

HOUSING BAROMETER REPORT

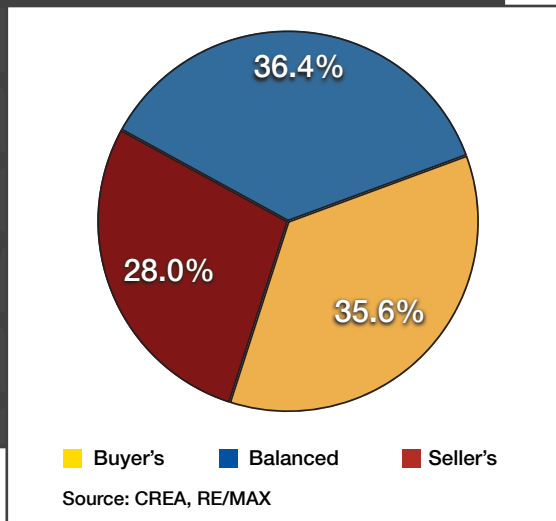
2000-2010



Newfoundland & Labrador

NEWFOUNDLAND & LABRADOR

Residential Housing Market Conditions
2000 – 2010



Newfoundland & Labrador's real estate market spent much of the past decade fluctuating between buyers and balanced market conditions. These conditions characterized the resale residential sector 72 per cent of the period from 2000 to 2010 (36 per cent respectively). Sellers held the cards just 28 per cent of the 11-year period—a fact that may come as a surprise, given the strong run up in average price in recent years. The compounded annual rate of return for homeowners in Newfoundland & Labrador, based on average price from 2000 to 2010, was 8.14 per cent—ranking it fifth among Canada's major centres and first among the Atlantic provinces (\$99,525 vs. \$235,341). Newfoundland's sales-to-new listing ratio hovered at 54 per cent during last decade.

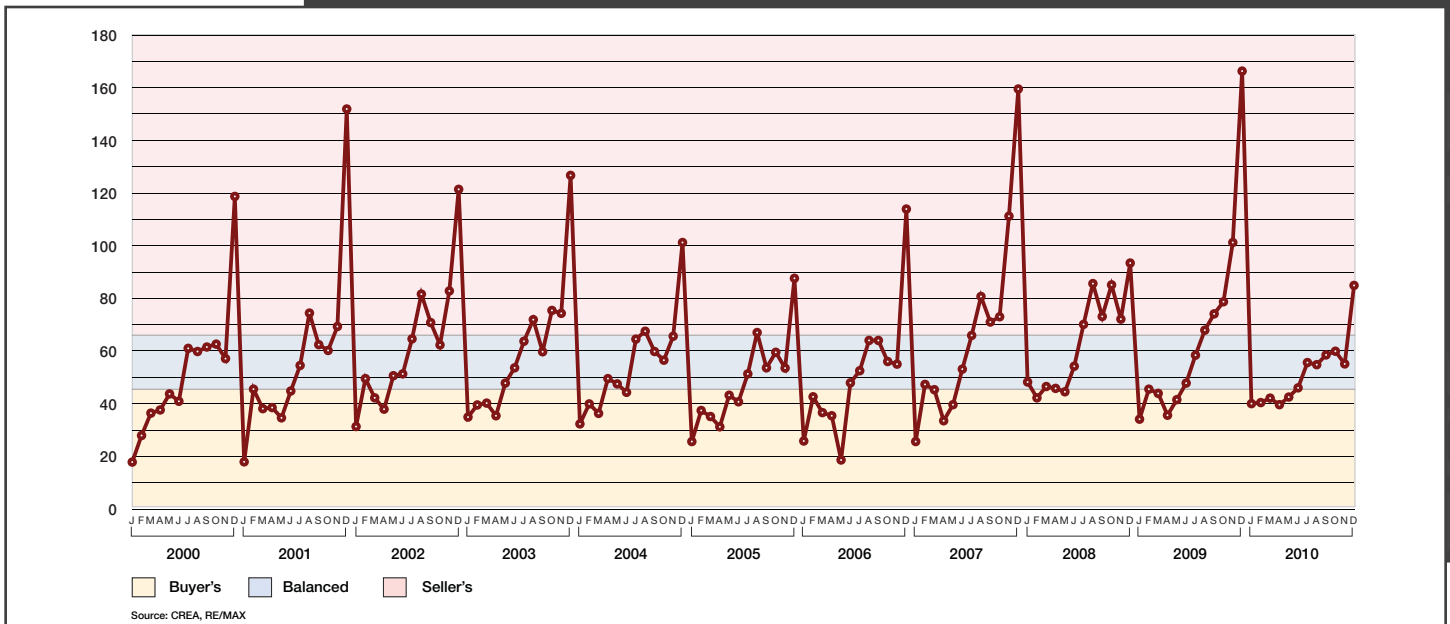
Home buying activity has been solid at the outset of 2011, as Newfoundlander's steadily regain confidence in Canada's economic recovery and the brightening outlook for the province. Several positive developments of late have bolstered op-

timism, the most substantial of which has been the Lower Churchill announcement. Business confidence is high and non-residential building activity is up considerably. Buyers have taken notice, moving off the sidelines, secure in the belief that the tide is turning. Affordability continues to play a role in Newfoundland. First-time buyers are leading the charge, with sales between \$150,000 and \$250,000 most active in Newfoundland, accounting for 36 per cent of all activity. In St. John's, entry-level purchasers are driving the \$250,000 to \$350,000 price point. The city's newer subdivisions on the peripherals are most sought-after, including areas such as Paradise. Move-up buyers remain active. However, in this category, many transactions are conditional on the sale of another property. Upper-end purchasers continue to make their moves, with sales in the \$500,000 to \$650,000 price range relatively brisk. Luxury homes in Clovelly Trails and King William Estates remain very popular with affluent purchasers. Days on market had been on the upswing across all price points post June 2010, but should begin to fall as absorption rates improve.



NEWFOUNDLAND & LABRADOR

Monthly Residential Sales-to-New Listings Ratios January 2000 – December 2010



New Brunswick

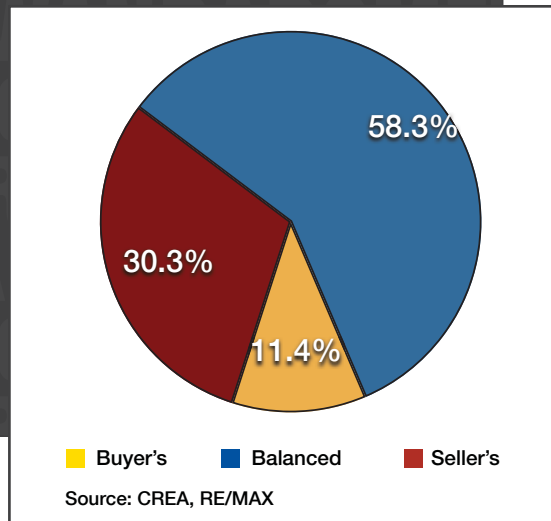
Moncton

Moncton's residential housing market has been the picture of stability over the past decade, with market conditions fluctuating between balanced and sellers for much of the 11-year period. Average price has followed the same steady trajectory, with values climbing from \$89,065 in 2000 to \$152,251 in 2010, for a compounded annual return of five per cent. The sales-to-new listings ratio hovered at 58.2 per cent in 2010—a clear balanced market. 2011 is expected to follow in lock-step.

Affordability is the cornerstone of Moncton's residential real estate market and last year's performance—marking one of few markets in the country to report a modest upward trending in sales—demonstrated the overall health of the oceanfront community. Like 2010, balanced market conditions are expected to characterize the market for much of the year. First-time buyers, taking advantage of interest rates at historic lows, are likely to drive demand for entry-level product priced from \$110,000 to \$160,000 early in the year. The condominium

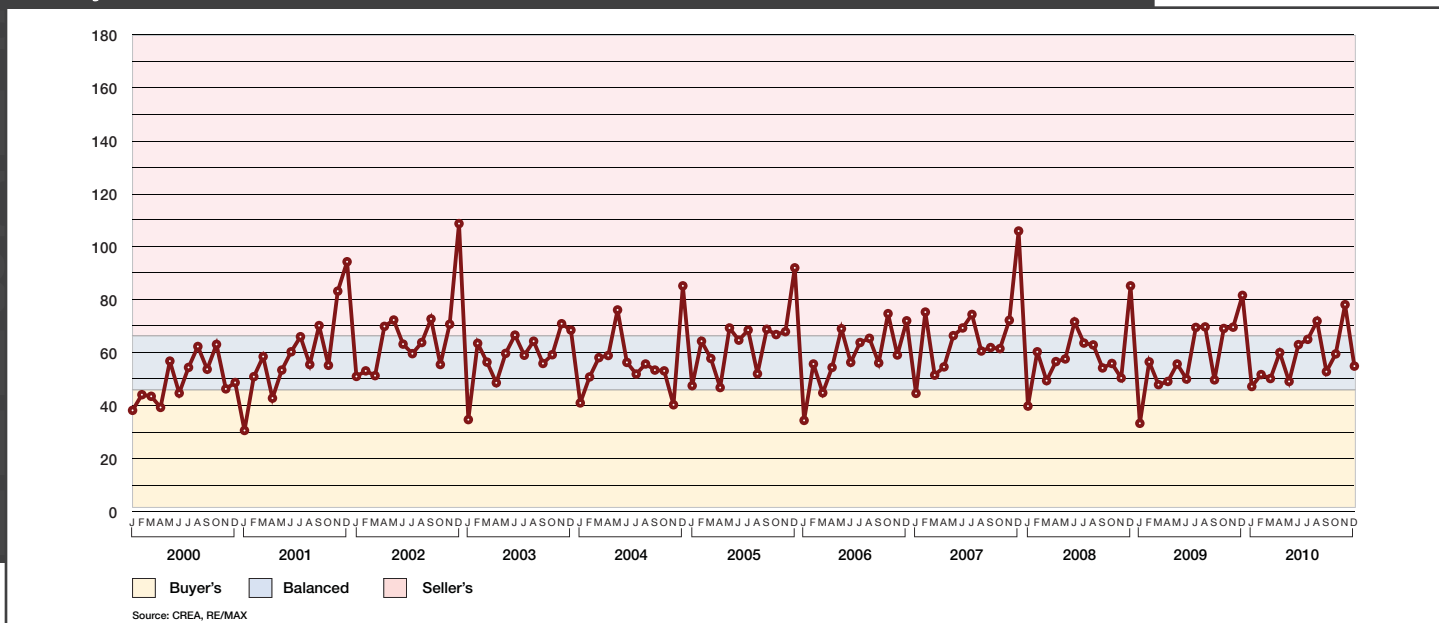
MONCTON

Residential Housing Market Conditions
2000 – 2010



MONCTON

Monthly Residential Sales-to-New Listings Ratios
January 2000 – December 2010



lifestyle will continue to gain traction with younger purchasers, many of whom are discovering that it is cheaper to buy than to rent. Most sought after, as a result, will be two-bedroom condominium apartment units priced from \$110,000 to \$115,000. Given the significant level of overall affordability, it's no wonder that homeownership rates are approaching 76 per cent in New Brunswick. Single-detached properties can be purchased from \$160,000.

Even the move-up market comes at an affordable price-point here—\$250,000. In the months ahead, luxury sales are expected to climb as out-of-province transfers from large corporations are relocated to regional head offices. Immigrants will also play a role in 2011, albeit to a lesser extent. Moving forward, 2011 promises to be another solid year for real estate, buoyed by growing consumer confidence and steady economic improvement.

Nova Scotia

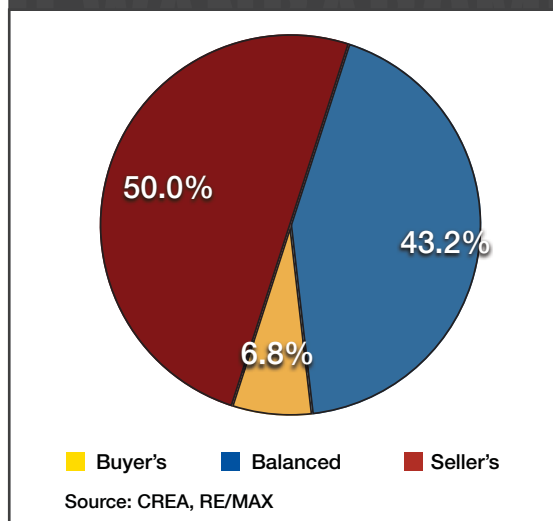
Halifax–Dartmouth

It's been smooth sailing for residential housing in Halifax-Dartmouth over the past 11-year period, with the sales-to-new listings ratio hovering in clear balanced and sellers territory for more than 93 per cent of the decade. Buyer's market conditions prevailed in just seven per cent of the time frame. Overall housing values over the same period jumped from \$128,003 in 2000 to \$253,610 in 2010, providing an annually compounded rate of return of 6.4 per cent. The average sales-to-new listings ratio for the Halifax-Dartmouth area for the decade is 64.3 per cent, but the market has ventured deeper into balanced territory with neither the buyer nor seller having an advantage in recent years.

