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For immediate release

Condominiums achieve unprecedented favour among Canadian homebuyers, says RE/MAX

Double-digit sales gains reported in most major markets in 2007

Mississauga, ON (November 14, 2007) -- After more than three decades of slow but steady growth, the condominium concept has finally clicked with Canadian homeowners. The lifestyle has proven to be a solid investment in housing markets across the country, chalking up some of the most impressive gains in residential real estate in 2007, according to the RE/MAX Condominium Report released today.

Their universal appeal is substantiated, with every market reporting increased momentum in condominium sales volume over 2006 levels. In fact, 80 per cent of markets surveyed reported double-digit gains in sales year-over-year, with 53 per cent reporting increases over 20 per cent. The greatest growth was experienced in Canada's small to mid-sized markets. Leading the country, in terms of percentage increase in sales so far this year, are Kitchener-Waterloo (+59%), Regina (+57%), St. John's (+54%), and Saskatoon (+33%).

"Deteriorating affordability levels in major Canadian centres have led to the resurrection of the condominium lifestyle in recent years," says Michael Polzler, Executive Vice President, Regional Director, RE/MAX Ontario-Atlantic Canada. "Condominiums are clearly the answer to the skyrocketing cost of land and shelter that has all but eradicated the dream of homeownership for many first-time buyers."

While price appreciation on freehold properties, in particular, was the primary factor in the upswing, the strong desire among baby boomers to lead an active, carefree lifestyle has also driven the concept to unprecedented popularity. The RE/MAX Condominium Report identified Greater Vancouver as the strongest market in the country – where close to 60 per cent of all residential sales now involve a condominium. Condominium presence is also on the rise in centres such as Toronto, Edmonton, Calgary, Regina, Ottawa, and Hamilton-Burlington, where condos now represent 20 to 30 per cent of all MLS sales.

"The white picket fence, sprawling green lawn and tidy urban bungalow has become an unattainable ideal for many first-time buyers—especially in the West," says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. "By necessity, condominiums have become the only practical means to homeownership for a growing segment of the population. Today's entry-level purchasers aspire to manageable mortgage payments, sunset city views, and the non-stop action and amenities of central core living, all packed into 600 to 800 sq. ft. The momentum of the market in recent decades has redefined the home buying process."

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Condominium values were also up from coast-to-coast in 2007, with all major markets reporting an increase in average price. Thirty-three per cent of cities surveyed reported double-digit price appreciation. The most dramatic hikes were seen in Western Canada's red-hot housing markets, led by Saskatoon (+24%), Calgary (+22%), Edmonton (+19%), Kelowna (+16 % for town homes, +12% for apartments), Vancouver (+14 % for town homes, +11% for apartments), and Victoria (+9% for town homes, +12% for apartments).

At the top end of the market, condominium ownership has been equated with lifestyle. Throughout 2007, aging baby boomers fuelled demand for luxury condominium units. Upper-end activity was reported to be on the rise in all markets examined, with the greatest appreciation occurring in Edmonton (+154 %), Greater Toronto (+98 %), Victoria (+85 %), Winnipeg (+58%), Vancouver (+49%) and Kitchener-Waterloo (+39%). The maintenance-free factor, the ability to travel and to enjoy the best the city has to offer—from restaurants to recreation—were cited in overall condominium appeal.

"In years past, there seemed to be a ceiling in terms of what buyers were willing to pay for this type of product," says Polzler. "Widespread acceptance has seen that philosophy tossed out the window. In the upper-end especially, buyers have demonstrated a willingness to set new benchmarks, and in some cases, are spending more than what a detached home might cost. Multiple offers, once unheard of, have become a reality in some centres."

New benchmarks for the most expensive apartment-style condominium units ever sold through MLS have been reported in several cities in 2007, including Vancouver (\$18 million), Calgary (\$3.7 million), Edmonton (\$2.3 million), Winnipeg (\$1.25 million), and Kitchener-Waterloo (\$670,000).

