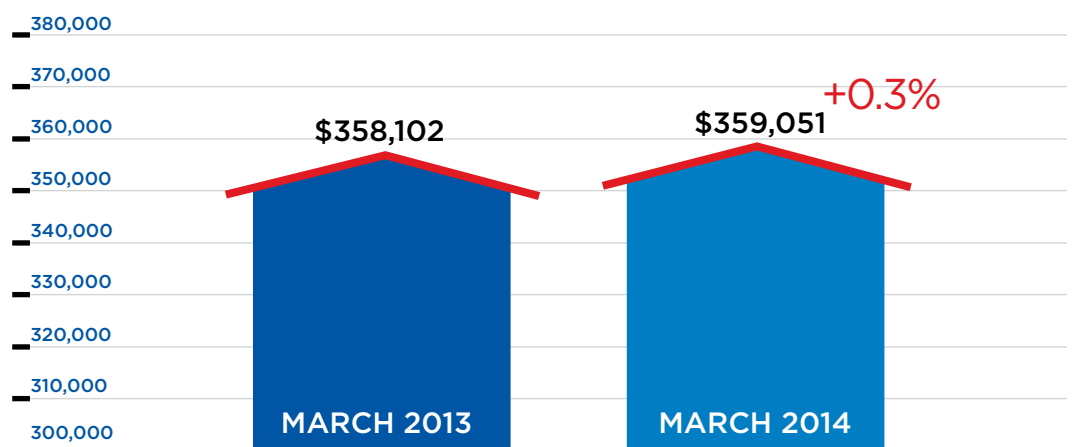


Low interest rates and a desire to purchase prior to the introduction of new CMHC fees have encouraged some activity, but buyers haven't displayed a sense of urgency to enter the market. Supply is expected to outstrip demand for the foreseeable future, forcing enthusiastic sellers to temper their expectations.

LOCAL CONTACT
Geoff McGowan
RE/MAX
Affiliates Realty Ltd.

AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: CREA, OREB

MONTREAL

TRENDS

- 1 Cold winter and provincial election slowed the market in early 2014
- 2 Six per cent drop in new listings
- 3 Healthy business environment expected to drive stable price appreciation



A COLD WINTER combined with an April provincial election contributed to a slow start in the Montreal real estate market so far in 2014. With

two feet of snow (or more) still on the ground across Montreal in early April, many potential sellers held back from listing properties.

Meanwhile, the lead-up to the April 7 provincial election acted as an additional distraction to a period that has historically seen limited real estate activity in the region.

“WITH TWO FEET OF SNOW (OR MORE) STILL ON THE GROUND ACROSS MONTREAL IN EARLY APRIL, MANY POTENTIAL SELLERS HELD BACK FROM LISTING PROPERTIES”

What does this mean in terms of numbers? At the end of March, Les Moulins in the Lanaudière market of the Greater Montreal Area had seen 1,285 new properties listed for sale in 2014, a 6 per cent drop over the same period in 2013. This year also saw more units remain on the market unsold. At the end of March there were 1,935 units on the market, compared with 1,822 properties listed at the same time last year.

There have been some bright spots however, as year-over-year sales in this region increased from 612 last year to 620 in 2014. Growth in the dollar value of sales has also jumped. The first three

MONTREAL

months of 2014 saw an increase of more than \$13 million in total sales volume compared to the same period in 2013.

Looking ahead to the remainder of 2014, a healthy business environment should contribute to stable growth that will drive a modest annual price increase of 2-3 per cent. The completion of a new railway line in the region should also lead to new industry, more jobs, and additional buyers.

Bungalows are expected to be the most popular property on the market in 2014. This has already been the trend with 281 units sold so far this year. At the end of March last year only 258 bungalow units had been sold. The median price for bungalows sold so far in 2014 was \$235,500, up from an average of \$235,000 during the same period in 2013.

Condos on the other hand are showing less popularity this year – 102 units have been sold so far in 2014, which is down from 115 condo units sold over the same period in 2013. Condo prices have not changed, with the median sale price over the first three months of both 2013 and 2014 remaining at \$178,000.

All things considered, Montreal can expect a healthy and balanced market in 2014.