Home buying activity has been usually strong in Halifax-Dartmouth in 2011, thanks to an improving economic picture and an influx of military transfers into the area. The sales to new-listings ratio, as a result, has hovered at 70 per cent for much of January. New construction is also slowing in the area, which has helped bolster resale activity. While more listings are expected to come on-stream heading into the traditionally busy spring market, supply is expected to remain within balanced territory throughout 2011 with one exception—the entry-level price point. Inventory levels for product priced between \$225,000 and \$300,000 will remain decidedly tight as first-time buyers cautiously venture back into the market after a marked absence. Many are expected to take advantage of interest rates while they are still at record lows, while others will try and get into the market ahead of changes to mortgage rules in coming months. Empty nesters and retirees—especially those

downsizing from larger homes—will also play a role in the marketplace, fuelling sales of new executive freehold townhouses priced between \$250,000 and \$350,000. Demand for this product has overshadowed sales of condominium apartments—the usual choice of those purchasers making lateral moves—in recent months. Sales in the upper-end remain solid, especially as DND activity kicks into high gear. Properties priced from \$400,000 in communities such as Hammonds Plains are already starting to feel the impact of out-of-province transfers. Given affordability levels in Halifax-Dartmouth, the trend toward top-end product is expected to continue, with sales moving ahead of original expectations at year-end 2011.

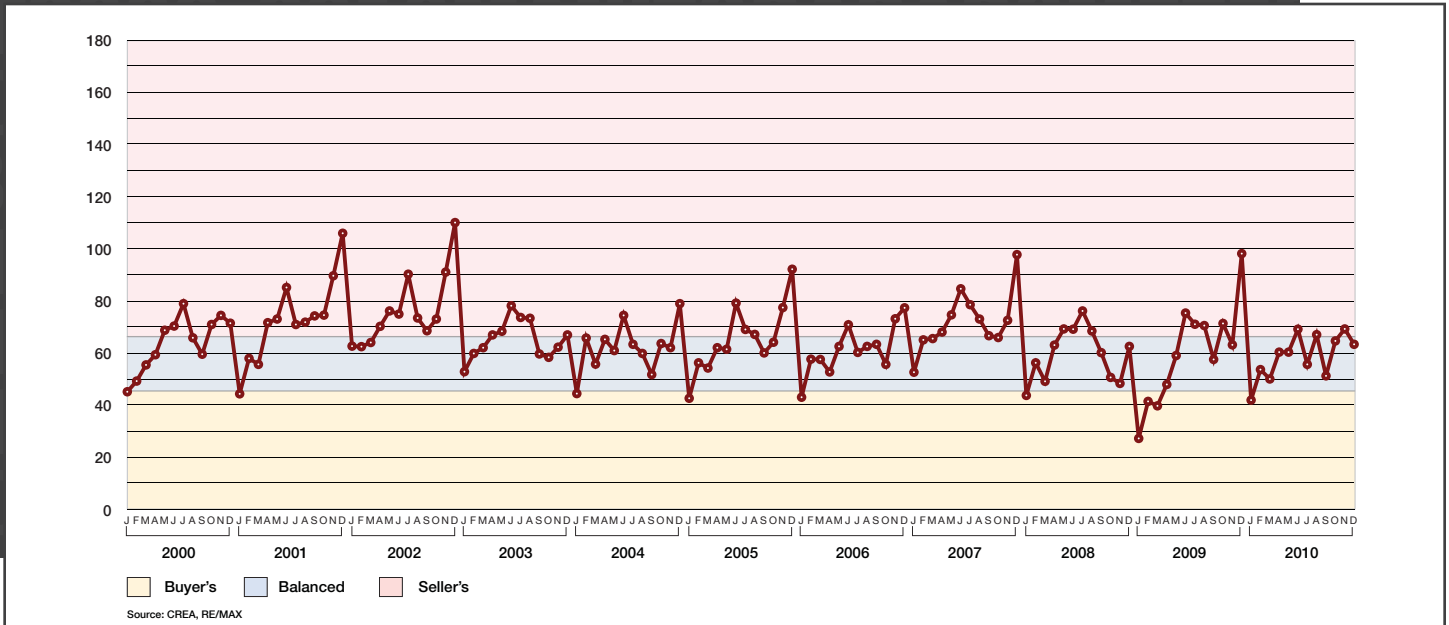
HALIFAX – DARTMOUTH
Residential Housing Market Conditions
2000 – 2010



HALIFAX – DARTMOUTH

Monthly Residential Sales-to-New Listings Ratios

January 2000 – December 2010



Québec

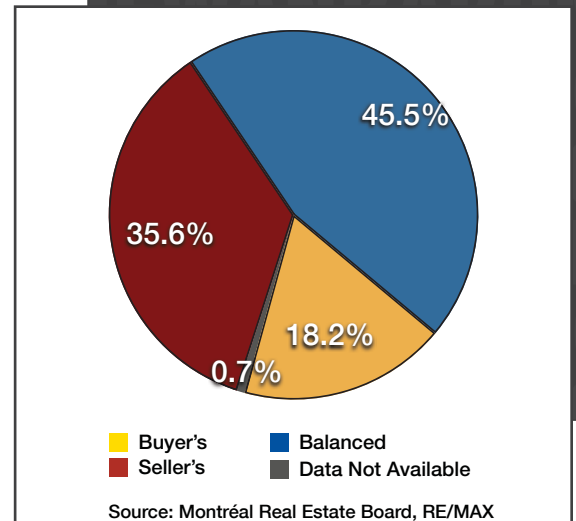
Greater Montréal

The overall health of Greater Montréal's real estate market was quite evident over the past decade, with supply and demand well balanced for the vast majority of the period (46 per cent). While some of Canada's major markets experienced greater strength throughout the first half of the 11-year span, Montréal's performance was relatively solid throughout. Sellers held the advantage over purchasers, with conditions favouring vendors 36 per cent of the time, compared with buyers at only 18 per cent. The return on investment for Montréal real estate over the past decade (\$121,544 in 2000 vs. \$297,621 in 2010) reinforces the value that Québec housing represents overall. Montréal earned a compounded rate of return of close to 8.5 per cent, well beyond the national average of 6.8 per cent, ranking it fifth among the 18 major markets studied. While much of the country has returned to balanced territory, this city remains in seller's territory, but conditions are starting to improve.

GREATER MONTRÉAL

Residential Housing Market Conditions

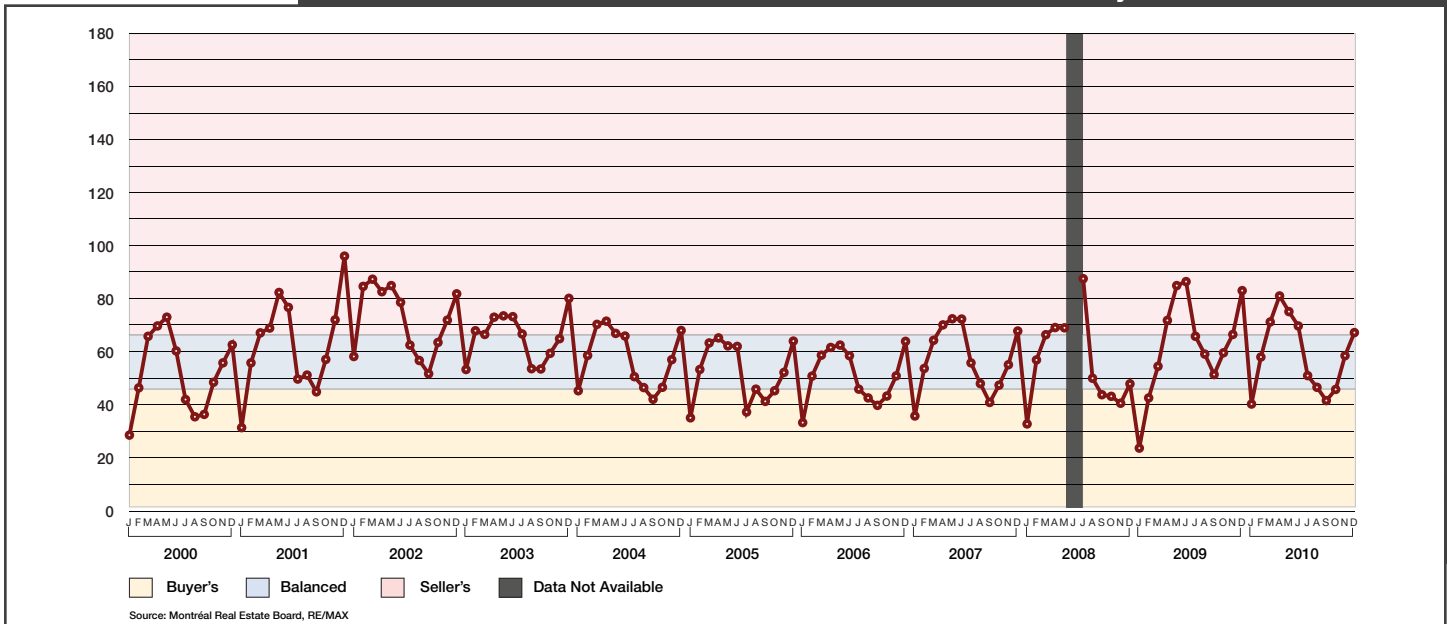
2000 – 2010



GREATER MONTRÉAL

Monthly Residential Sales-to-New Listings Ratios

January 2000 – December 2010



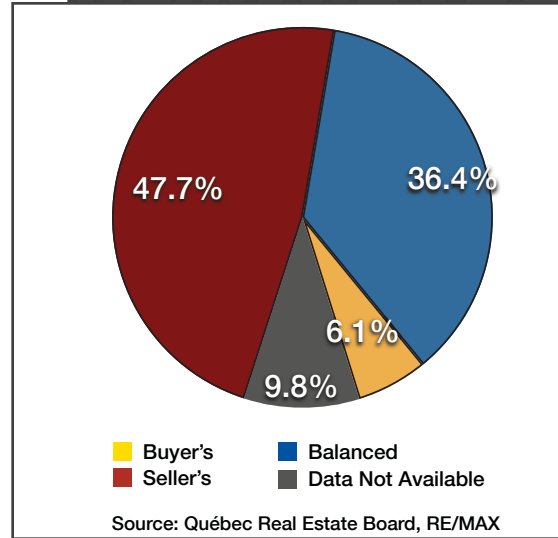
Demand was exceptionally strong out of the gate in Greater Montréal in 2011, with a January start that looked more like that experienced in 2007 or 2008. Purchasers remain largely confident in the promise and resiliency of Québec real estate as a long-term investment, with 2010 posting the second-best performance in the history of the Greater Montréal Real Estate Board. Immigration and in-migration continue to play a vital role, with Montréal remaining a sought-after gateway city. This fact, combined with a well-diversified economy and stable employment picture, paints a positive outlook for Montréal's housing market. The peripheral areas—the east, west and north sides – tend to represent greater value and affordability. The North Crown especially is experiencing a significant building boom, with areas such as Blainville and Vaudreuil seeing a solid upswing in demand. These areas and others—just over the bridge from the Island of Montréal—offer purchasers new or newer three-bedroom, two-storey homes with a single car garage for just \$200,000 to \$250,000. The savings are obvious. Closer to the core, a similar-sized, semi-detached home in Ville

St. Laurent commands \$500,000 to \$700,000. Yet, the most active price point at present remains between \$250,000 and \$350,000. First-time buyers and empty nesters are spurring the lion's share of sales. The latter are snapping up well-appointed condominiums, choosing less space and maintenance, but not necessarily a smaller sticker price. Investors are maintaining a steady presence in Montréal, driving demand for well-priced product, with a particular soft spot for plex properties. Competition continues to be seen at all price points and on all types of product, with multiple offers commonplace across the board—if priced at fair market value. Demand for upper-end homes was typically quiet in January—but interest began to pick up as the month progressed, and another vibrant performance is expected. Overall, solid underpinnings point to another healthy year for real estate in Greater Montréal. Listings will be key—more could bring greater balance to the marketplace, while not enough would push the housing market further into seller's territory.