Given solid demand through all price ranges, it comes as no surprise that investors have been very active in the majority of markets surveyed, hoping to snap up a piece of the pie while demand remains at peak levels. Yet, with a growing number looking for a quick return on investment, swelling inventory levels have become a serious concern in several markets, most notably in Calgary and Edmonton, and to a much lesser extent, Kelowna.

"The impact of speculation, especially in Canada's largest condominium markets, has yet to be determined, but concerns for the future are relevant," says Ash. "In downtown Vancouver, an estimated 50 per cent of sales activity is attributed to investors, whereas as much as 60-85 per cent of new condominiums sales in Toronto's downtown core reportedly involved investors in 2007. This is a major factor that could influence prices in years to come."

For now, a number of market fundamentals point to increased growth in sales, prices and demand well into 2008. These include vibrant economies, Canada's aging population, rising prices, and higher levels of immigration, to name a few.

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Market Leaders by Percentage Increase in Unit Sales

Market	Year-over-Year % Increase in Unit Sales	2006			2007		
		Apts	Towns	Combined	Apts	Towns	Combined
Kitchener-Waterloo	59%			581			925
Regina	57%			348			545
St. John's	54%			63			97
Saskatoon	33%			1008			1340
Kelowna	30%	796	463	1259	1029	605	1634
Halifax-Dartmouth*	23%			612			752
Winnipeg	21%			939			1140
Edmonton**	18%			5202			6133
Greater Toronto	14%			21950			25072
Victoria	12%	1744	575	2319	1883	717	2600
Ottawa	11%			2283			2527
Hamilton-Burlington	10%			2216			2447
Greater Vancouver	7%	13297	5594	18891	14279	5942	20221
London-St. Thomas**	6.5%			1546			1647
Calgary	1%			7260			7350
*Jan. - Oct. 15th							
**Jan. to Sept.							

Source: Local Real Estate Boards, RE/MAX -- All figures are year-to-date Jan 1st - Oct. 31 unless otherwise indicated.



RE/MAX

Condominium Report 2007

Ontario **Greater Toronto Area**

Unprecedented demand for condominium apartments and town homes buoyed solid year-over-year appreciation in both sales and price in the Greater Toronto Area (GTA) in 2007. Condominium sales have climbed 14 per cent to 25,072 units, up from 21,950 one year ago—and now represent approximately one in every three homes sold (30.5 per cent) in the GTA. The upward trend has been particularly evident in the downtown core, where double-digit increases in condominium values occurred for the first time in the last decade. 2007 also marked the first year that resale condominium apartments and town homes in the downtown core experienced bidding wars, especially on product priced between \$300,000 to \$400,000. Low inventory levels have been in large part responsible for the upswing, with well-priced listings generating multiple offers. Demand has outpaced supply of condominium apartments and town homes in many core neighbourhoods throughout the year.

In Cabbagetown, for example, the sales-to-listings ratio for town homes has been well over 100 per cent. The upper-end of the market has been particularly vibrant, with 126 sales reported over the \$1 million mark so far this year, up close to 97 per cent from 64 sales one year earlier. New condominium product has been extremely well-received, with line-ups at sales centres the norm for most of 2007. The most successful launches—1 Bloor, Festival Tower, L Tower and Pier 27—were also the priciest at price per square foot from \$600—\$1,000. Most new projects are in the \$450 dollar per square foot range. Across the GTA, condominium units priced between \$200,000 and \$300,000 were most popular, with 43 per cent of apartment sales and 48 per cent of town home sales occurring in this price range. Affordability continued to draw first-time buyers to condominium ownership this year. Close to 32 per cent of apartment and 28 per cent of town home sales occurred under the \$200,000 price point. Entry-level purchasers lead the charge for condominium product in 2007, stimulating sales of apartments and town homes from Scarborough to Mississauga. Demand for town homes continued to escalate, especially in areas such as Liberty Village,

