

## **CANADA'S HOUSING MARKET OFF TO A SOLID START IN 2006**

*– Homes trade hands in near record numbers –*

**TORONTO**, April 5, 2006 – Canada's housing market started the year on a strong note as average house prices rose in all markets across the country, according to a first quarter report released today by Royal LePage Real Estate Services. An unusually mild winter helped boost demand as unit sales rose to near record levels in the quarter.

Of the national markets examined, the highest average price appreciation occurred in detached bungalows, which rose to \$282,059 (+11.0%), followed by standard two-storey properties, which increased to \$340,956 (+9.2%), and standard condominiums, which rose to \$195,909 (+8.8%).

Although prices appreciated in all markets, the national averages conceal substantial regional variations among the provinces. Energy-rich western provinces remained the country's leaders in price increases with Alberta leading the charge, while the central and eastern provinces saw more modest growth despite robust demand.

Alberta's major markets were characterized by soaring demand and an acute shortage of available listings in the quarter as the rate of price growth in Calgary and Edmonton surged to over twice the national average. The province's sizzling job market attracted record in-migration, supporting high demand for housing and prompting multiple offer situations.

Markets in Central and Eastern Canada experienced robust demand in the quarter, with unit sales rising in Toronto, Ottawa and Montreal compared to the same period in 2005. However, higher inventory levels gradually shifted market conditions to more balanced territory in the quarter with appreciation rates moderating from those seen in 2005.

(more)

“The majority of the country’s housing markets are experiencing solid but more modest growth, a trend that is expected to characterize the rest of 2006,” said Phil Soper, president and chief executive officer, Royal LePage Real Estate Services. “However, while the rate of appreciation has begun to slow, there has been no corresponding decrease in the number of homes changing hands. In fact, a strong labour market and still attractive interest rates will ensure that demand for housing continues to be high, sustaining healthy market growth for some time.”

Soper added: “Not surprisingly, the story in Alberta follows a very different plotline. Moderation is not a word drawn upon by real estate professionals working to bring order to their frenetic housing market. With a rapidly advancing economy fuelled by sixty dollar oil, the supply of homes for sale has not come close to meeting demand, and as a result, prices are marching upwards.”

Victoria relinquished its position as the country’s leader in price appreciations for the first time in five quarters. While price increases remained in the double digits, rising inventory levels in the city have finally begun to temper the rate of increases. Vancouver and Winnipeg also experienced significant price appreciation as strong economic fundamentals fuelled continued growth in both markets.

### **Survey of Canadian House Prices First Quarter 2006 Average House Prices**

	<b>Detached Bungalow</b>			<b>Standard Two-Storey</b>			<b>Standard Condominium</b>		
	First Quarter 2006 (\$)	First Quarter 2005 (\$)	% Change	First Quarter 2006 (\$)	First Quarter 2005 (\$)	% Change	First Quarter 2006 (\$)	First Quarter 2005 (\$)	% Change
Halifax	173,333	162,667	6.6%	197,000	179,667	9.6%	113,000	108,000	4.6%
Charlottetown	142,000	138,000	2.9%	170,000	167,000	1.8%	98,000	97,000	1.0%
Moncton	128,000	117,500	8.9%	123,300	109,000	13.1%	-	-	
Saint John	142,500	139,000	2.5%	188,700	175,100	7.8%	-	-	
St. John’s	143,667	137,333	4.6%	203,333	197,000	3.2%	146,333	140,667	4.0%
Atlantic	145,900	138,900	5.0%	176,467	165,553	6.6%	71,467	69,133	3.4%
Montreal	209,671	202,857	3.4%	315,730	316,185	-0.1%	188,304	186,524	1.0%
Ottawa	275,887	270,857	1.9%	271,286	264,429	2.6%	173,750	167,857	3.5%
Toronto	368,926	346,537	6.5%	465,924	448,750	3.8%	237,197	229,757	3.2%
Winnipeg	199,886	181,857	9.9%	200,250	170,813	17.2%	110,250	86,750	27.1%
Saskatchewan	161,042	150,833	6.8%	174,643	163,250	7.0%	101,500	95,163	6.7%
Calgary	311,878	237,778	31.2%	322,853	246,456	31.0%	188,167	146,311	28.6%
Edmonton	221,857	181,857	22.0%	244,286	193,143	26.5%	149,999	123,667	21.3%
Vancouver	668,500	571,750	16.9%	757,750	655,000	15.7%	353,000	301,750	17.0%
Victoria	352,000	325,000	8.3%	399,900	352,000	13.6%	223,000	200,000	11.5%

*Average house prices are based on an average of all sub-markets examined in the area, except for the smaller markets of Charlottetown, Moncton, Saint John and Victoria.*

## REGIONAL SUMMARIES

In **Halifax**, average house prices experienced steady year-over-year growth as balanced conditions prevailed in the quarter. Demand remained robust in the city with homebuyers who were wary of potential interest rate increases, acting promptly when new listings became available.