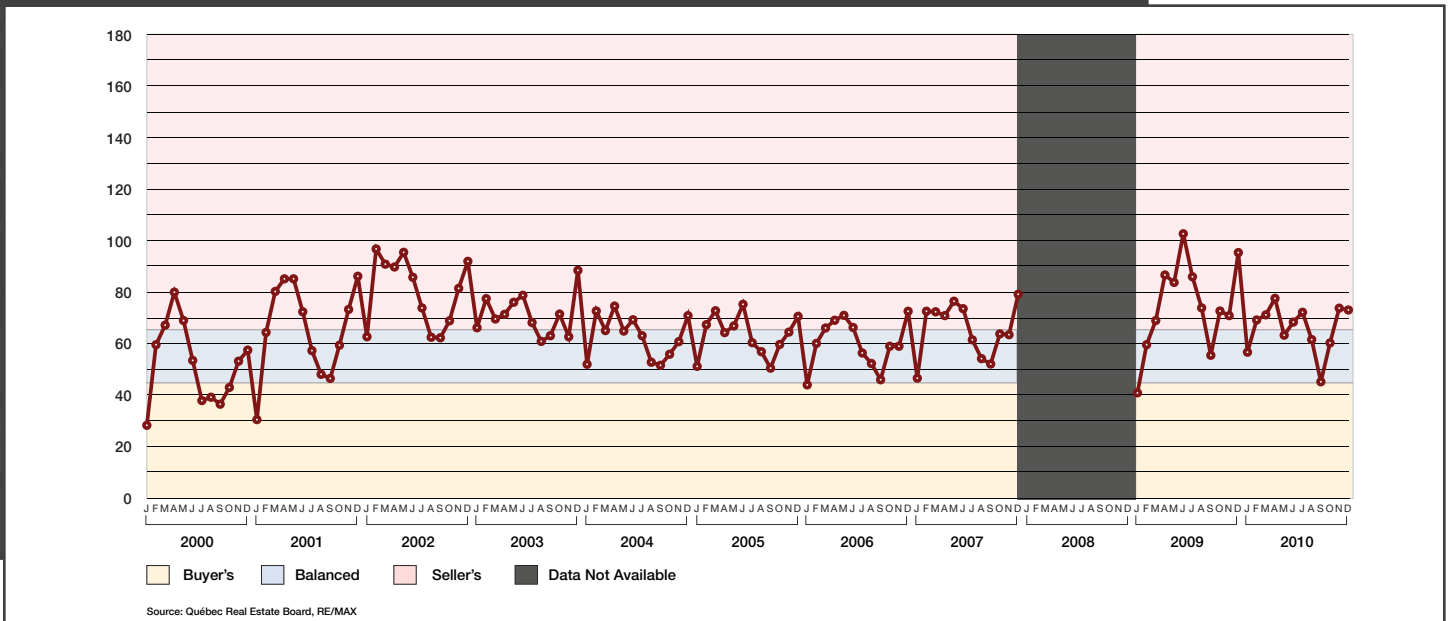
Québec City

Seller's conditions have characterized Québec City's residential real estate market for the vast majority of the past decade, with buyer's only briefly gaining the upper hand. Existing homeowners were clearly in the driver's seat for close to 48 per cent of the 11-year period, while balanced conditions made up the remainder of the time frame. Although sales and new listings were not available for 2008, the market was solid for much of that year, as the local economy strengthened in advance of the city's 400th Anniversary celebrations, boosting employment and demand for residential housing. If those conditions were factored in, it's estimated that it would further underscore the strong seller's conditions that prevailed. The health and resiliency of the Québec City market is evident in the city's price appreciation. Values rose from \$90,079 at year-end 2000 to \$237,240 in 2010, ranking Québec City third among the country's top performers at 9.2 per cent—tied with Saskatoon. With a sales-to-new listings ratio that reached 65.3 per cent for the entire decade, this market averaged clear seller's territory for the overall period. By all accounts, its strength is unmistakable.

QUÉBEC CITY Residential Housing Market Conditions 2000 – 2010



QUÉBEC CITY Monthly Residential Sales-to-New Listings Ratios January 2000 – December 2010



While conditions still favoured the seller at the outset of 2011, Québec City's housing market has balanced out somewhat. Most sought-after properties continue to be single-family starter homes, priced at approximately \$250,000. Older three-bedroom bungalows on standard-sized lots in established neighbourhoods on the peripherals, such as Laretteville, Sainte-Foy, Cap-Rouge and Val-Bélair, that offer close proximity to amenities and greater value for the dollar are particularly coveted. Such products—as well as entry-level starter homes in the centre of the city—are prompting some multiple offers. Plexes continue to be snapped up by investors as quickly as they hit the market,

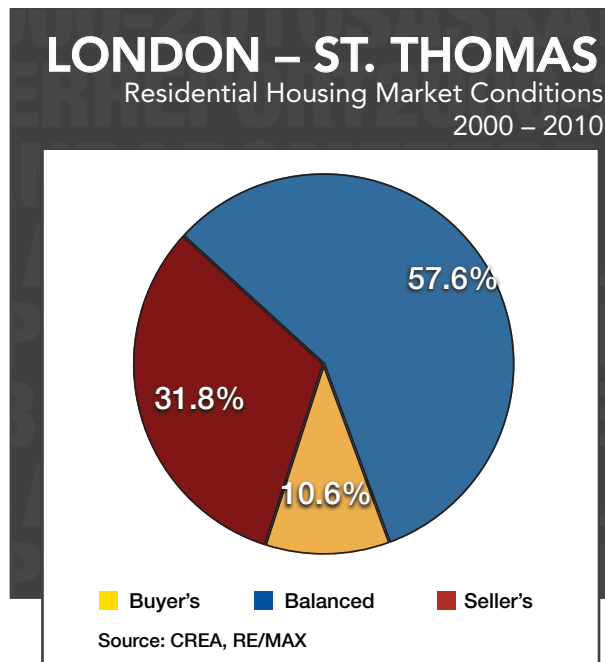
with competing bids commonplace. Most homes, priced at fair market value, are moving for close to list price within the average days on market. More listings have come on stream, which should help draw out move-up buyers in greater force in the coming weeks. Affordability will continue to play a significant role supporting healthy demand in 2011, as Québec City remains among the most attainable markets in Canada. The unemployment rate remains low by national standards, which, combined with the strengthening economic recovery, is set to improve an already positive outlook for housing.

Ontario

London – St. Thomas

Throughout the past decade, the residential housing market in London-St. Thomas has remained largely balanced, with supply meeting demand for 60 per cent of the period, only slipping into buyer's territory 10 per cent of the span running from 2000 to 2010. Consistency and stability have been the hallmarks of the city's resale real estate market, with average price providing steady returns year-over-year, climbing from a year-end figure of \$135,857 in 2000 to \$228,114 at the close of 2010. This represents an annual compounded growth rate of 4.82 per cent. While gains fell below the national

average of 6.83 per cent, London-St. Thomas has also been more insulated historically from the peaks and valleys experienced in some of Canada's major centres, perhaps making it one of the country's most predictable markets. The decade's overall sales-to-new listings ratio for London-St. Thomas was 58.6 per cent, underscoring the health of the market on the whole.



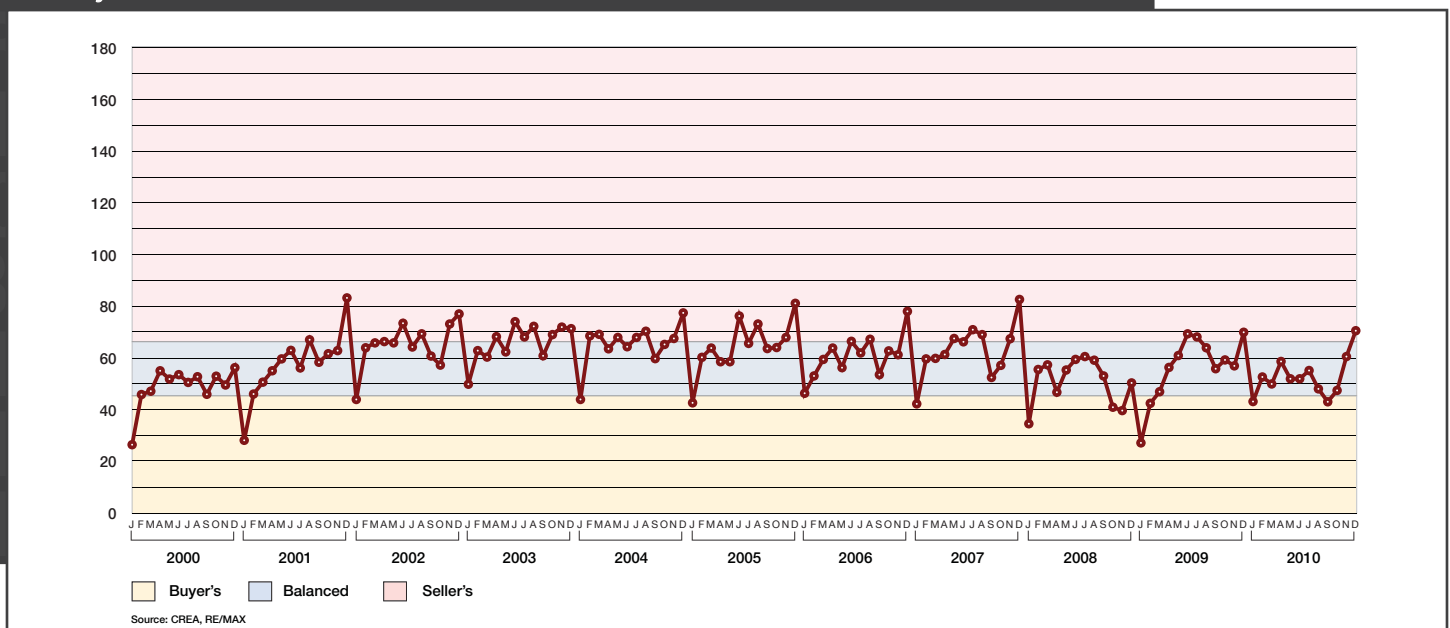
The city ended 2010 a little light on the listings side, with the seller gaining a slight edge in December—an advantage they last held a full year ago. Greater supply in the entry-level segment, where demand is strongest between \$120,000 and \$200,000 would bring the resale housing sector back into balance. In 2010, 8,128 homes changed hands, up 0.7 per cent compared to 2009 when 8,070 properties sold through the Multiple Listing Service. Single-family homes in the city's northwest side remain sought-after, but multiple offers continue to be rare. The belief in homeownership is solid, as investors and international purchasers continue to make their mark.

First-time buyers, however, are the driving force, followed by those upgrading while interest rates remain favourable. New lending criteria is expected to have little influence on housing demand in 2011. Most purchasers serious in their intentions will simply adjust their expectations and move forward—a factor that may bolster demand for condominium apartments, which now comprise approximately 20 per cent of the market, or smaller homes on the peripherals of the city. Overall, the market is off to a promising start and steady activity is expected once again this year.

LONDON – ST. THOMAS

Monthly Residential Sales-to-New Listings Ratios

January 2000 – December 2010



Hamilton – Burlington

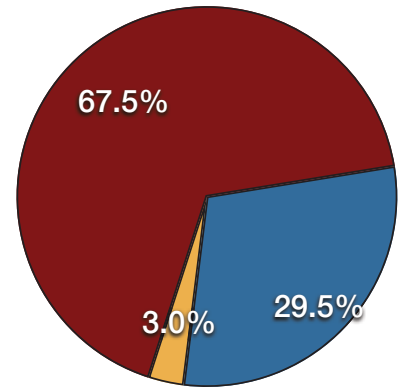
Hamilton-Burlington's residential real estate market has been surprisingly resilient throughout the last decade, with seller's market conditions prevailing in 67.4 per cent of the 11-year period. Balanced conditions dominated the remainder of the time frame, with buyer's markets representing only a minute fraction at three per cent. During the same period, housing values in the area rose from \$164,168 in 2000 to \$311,683 in 2010—at an

annually compounded rate of return of six per cent. Although the average sales-to-new listings ratio for the Hamilton-Burlington area hovers at 68.2 per cent over the 11-year span, 2011 should prove to be a balanced year, with year-end numbers coming in at just under the norm.