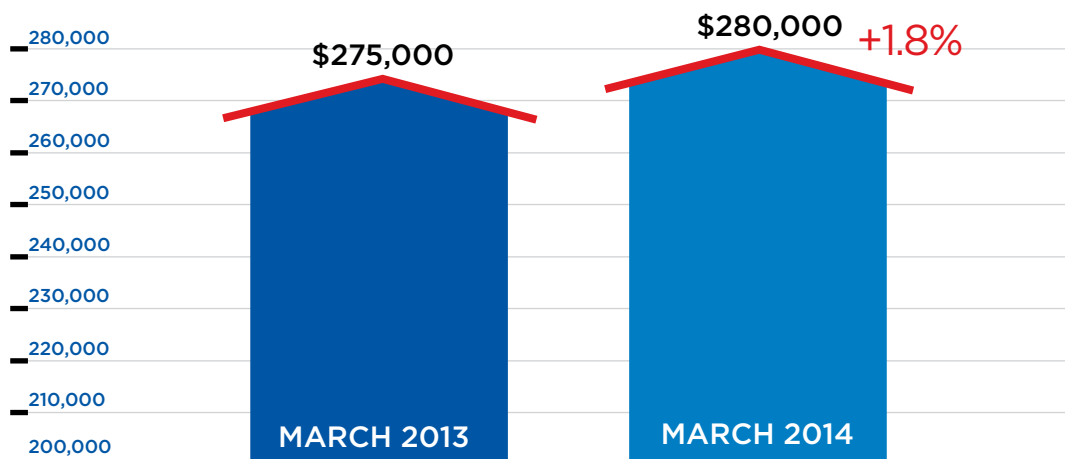
LOCAL CONTACT

Renaud Thibault
RE/MAX
Des Mille Iles Inc.



MEDIAN RESIDENTIAL SALE PRICE*

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: GREATER MONTRÉAL REAL ESTATE BOARD

*MONTRÉAL CENSUS METROPOLITAN AREA SINGLE FAMILY HOMES

SAINT JOHN

TRENDS

1 Brutal winter kept homebuyers indoors

2 Pipeline and oil refinery development announcements could have a transformative effect on the market



FOLLOWING YEARS OF

enthusiasm and price escalation over talk of energy infrastructure projects, a sense of normalcy has returned to the housing market in Saint John, with prices in 2014 comparable to the same period in 2013. Inventory levels are high, but increased activity is expected as the weather warms and should reduce inventory built up over the winter.

Many potential buyers sat out this winter, as the weather discouraged

people from going outside to shop for houses. This translated into an average sale price of \$162,556 in February, a five percent drop over the same period in 2013. Listings moved slowly and took an average of between 130 and 140 days to sell. More buyers are expected to enter the market as weather improves heading into the spring.

Saint John prices are predicted to increase by 2-4 per cent through the remainder of the year. Escalating construction costs and higher development charges are expected to contribute to upward price pressure that has resulted from low interest rates.

“MANY POTENTIAL BUYERS SAT OUT THIS WINTER, AS THE WEATHER DISCOURAGED PEOPLE FROM GOING OUTSIDE TO SHOP FOR HOUSES”

SAINT JOHN

The number of homes listed for sale continues to increase, with new inventory coming on the market every day. Saint John has been in buyers' market territory for 18 months with 115 unit sales on 1,496 active listings recorded at the end of February. However, an increase in spring activity is expected to push the city toward a more balanced market over the coming months.

The Saint John market continues to wait on announcements related to pipeline and oil refinery development, which could have a transformative effect on the market. In light of this, many prospective buyers are hesitant to commit and are holding off on real estate purchases for now. This trend will likely continue as interest rates stay low and a healthy inventory of housing is available.

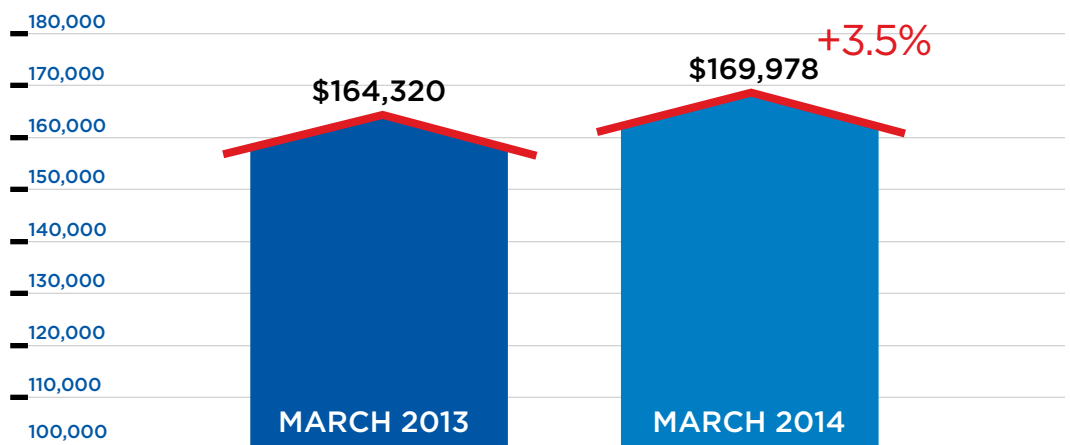
LOCAL CONTACT

Gordon Breau
RE/MAX
Professionals Saint
John Inc.