In **Moncton**, an uncharacteristically warm first quarter, sustained low interest rates and increased activity among buyers looking for larger, longer-term properties, all contributed to sustained growth in the city's real estate market.

In **Saint John**, sustained consumer confidence drove activity in the first quarter. Several local development projects, including a natural gas terminal and a nuclear power generation station, along with plans for a waterfront redevelopment project, helped to bolster homebuyer optimism.

In **Charlottetown**, the number of homes sold in the first quarter remained stable from the same period last year. Although buyers are entering the market looking to lock into current interest rates, reduced consumer spending is expected to lead to more modest increases throughout Prince Edward Island in 2006.

In **St. John's**, uncertainty surrounding several local natural resource development projects dampened consumer confidence and kept some buyers from making home purchasing decisions. Large snowfalls in February also affected market activity in the first quarter.

**Montreal's** housing market benefited from brisk activity in the first quarter as average prices increased moderately, year-over-year. Increased inventory levels afforded buyers the luxury of being able to view a greater number of properties and take longer in the decision-making process compared to the same period last year.

**Ottawa's** housing market remained one of the most stable in the country as average house prices experienced healthy increases, year-over-year. Activity levels have remained strong in Ottawa with a slight increase in the number of unit sales compared to 2005. A healthy supply of inventory has provided a good selection for homebuyers and has helped maintain balanced market conditions.

Demand for houses remained strong across **Toronto** as mild weather prompted all purchaser groups to begin their search early, resulting in a moderate increase in average house prices, year-over-year. The housing market got off to a brisk start in the first quarter, with the number of multiple offer situations reaching a level not previously seen since the same period in 2005. Activity in the condominium market exceeded expectations as several buildings in the core were registered in the first quarter resulting in a surge of listings, which have been selling well.

**Winnipeg**'s housing market experienced double-digit, year-over-year, price increases in the first quarter of 2006. Conditions remained firmly in the seller's favour, as a shortage of listings combined with robust sales activity resulted in a strong market in the first quarter.

The impact of Saskatchewan's healthy oil and uranium sectors on the provincial economy drove demand for homes in the first quarter of 2006 and led to solid price increases in all housing categories surveyed. In **Regina**, a mild winter drew buyers into the market early in the quarter, resulting in increased activity levels and strong price appreciation in all housing types. In **Saskatoon**, a decrease in the number of active listings coupled with increased demand, caused house prices to rise, year-over-year.

The housing market in **Calgary** enjoyed significant price appreciation in all housing categories in the first quarter as a severe shortage of listings continued to drive prices upwards. The provincial economy in Alberta remains extremely robust, as employment opportunities in the oil and gas sector and corporate relocations to Calgary continue to drive in-migration to the city.

A vibrant provincial economy coupled with a shortage of listings translated into sizeable year-over-year increases in average house prices in **Edmonton**. An unusually mild winter helped boost activity in the first quarter, depleting the supply of available homes in the city.

Robust demand and sound economic fundamentals fuelled double-digit increases for average house prices in the first quarter in British Columbia's major centres. **Vancouver** experienced strong consumer confidence and solid economic growth resulting in some of the country's highest price appreciations. **Victoria**'s real estate market eased from the frenzied pace of 2005, resulting in more modest price appreciation in all three housing types. Although sales activity remained close to the record levels seen last year, increased inventory helped maintain stability in the market.

The Royal LePage Survey of Canadian House Prices is the largest, most comprehensive study of its kind in Canada, with information on seven types of housing in over 250 neighbourhoods from coast to coast. This release references an abbreviated version of the survey, which highlights house price trends for the three most common types of housing in Canada in 80 communities across the country. A complete database of past and present surveys is available on the Royal LePage Web site at [www.royalpage.ca](http://www.royalpage.ca), and current figures will be updated following the end of the first quarter. A printable version of the first quarter 2006 survey will be available online on May 15, 2006.

Housing values in the Royal LePage Survey are Royal LePage opinions of fair market value in each location, based on local data and market knowledge provided by Royal LePage residential real estate experts. Historical data is available for some areas back to the early 1970s.

### **About Royal LePage**

Royal LePage is Canada's leading provider of franchise services to residential real estate brokerages, with a network of over 11,700 agents and sales representatives in 600 locations across Canada operating under the Royal LePage, Johnston and Daniel, and Realty World brand names. Royal LePage manages the Royal LePage Franchise Services Fund, a TSX listed income trust, trading under the symbol "RSF.UN". For more information visit [www.royalpage.ca](http://www.royalpage.ca).

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