Hamilton-Burlington's housing market was one of a handful in the country that posted an upswing in both sales and average prices in 2010. Momentum gained in the final quarter of 2010 has spilled over into 2011. Inventory is just starting to come on stream as home buyers gear up for a brisk spring market. While recent changes to mortgage rules are expected to have a nominal impact on the market, activity may heat up just prior to the March 18th deadline as first time buyers move to get in ahead of changes to the mortgage amortization period. Unlike 2010, this spring is expected to be balanced, with market conditions leaning in favour of the seller. First-time buyers should lead the charge out of the gate, trade-up buyers moving in lock-step. New immigrants are also expected to contribute to the upswing in activity, especially as economic recovery gains traction. Downsizing will also be a factor in 2011, with many empty nesters and retirees seeking bungalows. Once again, the \$350,000 to \$400,000 price range is expected to be most popular in both Hamilton and Burlington. While supply is expected to be relatively healthy throughout the year, the \$350,000-\$400,000 segment could be a little tight. Continued strength in the top-end of the market—priced over \$500,000—is anticipated, with sales matching last year's levels.

HAMILTON – BURLINGTON

Residential Housing Market Conditions
2000 – 2010

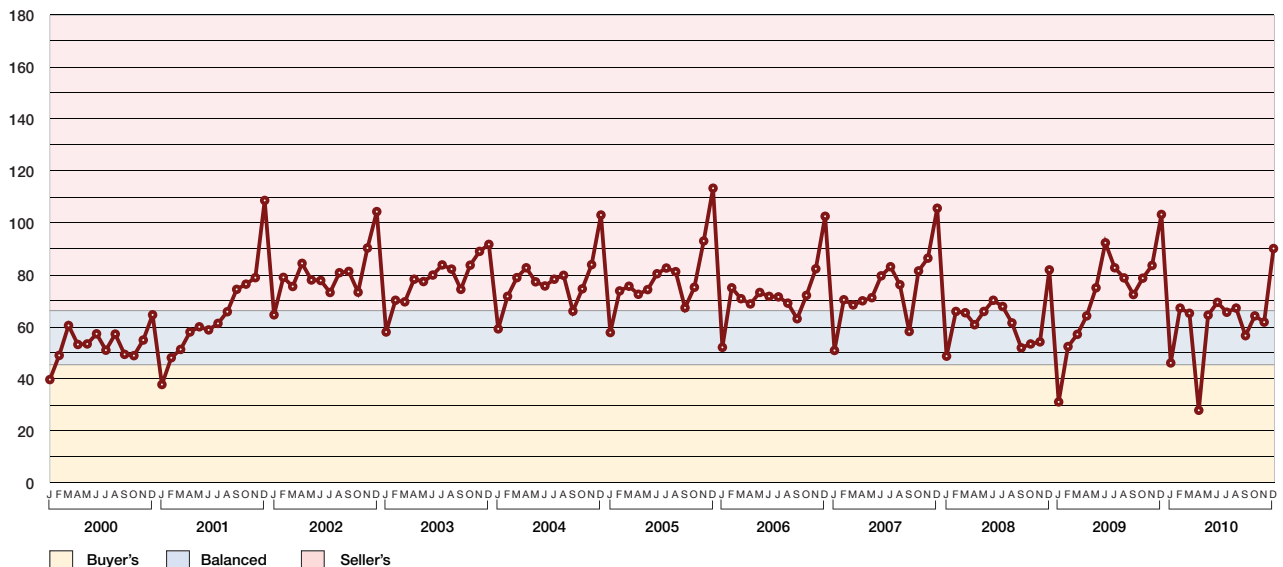


Buyer's Balanced Seller's

Source: CREA, RE/MAX

HAMILTON – BURLINGTON

Monthly Residential Sales-to-New Listings Ratios
January 2000 – December 2010



Buyer's Balanced Seller's

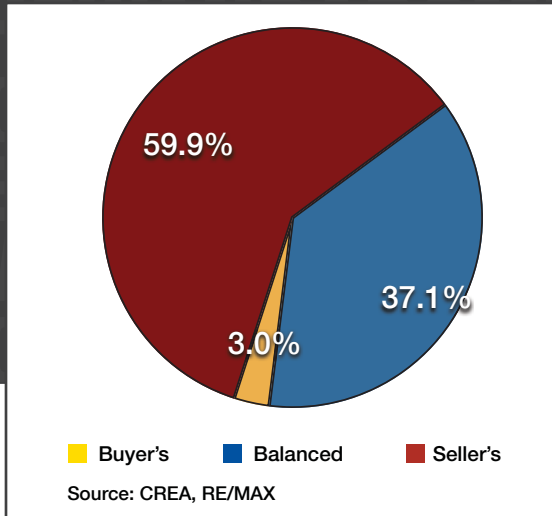
Source: CREA, RE/MAX

Kitchener – Waterloo

Existing homeowners in the Kitchener-Waterloo area have occupied the driver's seat for much of the past decade, dominating the real estate market for close to 60 per cent of the 11-year period. While more balanced conditions have prevailed in recent years, the market has only dipped into buyer's territory on four occasions—only one of which was during the recession. Housing values have steadily appreciated over the same time frame, rising from \$157,317 in 2000 to \$289,041 in 2010 for a compounded annual rate of return of 5.69 per cent. While the 11-year average sales-to-new listings ratio weighed in at almost 67 per cent, the ratio has slipped somewhat in the latter half of the decade. Balanced conditions are expected to characterize the market going forward, with the sales to new listing ratio hovering at 60 to 65 per cent.

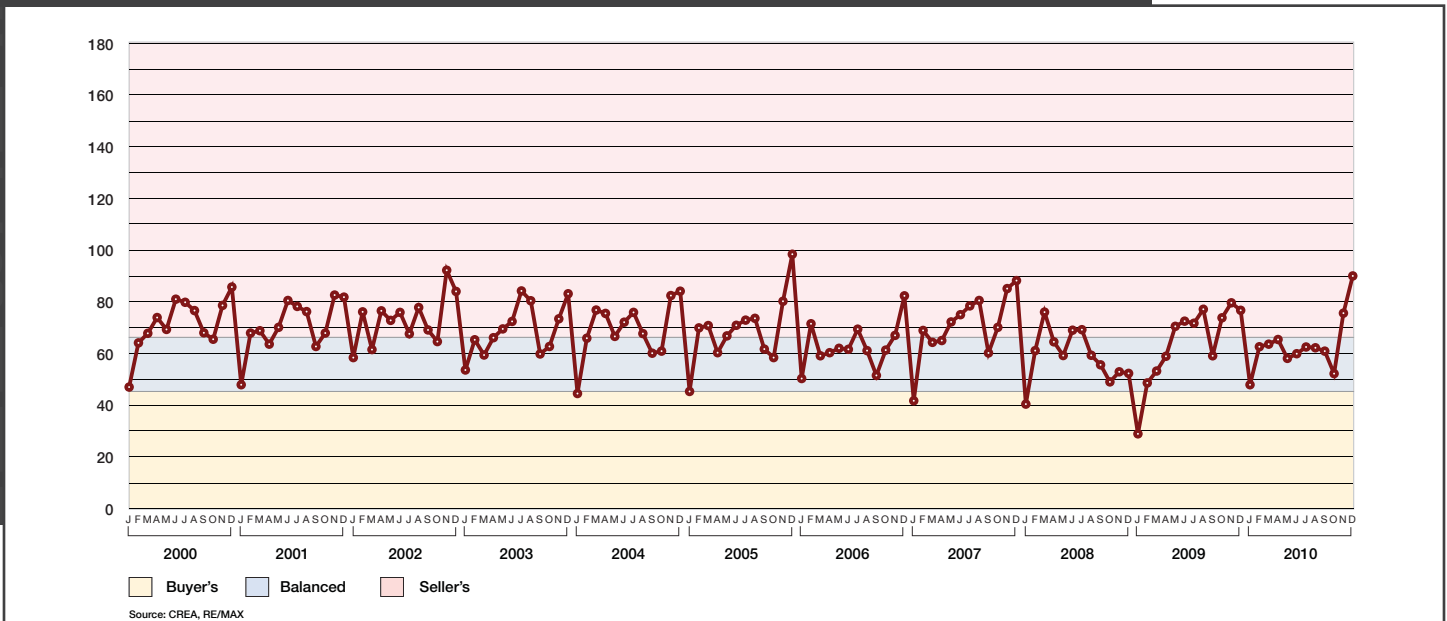
KITCHENER – WATERLOO

Residential Housing Market Conditions
2000 – 2010



KITCHENER – WATERLOO

Monthly Residential Sales-to-New Listings Ratios
January 2000 – December 2010



The strength of Kitchener-Waterloo's housing market continues to be supported by solid economic performance and a bright employment picture. Supply and demand are currently balanced, with first-time and move-up purchasers driving sales in the \$200,000 to \$400,000 price range. New immigrants and students are also expected to factor into the buyer pool this year. Lack of available land has hampered new construction in the Kitchener-Waterloo area to some extent, which has redirected some new home buyers back into the resale market. That said, new bungalows and towns in outlying areas such as Baden and New Hamburg are well sought-after. Condominiums continue to increase

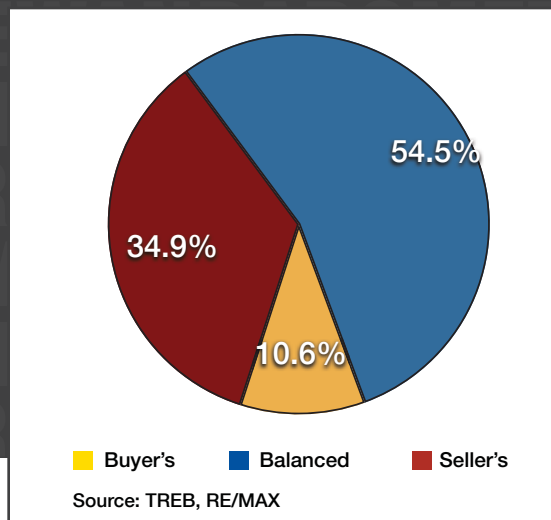
in popularity with entry-level buyers, empty nesters and retirees. Several new projects underway in up-town Waterloo and downtown Kitchener should contribute to the development of inner core once completed in 2011/2012. Luxury home sales—which have experienced steady demand in recent years—are forecast to slow marginally in the months ahead. Multiple offers, a factor in both 2009 and 2010, are expected to be few and far between. Overall 2011 promises to be a good year for real estate in Kitchener-Waterloo, with sales holding steady while average price appreciates at a more moderate pace.

Greater Toronto Area

Despite relentless talk of bubbles and busts, residential real estate in the Greater Toronto Area has posted one of the healthiest decades on record. Balanced market conditions prevailed for much of the 11-year period, with seller's markets making up the vast majority of the remaining time frame. Only during the recession did Canada's largest housing market truly slip into buyer's territory. Housing values in the GTA have also steadily increased over the decade, rising from \$243,255 in 2000 to \$431,463, for a compounded annual return of 5.35 per cent. Stability has been the hallmark of the housing market in the GTA over the 11-year period and the trend will continue in 2011. The sales-to-new listings ratio, which has consistently remained within balanced territory, will hover in and around the 11-year average of 59.7 per cent—with conditions leaning slightly in favour of the seller.