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: SJREB, CREA (MARCH 2013 EXTRAPOLATED FROM MARCH 2014 DATA AND PERCENTAGE CHANGE)

MONCTON

TRENDS

- 1 New construction contributing to market momentum
- 2 Diversified economy driving demand; especially among young buyers
- 3 Buyer confidence increasing



MONCTON'S HOUSING

market looks set for a rebound as more potential homebuyers are feeling the itch to buy. Momentum started to increase through early 2014 as buyer confidence grew and concerns about rising rates eased.

Economic conditions in New Brunswick's capital are stable and not tied

to a single major employer. This diversification means no sector represents more than 20 per cent of the economy. These economic fundamentals will be

important for the young buyers driving demand in a market that is characterized by new builds and a high inventory of rental stock.

The average sale price in January was \$168,586, with 107 units sold for the month. The overall average price in the first quarter of 2014 was \$160,946, up two per cent year-over-year. New construction is the hottest commodity in Moncton's real estate market, with semi-detached properties attracting buyers in their early 30s. Those not moving into new builds are opting for homes less than 10-15 years old. Individuals and couples in their 20s are

"NEW CONSTRUCTION IS THE HOTTEST COMMODITY IN MONCTON'S REAL ESTATE MARKET"

demonstrating a willingness to enter the market for the first time, and retirees are looking to unload larger homes in exchange for something smaller or for a rental unit.

Sale prices are expected to increase by up to five per cent over the year, buoyed by buyers purchasing their first home.

There is some concern that the prospect of rising interest rates may put the chill on potential buyers closer to the end of the year, while tighter CMHC lending rules will make it more difficult for some buyers to secure financing than in years past. Nevertheless, the spring months are expected to continue on a positive track, with increases in sale prices and volume over last year.

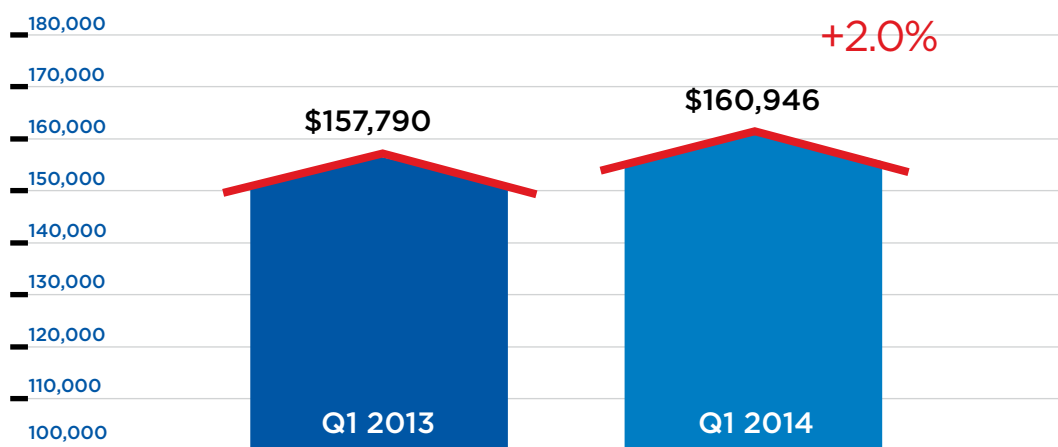


LOCAL CONTACT

Fern Gagnon
RE/MAX
Quality Real
Estate Inc.

AVERAGE RESIDENTIAL SALE PRICE

Q1 2013 COMPARED TO Q1 2014



SOURCE: CREA, GREATER MONCTON REAL ESTATE BOARD
(Q1 2013 EXTRAPOLATED FROM Q1 2014 DATA AND PERCENTAGE CHANGE)

HALIFAX -DARTMOUTH

TRENDS

- 1 High inventory contributing to buyer's market
- 2 Positive economic prospects point towards a spring recovery



HALIFAX'S REAL ESTATE

market looks set for a 2014 recovery following a year of weaker-than-usual sales. The low-activity trend seen in 2013 did continue through January and February 2014, with total unit sales down by 19 per cent year-over-year. High inventory levels carried over from the fall, with active listings higher than the norm. Observers point to a winter marked by numerous snowstorms contributing to softening demand and prices. Warmer weather is

expected to reverse this trend.