GREATER TORONTO AREA

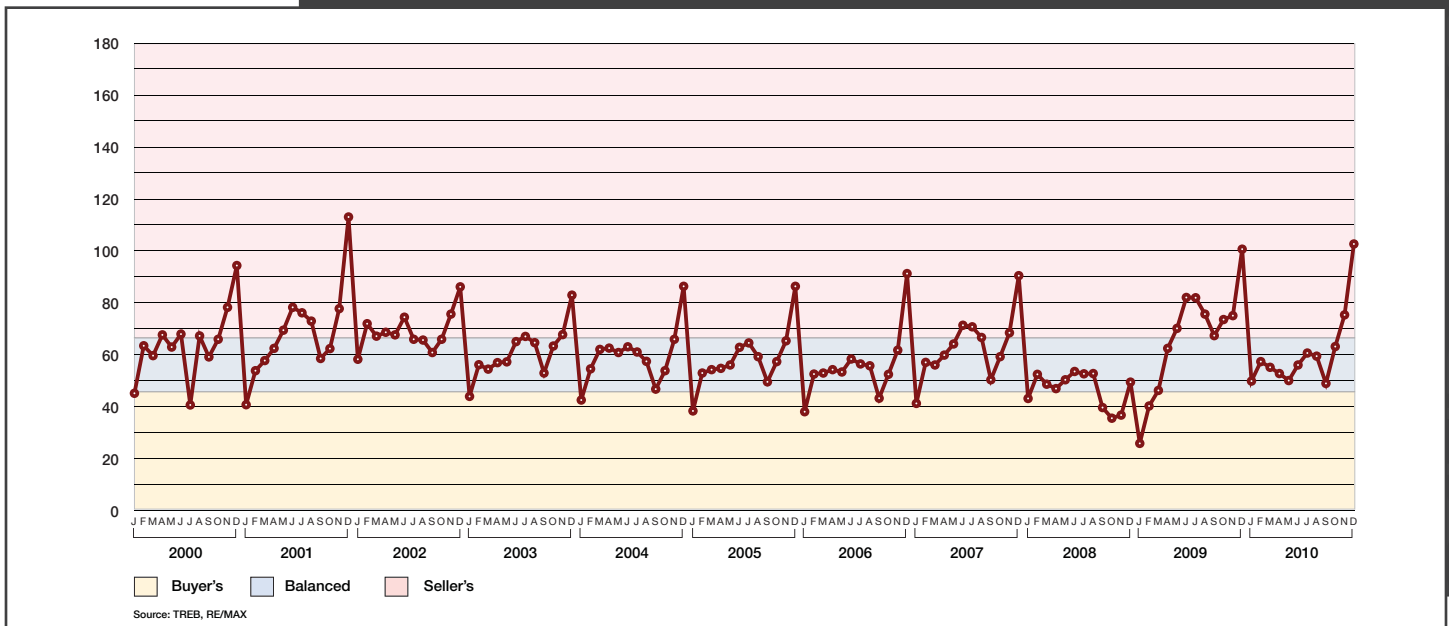
Residential Housing Market Conditions
2000 – 2010



GREATER TORONTO AREA

Monthly Residential Sales-to-New Listings Ratios

January 2000 – December 2010



Demand for residential real estate in the Greater Toronto Area—which gained serious traction in the final quarter of 2010—continues to build in 2011. As a result, the stage is set for a stronger than expected spring housing market. Fewer listings available in key areas of the city have created tighter conditions. That, combined with the threat of higher interest rates mid-year and the recent announcement regarding changes to mortgage rules, may spark a small flurry of activity as first-time buyers move to get in ahead of lower amortization periods. Last year's favourites—condominiums and luxury properties—should remain top performers in 2011. Condominiums continue to be a popular choice with younger purchasers because of their attractive price point. Luxury properties—priced over \$1.5 million—are on the upswing as well, as portfolios recover from the recession and confidence slowly returns to the economy. First-time buyers are once again forecast to lead the charge, with move-up buyers in close pursuit. Properties

priced between \$400,000 and \$900,000, especially in the central core, are expected to experience high demand in coming months—but listings are few and far between. Investment activity is forecast to continue in the GTA, with downtown condominiums most sought-after by potential purchasers. The top-end has also benefited from an influx of affluent immigrants—many of whom are buying luxury properties with cold, hard cash.

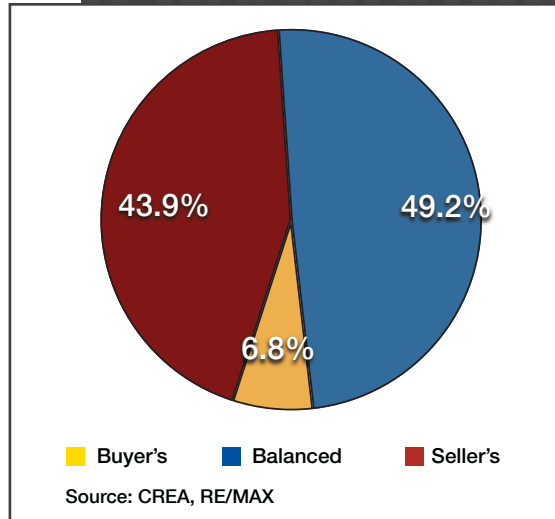


Ottawa

Over the past decade, the nation's capital has delivered one of the most consistent housing performance's in the country—with a sales-to-new listings ratio that has spent 93 per cent of the 11-year period in balanced or seller's territory. Despite its tremendous growth, Ottawa's residential real estate market remains insulated from peaks and valleys experienced in other major centres, thanks in large part due to a solid economy and healthy employment levels. The overall stability in the marketplace is best illustrated by the steady upward momentum in housing values that have provided an annually compounded rate of return of 6.78 per cent, a figure virtually on par with the national average. Prices in the city have doubled since 2000, climbing from \$159,623 to \$328,439 in 2010. The market is expected to follow the current trajectory, recording another balanced year of real estate activity, with the sales-to-new listings ratio hovering at 60 per cent, a figure just slightly above the 11-year average of 59.7 per cent.

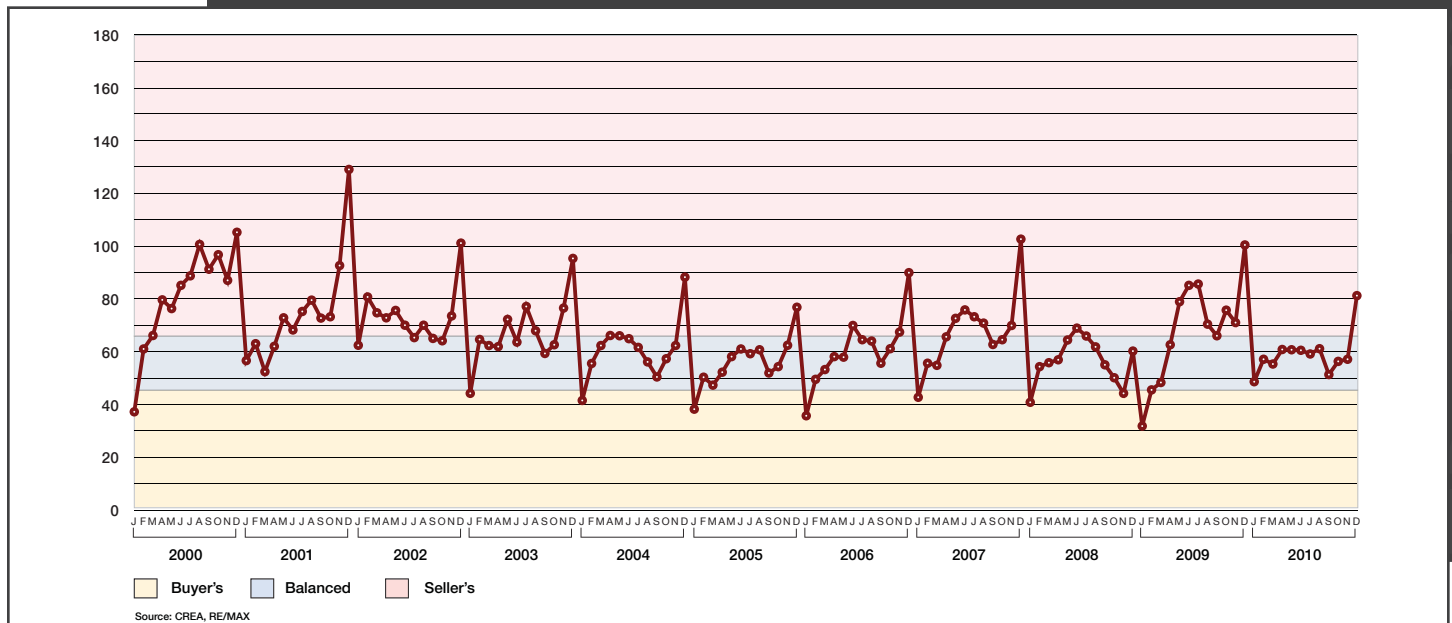
First-time buyers are expected to buoy Ottawa's housing market in coming months as they move to take advantage of historically-low interest rates. Widespread demand for properties under the

OTTAWA Residential Housing Market Conditions 2000 – 2010



\$400,000 threshold is anticipated, with sales already starting to heat up in advance of the traditionally busy spring market. While inventory levels are balanced at present, entry-level product is typically tighter, especially at this time of the year. Con-

OTTAWA Monthly Residential Sales-to-New Listings Ratios January 2000 – December 2010



dominiums will remain a popular housing choice among young urban professionals, empty-nesters and retirees moving forward, with supply meeting demand for product. As in year's past, multiple offers will continue to occur on well-priced homes in

good locations, but the urgency of earlier markets will be absent. Instead, balanced conditions will prevail. Ottawa's real estate market will be characterized by stable housing sales and more moderate price appreciation.

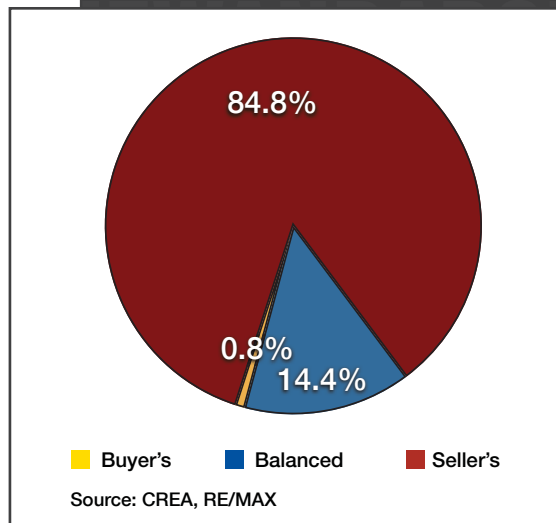
Manitoba

Winnipeg

Winnipeg's residential housing market has reported strong seller's conditions for much of the past decade, with the market dipping into balanced territory for just 14 per cent of the 11-year time frame. January 2000 marked the last clear-cut buyer's market in the city, with consistent growth distinguishing the marketplace throughout the period, in spite of the recession, subsequent bounce back, and slower than expected recovery. Housing values followed in lock-step, rising from \$88,553 to \$228,706 between 2000 and 2010, for an annually compounded rate of 9.01 per cent.

Bolstered by a solid economy and low unemployment levels, Winnipeg's real estate market is once again off to a strong start, characterized by good demand and tight supply. Multiple offers continue to be a factor in the marketplace in 2011, with approximately 40 per cent of residential detached listings sold at list price or higher so far this year. Affordable housing is attracting first-time buyers to the market, given higher rental costs and low vacancy rates, now hovering under one per cent. Recent changes to mortgage lending rules that lower the amortization period from 35 to 30 years may prompt an even greater flurry of activity as purchasers move to get in ahead of the March 18th deadline. Close to 60 per cent of sales activity in Winnipeg typically occurs under \$250,000. Winnipeg's suburban communities' are a perennial favourite with entry-level buyers, offering single-detached housing built in the 60s and 70s in and around the \$200,000 price point. Supply, however, is limited, which will prompt purchasers to compete for available product in the days and months ahead.

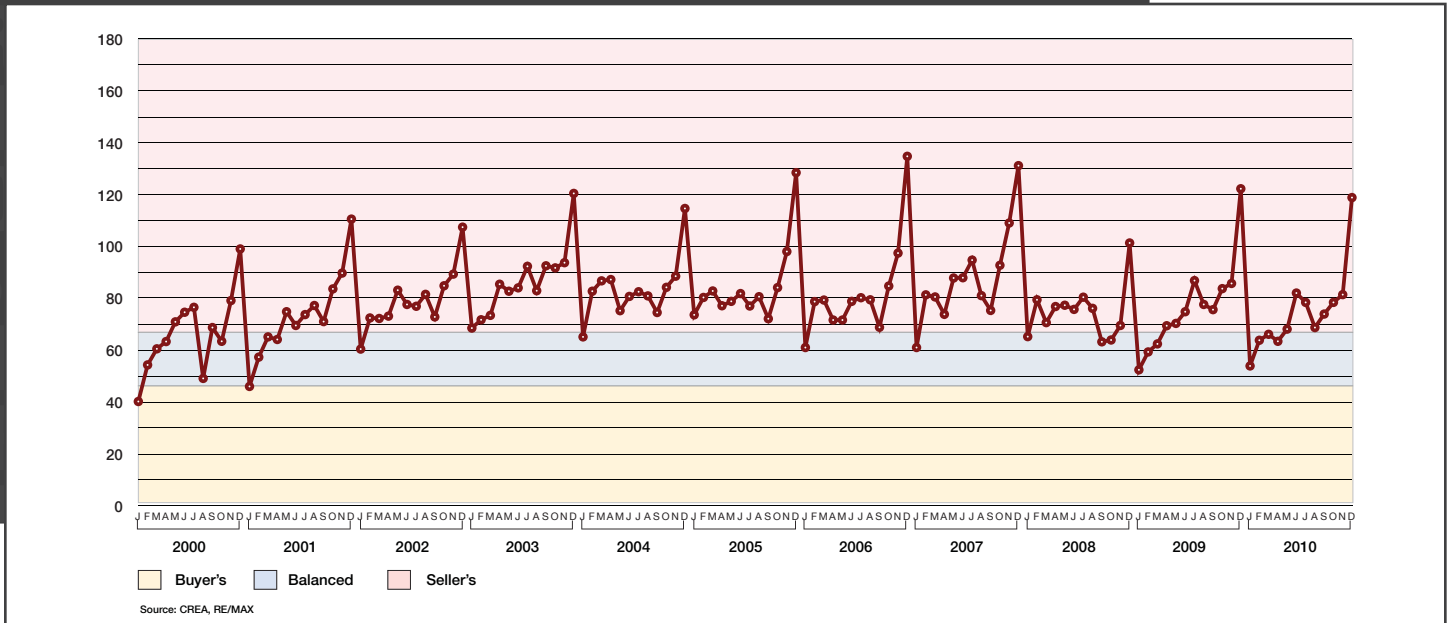
WINNIPEG
Residential Housing Market Conditions
2000 – 2010



While supply and demand will be tightest at the lower end of the market, greater availability will exist at the \$400,000 plus price point. The top-end of the market has experienced solid gains in recent years, with double and triple-digit increases in unit sales posted in 2010. The spring market is expected to be on par with years past, with the sales-to-new listings ratio hovering above 65 per cent. 2011 promises to be another healthy year for the residential real estate market, with the overall sales-to-new listings ratio on par or slightly ahead of the 72.4 per cent recorded in 2010.

WINNIPEG

Monthly Residential Sales-to-New Listings Ratios
January 2000 – December 2010



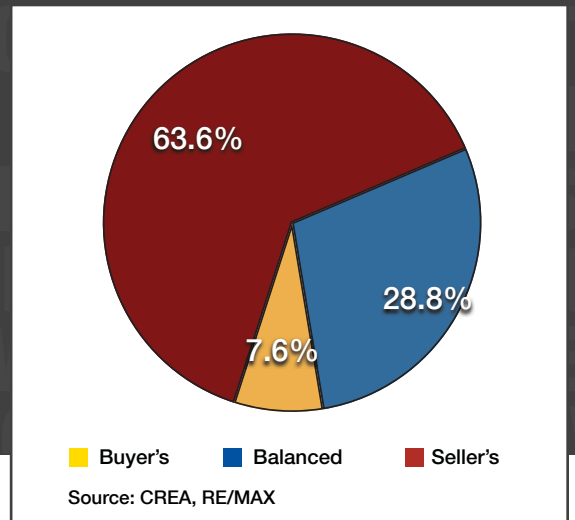
Saskatchewan

Regina

Regina's residential housing performance over the past decade has been nothing short of remarkable, with conditions hovering in clear balanced to sellers territory for 92 per cent of the 11-year period. The market dipped into buyer's territory briefly in the latter half of 2008 and early 2009—but reverted back to balanced conditions by April 2009. Yet, at 57.8 per cent, the annual sales-to-new listings ratio posted in 2010 underperformed the average for the decade by 10 percentage points. Strong demand throughout much of the 11-year period contributed to a serious upswing in housing values, with average price climbing from \$94,518 in 2000 to \$258,023 in 2010—for an annually compounded rate of return approaching 10 per cent—the country's best performing market.

REGINA

Residential Housing Market Conditions
2000 – 2010

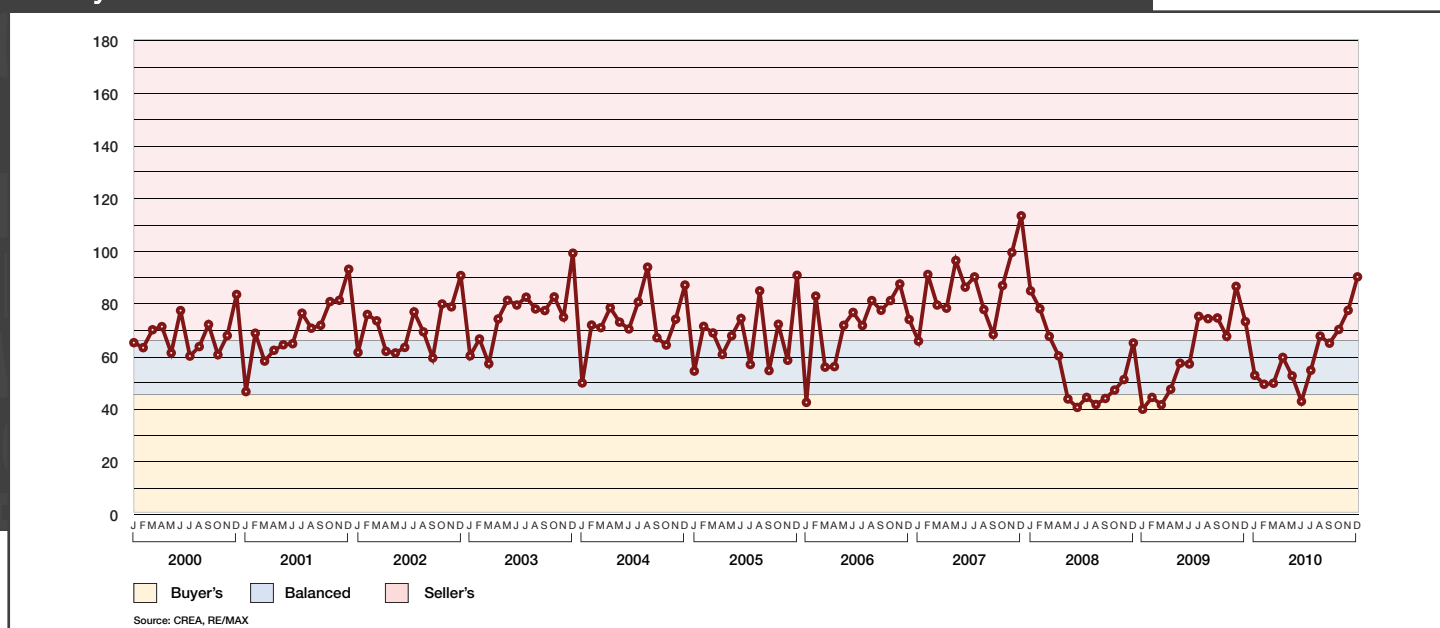


Solid economic performance continues to be the primary impetus for home buying activity in Regina. While conditions remain balanced heading into 2011, sellers have a clear advantage in the market, thanks to the steady influx of out-of-province migrants. With more than 15,000 new people expected to enter the province in the coming year, the lack of housing stock has never been more obvious. New construction continues unabated at virtually every price point, prompting activity in just about every segment of the market. With the advent of the traditional spring market, both first-time and move-up buyers are expected to work in tandem, fuelling demand for properties across the

board. Bungalows in the \$250,000 to \$350,000 price range should experience the greatest demand, with locations in the north, east, and south most popular. Condominiums are set to take off in the days and months ahead in large part due to their attractive price point. Younger buyers in particular are embracing the urban lifestyle. Condo units can be purchased from as low as \$99,000, making the best possible case for buying versus renting in the province. Demand in the top-end of the market has been vibrant in recent years and the trend is expected to continue. The value of real estate continues to resonate with homeowners in Regina.

REGINA

Monthly Residential Sales-to-New Listings Ratios
January 2000 – December 2010



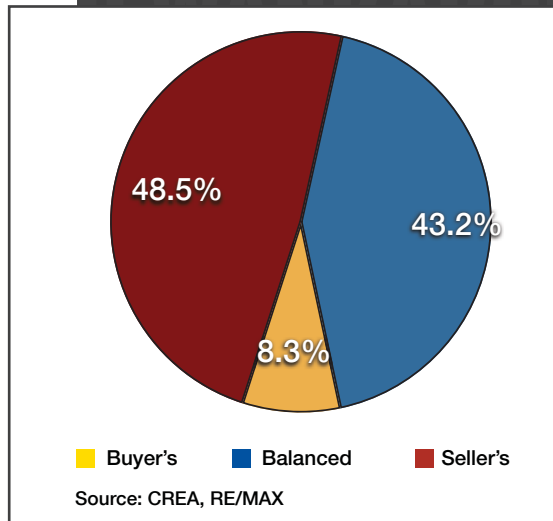
Saskatoon

With sales-to-new listing ratios hovering above 45 per cent, Saskatoon's real estate market has been the picture of stability. The market lay firmly in balanced or seller's territory for 91 per cent of the past 11-year period and has only favoured buyer's in late 2008 and early 2009. In contrast, seller's conditions dominated for nearly half of the past decade, as inventory remained tight and values began a solid

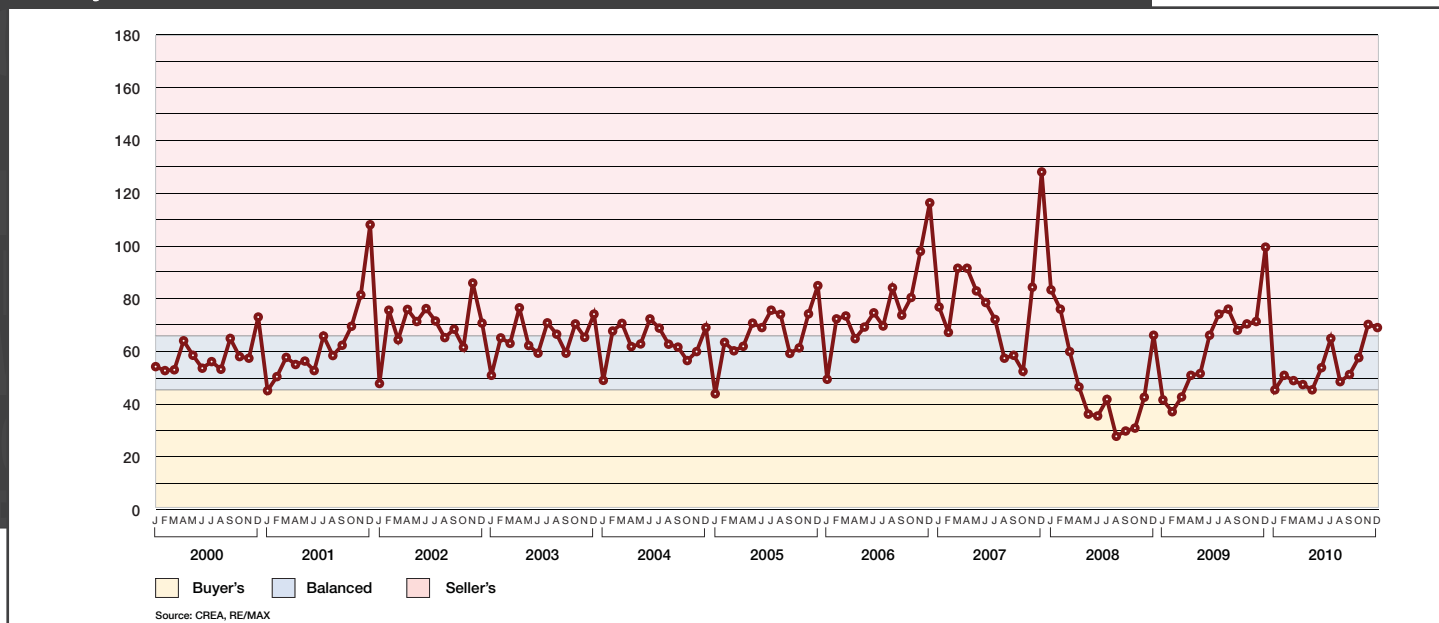
upward trajectory. Overall, Saskatoon's real estate market was slightly tighter than the Canadian average from 2000 to 2010, with the sales-to-new listing ratio hovering at 62.3 per cent compared to 60.4 per cent. Yet, Saskatoon saw some of the strongest returns, as home prices climbed from \$112,567 in 2000 to \$296,293 in 2010—for a compounded rate of 9.2 per cent per year.