Average January and February residential sale prices in Halifax-Dartmouth declined 0.5 per cent year-over-year to \$269,293. The strongest category has been in the \$150,000 to \$250,000 range. Properties lingering on the market are seeing price reductions, and if purchased recently sometimes dropped to levels below their original purchase price, while some luxury properties have remained on the market for several years. Tighter mortgage rules over the last year pushed many first-time buyers out of the market, and the availability of high

"GREATER HALIFAX IS CURRENTLY A BUYER'S MARKET WITH APPROXIMATELY 35 RESIDENTS PER LISTING"

quality rentals have provided an attractive alternative for those who choose not to buy. This trend seems to be reversing over the last 2 months, and many more first-time buyers are searching with their agents, even if they haven't purchased a home yet.

Greater Halifax is currently a buyer's market with approximately 35 residents per listing. With sales lagging at approximately 325 per month in the Halifax Regional Municipality, inventory is expected to grow, but Halifax is expected to move towards a more balanced market as buyer activity picks up this spring. Average home prices in Halifax are projected to increase slightly between 0.5-1 per cent in 2014.

Despite the slow start to the year, overall economic prospects for Halifax are positive. The local shipbuilding industry is projected to be strong and major natural resource developments have the potential to significantly benefit the region and draw buyers into the market. While Nova Scotia's population has decreased slightly over the past decade, the population of Halifax has climbed. Baby boomers are downsizing from houses to apartments or condos and young people are migrating into Halifax, drawn by the urban lifestyle and the affordability of small suites in the city's core.

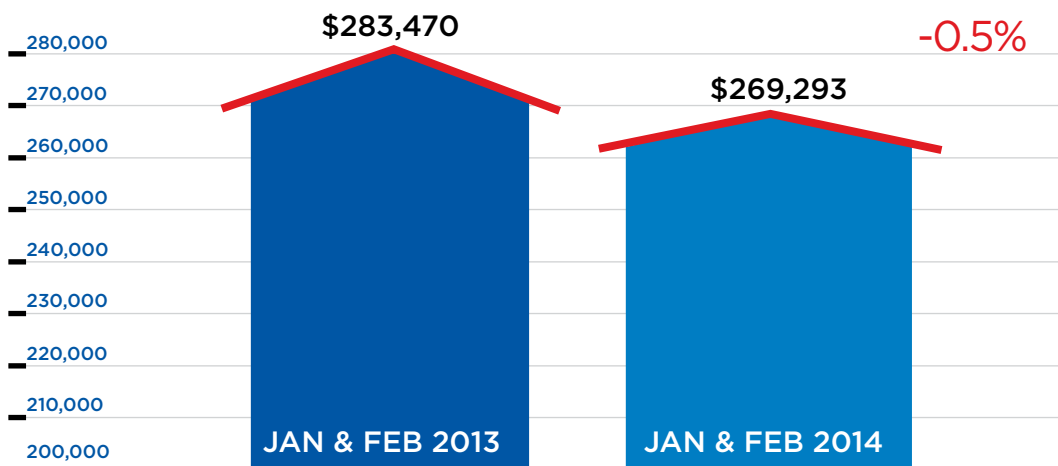
LOCAL CONTACT

Ryan Hartlen
RE/MAX Nova



AVERAGE RESIDENTIAL SALE PRICE

JANUARY & FEBRUARY 2013 COMPARED TO JANUARY & FEBRUARY 2014



SOURCE: NSAR, CREA (2013 VALUE EXTRAPOLATED FROM 2014 VALUE AND PERCENTAGE CHANGE)

CHARLOTTETOWN

TRENDS

- 1 Sales volume down during the first months of 2014
- 2 Newcomers to the province, particularly those from Asia, are driving upper end of the market
- 3 Retirees remain active sellers in an otherwise slow market



WINTER SQUALLS MAY

not have dampened Prince Edward Islanders' spirits, but weather did put Charlottetown's real estate market on ice in January and February. Dollar value sales volume for Charlottetown

was down eight per cent through the end of February on a year-over-year basis. February 2014 posted a total sales volume of \$22 million, compared with \$24 million during the same period in 2013.