Saskatoon's residential housing market is balanced at present, as January brought a healthy supply of new listings on-stream. Home buying activity has started to pick up, with single-family homes with garages priced between \$350,000 and \$450,000 most popular. In-migration and immigration continue to have a positive impact on Saskatoon's real estate market, with out-of-province purchasers and new Canadians representing a growing share of the buyer pool. Greater absorption of product has been noted in recent months, an indication that the market could move back into seller's territory in 2011, especially if listings fail to materialize. Price appreciation is moving at a more moderate pace, as buyers take their time to make decisions. Properties that are overpriced continue to stagnate, while those listed at fair market value are moving well. The upper-end of the market continues to prove quite strong—a sign of consumer confidence and solid belief in the future of resale housing. Saskatoon finished out the year with 4,741 homes changing hands, down six per cent from 2009, when 5,054 properties sold. With a healthy start out of the gate, Saskatoon will continue to mirror the stability which has prevailed for the vast majority of the past 11 years.

SASKATOON Residential Housing Market Conditions 2000 – 2010



SASKATOON Monthly Residential Sales-to-New Listings Ratios January 2000 – December 2010



Alberta

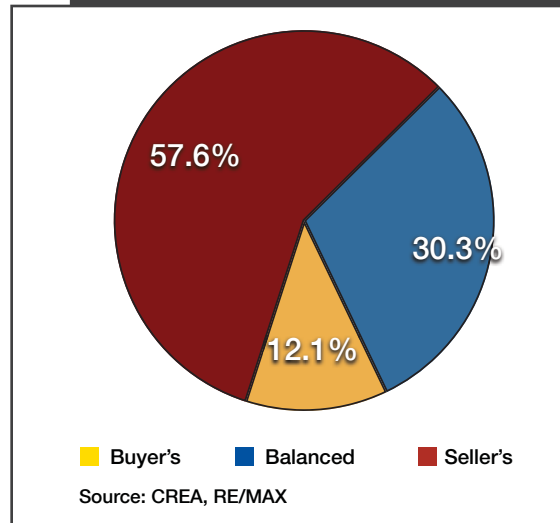
Edmonton

Despite some lingering effects from the housing correction, Edmonton's residential market has spent most of the past decade in clear seller's territory. While buyer's market conditions largely prevailed during 2007-2008, the market has slowly returned to more balanced conditions trending toward sellers in the last two months of 2010. Still, the 2010 market was one of the worst on record for the city—with the sales-to-new listings ratio hovering at 49.5 per cent—more than 16 per cent lower than the 11-year average of 66 per cent. Those who purchased property in 2000, however, are in an enviable position—Edmonton was one of the top performers in terms of average price appreciation, rising 164 per cent from \$124,203 in 2000 to \$328,803 in 2010—for an annually compounded rate of return of 9.25 per cent. With economic recovery now underway in the province, oil prices closing in on \$100 per barrel, and consumer confidence on the upswing, the outlook is improving.

Edmonton's residential housing market may have finally turned the corner, now that more positive economic news is filtering its way into real estate. Inventory levels are lower than they've been in quite some time, with new listings dropping to 1,124 in December, 2010. While supply is traditionally lower in December, 848 sales occurred during the same period, bringing the sales-to-new listings ratio to 75.4 per cent—an anomaly in an otherwise soft year in real estate. Momentum has started to build in the marketplace, but has yet to translate into sales. Recent changes to mortgage amortization periods and the threat of higher interest rates down the road are expected to set the stage for a strong spring market. First-time buyers continue

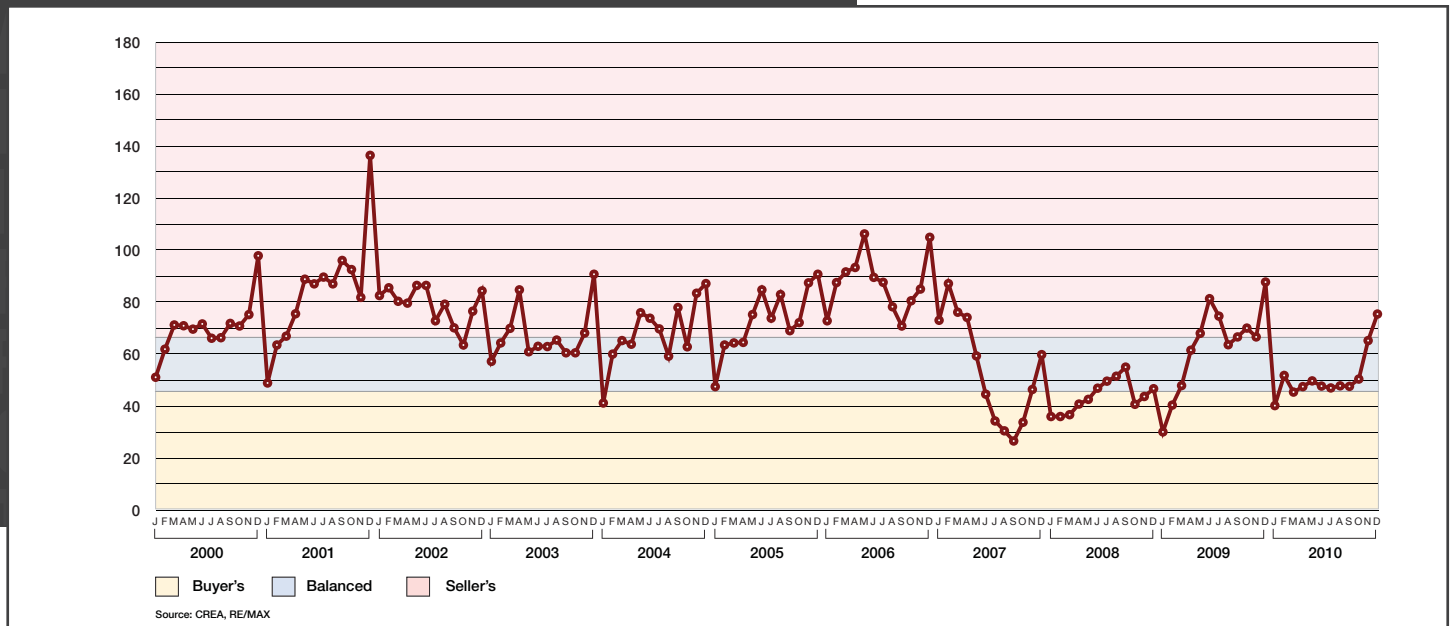
to lead the charge, seeking affordably-priced properties across the board. Many of the sales to date have taken place in and around the average price. Condominium apartments and townhomes remain a popular alternative to single-detached living, offering a significantly lower starting price point. Sales of properties in the top-end of the market are expected to remain consistent in 2011, as affluent purchasers move to take advantage of favourable market conditions.

EDMONTON
Residential Housing Market Conditions
2000 – 2010



EDMONTON

Monthly Residential Sales-to-New Listings Ratios January 2000 – December 2010

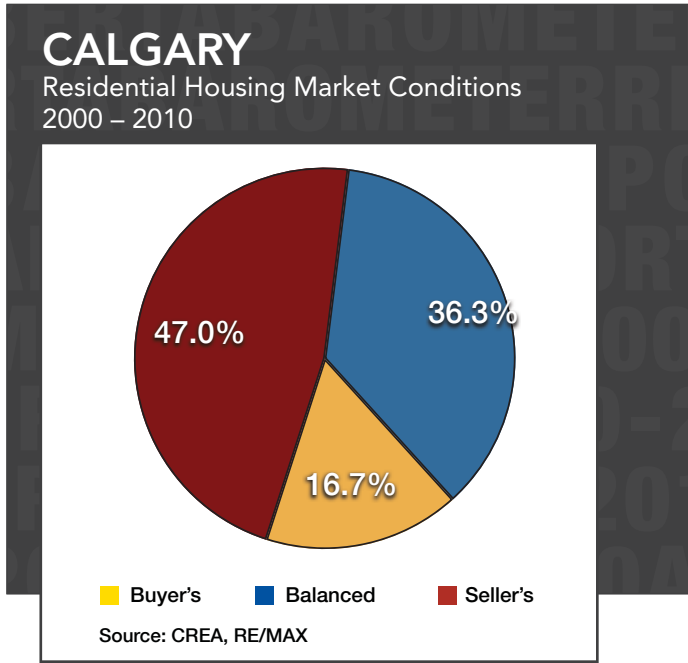


Calgary

In spite of the recent economic downturn, Calgary has emerged as a solid performer in an examination of the country's housing markets throughout the past decade. The city's resale housing sector posted an overall sales-to-new listings ratio of 62 per cent for the period, indicating market conditions were balanced, leaning just slightly in favour of the seller, on average from 2000 to 2010. Breaking down the summary of market conditions, home sellers in Calgary were firmly in the driver's seat for the majority of the decade at 47 per cent, while balance prevailed for 36 per cent of the period. Purchasers, meanwhile, held the advantage 17 per cent of the past decade, largely concentrated from 2008 to 2010. Gains in price appreciation were stronger than the Canadian average of 6.8 per cent, as Calgary's homeowners earned an annual compounded rate of return of 7.7 per cent. Average price rose from \$176,305 in 2000, closing out the decade just shy of the \$400,000 benchmark at \$398,764 in 2010.

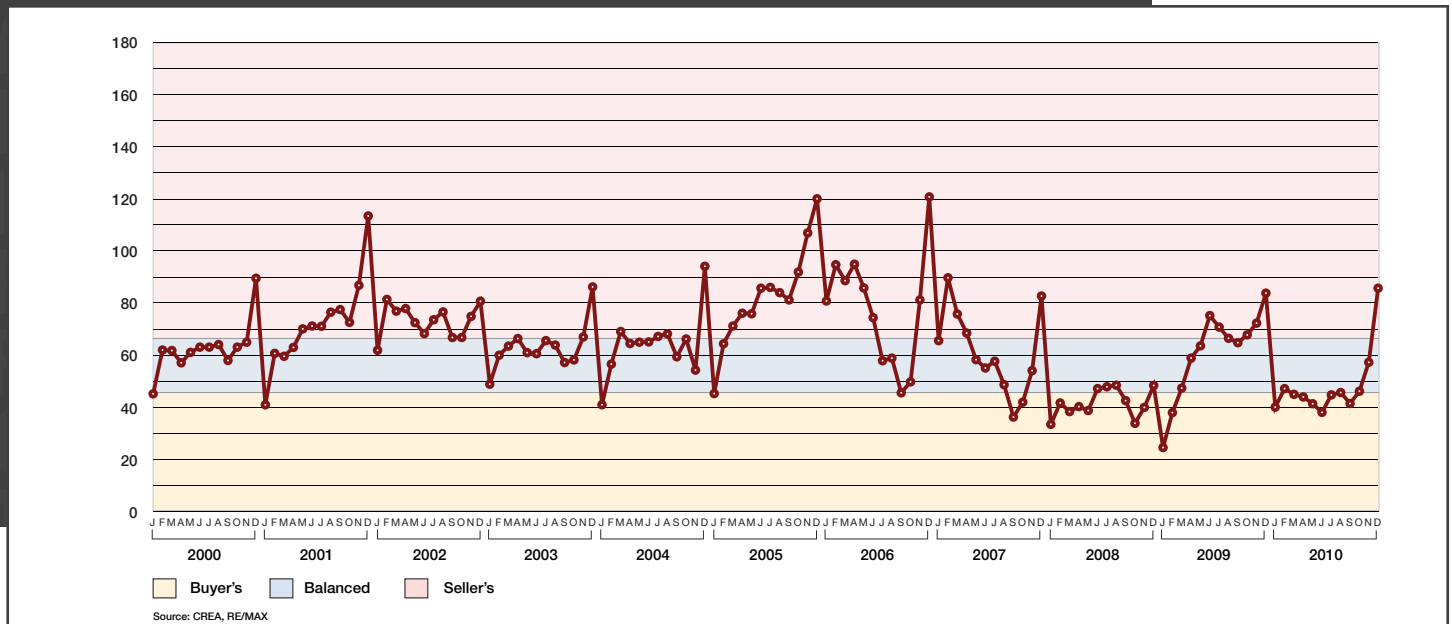
Calgary's residential real estate market remains balanced heading into the new year. Prices have firmed up for the most part, as cautious optimism in a strengthening recovery is driving buyers off the sidelines. Multiple offers have re-emerged, but have been limited to homes priced at fair market value in choice neighbourhoods. Overpriced listings continue to stagnate, as purchasers have the luxury of time to make their decisions. The easing of in-migration over the past three years has allowed local buyers to make their moves with less competition. Yet, with the oil and gas sector gaining momentum once again and market conditions improving, there are fewer deals to be had.