This hit was softened by the relatively deep pockets of newcomers to the province, who drove sales at the upper end of the market.

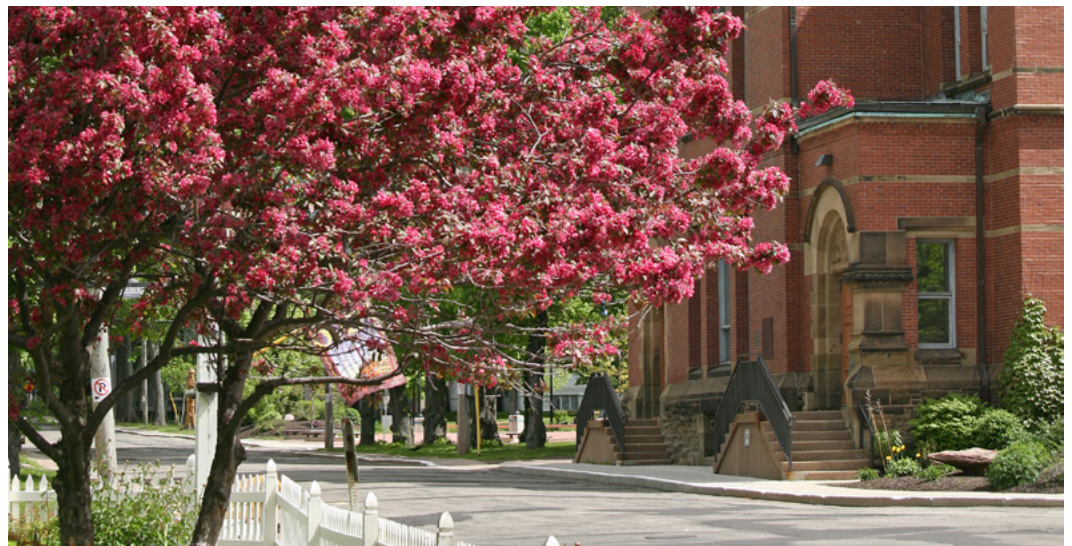
An influx of immigrants from Asia is driving modest demand in the city, with 80 per cent of newcomers purchasing homes on the upper-end of the market above the \$750,000 price point. In contrast, the average Charlottetown home price was \$173,000 in January and February. In spite of relatively low prices, inventory continues to stay on the market for longer periods and there is ample supply. Prices are therefore expected to remain flat through 2014.

“AN INFLUX OF IMMIGRANTS FROM ASIA IS DRIVING MODEST DEMAND IN THE CITY, WITH 80 PER CENT OF NEWCOMERS PURCHASING HOMES ON THE UPPER END OF THE MARKET ABOVE THE \$750,000 PRICE POINT”



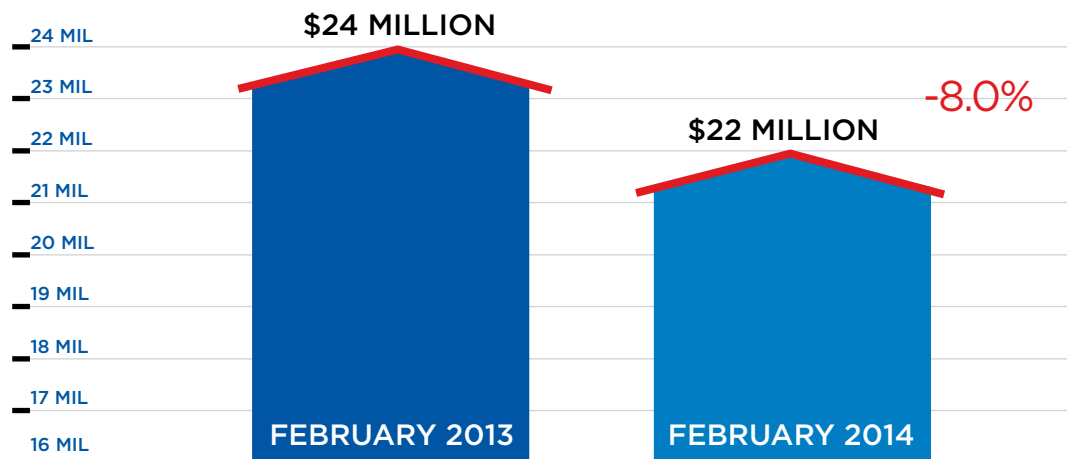
High inventory has not discouraged certain sellers from listing. Retirees are eager to unload their own excess capacity in exchange for smaller quarters. In contrast to other Canadian markets, these retirees are renting instead of trading in homes for high-end condos.

Observers expect over-all economic conditions to remain modest. They note that the high profile closure of the Department of Veterans' Affairs office has resulted in the loss of some well-paying jobs, although the economic impact has not been as pronounced as some had feared.



TOTAL RESIDENTIAL SALES VOLUME

FEBRUARY 2013 COMPARED TO FEBRUARY 2014



LOCAL CONTACT

Don Martin
RE/MAX
Charlottetown
Realty

SOURCE: RE/MAX

ST. JOHN'S

TRENDS

- 1 Natural resources and capital spending fuel economy
- 2 Growing inventory dampens house price appreciation to a modest 2.3 per cent



NATURAL RESOURCES and capital spending projects continue to fuel the region's economy, while the average house price posted a modest year-over-year increase of 2.3 per cent. However, St. John's remains a buyer's

market as inventory has steadily grown over the past 14 months.

Harsh winter conditions causing power outages and poor driving conditions dampened market activity in the

first quarter. Those looking to downsize delayed entering the market as the city dealt with extreme weather alerts and closures. February witnessed a nine per cent year-over-year decrease in sales.

Those seeking a home in the \$300,000 to \$500,000 price range found the largest selection. Typical buyers were looking for single family homes with basement rental potential. Entry-level condominiums were also popular, especially for downsizers looking to release equity in their homes to enjoy during their retirement.

Since 2000, prices in the region have appreciated over 210 per cent.

"SINCE 2000, PRICES IN THE REGION HAVE APPRECIATED OVER 210 PER CENT. MOVE-UP BUYERS IN THE AREA HAVE BEEN LEVERAGING PENT-UP EQUITY IN THEIR HOMES TO BUY LUXURY PROPERTIES IN THE \$600,000 PLUS PRICE RANGE"



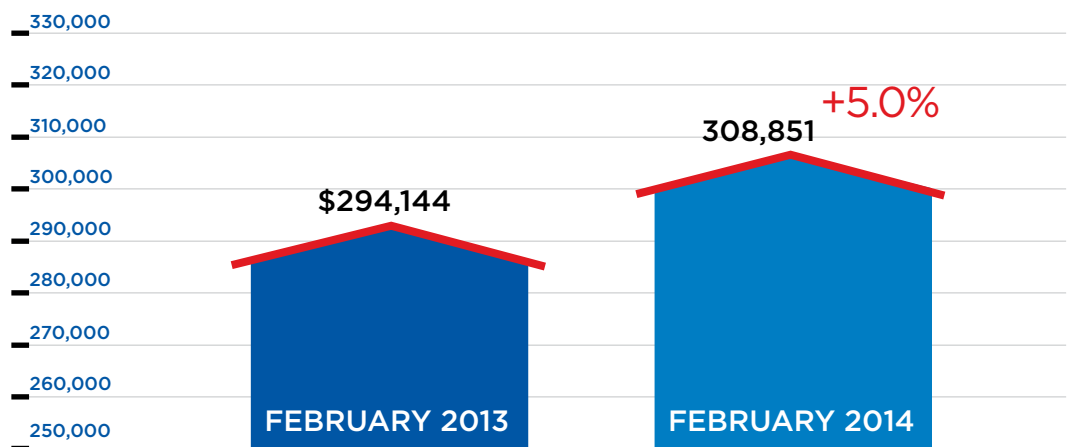
Move-up buyers in the area have been leveraged equity in their homes to buy upper-end properties in the \$600,000 plus price range. Despite a slight increase in market activity for luxury single family homes, condominiums in the \$400,000 plus price range have been in a lull due to an excess of supply on the market.

Business and consumer confidence in the region is among the highest in the country. With multi-billion dollar capital works projects slated such as Lower Churchill Muskrat Falls and Hebron as well as a booming oil economy, St. John's boasts one of the highest average weekly salaries in the country.



AVERAGE RESIDENTIAL SALE PRICE

FEBRUARY 2013 COMPARED TO FEBRUARY 2014



LOCAL CONTACT

Jim Burton
RE/MAX
Plus Realty Inc.

SOURCE: NEWFOUNDLAND & LABRADOR ASSOCIATION OF REALTORS, CREAA
(FEBRUARY 2013 EXTRAPOLATED FROM FEBRUARY 2014 DATA AND PERCENTAGE CHANGE)

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