Buyer activity, though hampered slightly by winter weather, increased at the outset of January, and a healthy spring market is expected. Days on market have fallen to 43 from 45 in the single-family category and to 48 from 50 days in the condominium segment. Starter homes, priced between \$400,000 and \$500,000 in established areas in the northwest, southwest, and some parts of the southeast, are experiencing the greatest demand. Those looking for value are seeking out properties in the northeast and southeast, where supply is more plentiful and the dollar stretches a little further. Tighter financing restrictions may cause a mild upswing in sales before March 18th, as marginal buyers act in advance of the implementation of new lending guidelines. Meanwhile, activity has maintained at the other end of the spectrum, with luxury sales in 2011 likely to mirror the strong performance of 2010.



CALGARY

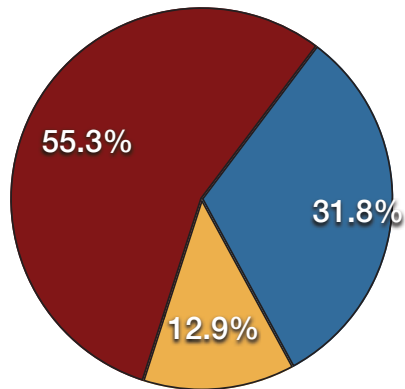
Monthly Residential Sales-to-New Listings Ratios January 2000 – December 2010



British Columbia Greater Vancouver

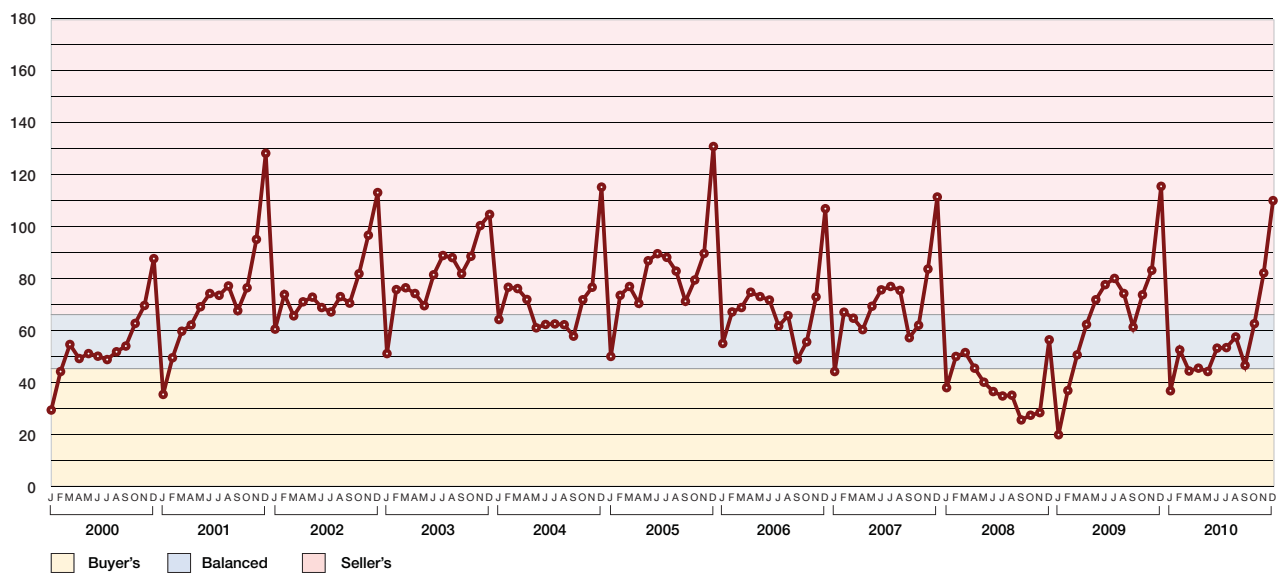
Over the past decade, Greater Vancouver saw one of the most heated housing markets in the country, with conditions firmly in favour of the seller during the vast majority (55 per cent) of the 11-year period. The stretch running from 2001 to 2007 was even tighter, when purchasers vied for properties 76 per cent of the time, with little relief from the supply crunch. Buyers took the helm in only 13 per cent of the decade, while balance characterized the remainder. In fact, all but three of the last 11 years measured up as seller's markets. It took a full-scale recession to ease conditions significantly; with 2008 the only year buyer's ruled Vancouver real estate. As a result, it comes as little surprise that returns from 2000 to 2010 in this housing hot spot exceeded the national average. Values rose from \$295,978 in 2000 to \$675,853 in 2010—for a compounded rate of return of 7.8 per cent. Canada earned a 6.8 per cent return over the same duration. Its price growth helped position the city in the top tier, out-performing two-thirds of Canadian markets, ranking six nationally and fifth in Western Canada for return on investment.

GREATER VANCOUVER Residential Housing Market Conditions 2000 – 2010



Source: CREA, RE/MAX

GREATER VANCOUVER Monthly Residential Sales-to-New Listings Ratios January 2000 – December 2010



Source: CREA, RE/MAX

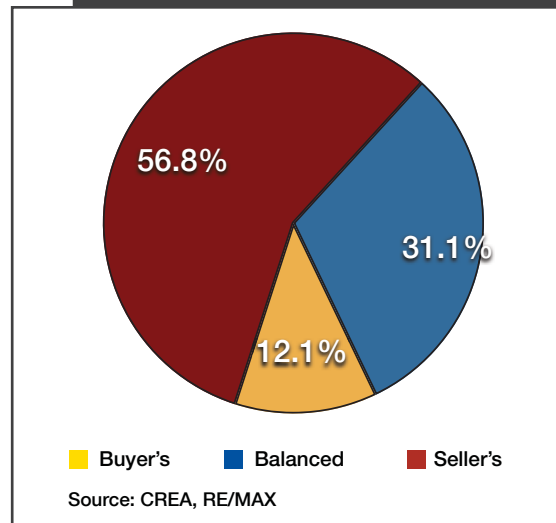
While balanced conditions provided some relief for purchasers in Greater Vancouver in 2010, the market was relatively short-lived. Seller's conditions began to take shape once again in the latter months of 2010, with the sales-to-new listings ratio reaching 82 per cent in November and 110 per cent in December. The demand for single-family homes, in particular, picked up steam in early January. Builders and new immigrants are snapping up properties two at a time, in cash purchases, for future development. Most of these homes are older, on larger lots, and will be torn down to make way for custom-built homes. With competition underway once again, multiple offers have re-emerged, especially for homes that represent land

value in well-established neighbourhoods. Activity was solid out of the gate in Vancouver West, East Vancouver, Burnaby, Richmond and the North Shore. Most sought after are single-family homes, priced between \$1 million and \$2 million. Days on market has been falling steadily, as move-up purchasers re-enter the market en masse. In Canada's priciest market, affordability remains top of mind, with reasonably-priced units in good neighbourhoods snapped up quickly. Momentum continues unabated in the upper end, although confidence is building at all price points, setting the stage for a solid 2011.

Victoria

Victoria's resale residential housing market has been exceptionally strong over the past decade, with conditions firmly in seller's territory for nearly 57 per cent of the period. The first half of the decade—2000 to 2005—proved particularly heated, with seller's conditions dominating the market 76 per cent of the time. In contrast, the climate favoured the purchaser only 12 per cent of the last decade, while more balanced market conditions prevailed for the duration. Housing values rose steadily, with average price more than doubling since 2000—\$504,561 at year-end 2010 vs. \$225,731 in 2000—earning homeowners an annual compounded growth rate of close to 7.6 per cent, well ahead of the national average of 6.8 per cent. The city's sales-to-new listings ratio for the period weighed in at 65.9 per cent.

VICTORIA
Residential Housing Market Conditions
2000 – 2010

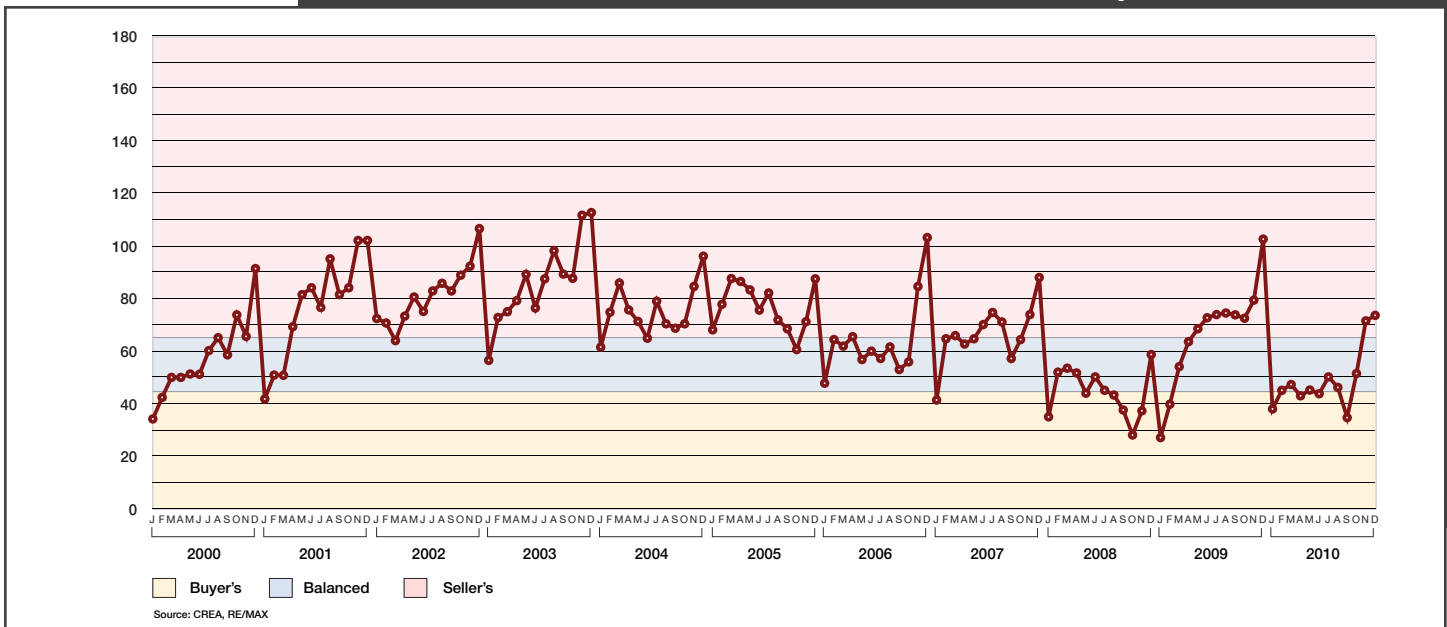


The supply-demand ratio has remained largely in check throughout the past year, following an eight month streak from May to December 2009 that saw vendors once again take control. The more moderate pace that took hold in mid-2010 has gained some momentum out of the gate in January. Demand has picked up, but more listings are also coming on-stream—keeping the market on an even keel, a status that should hold through the first quarter. Product that is priced at fair market value continues to move quite well. Most sought-after are condominiums at the entry to mid-level price point—particularly those units priced between \$250,000 to \$350,000—and affordable single-family homes ranging in value from \$400,000 to \$500,000. Multiple offers have been occurring on this type of product, most notably in Langford,

Collwood, View Royal and Esquimalt. While there has been some concern that an oversupply of condominium product will emerge, absorption rates remain within reason from entry-level to upper-end. Much of the high-density product coming on-stream in 2011 will cater to those seeking affordability—where demand is greatest. Consumer confidence has proven resilient as buyers across all segments—who held off in 2010 amid economic fears—steadily move off the sidelines and back into the fold. The luxury segment continues to defy expectations. Sixteen sales over \$1 million were recorded in December, and January is shaping up to be solid, another factor reaffirming the forecast for a healthy 2011.

VICTORIA

Monthly Residential Sales-to-New Listings Ratios January 2000 – December 2010



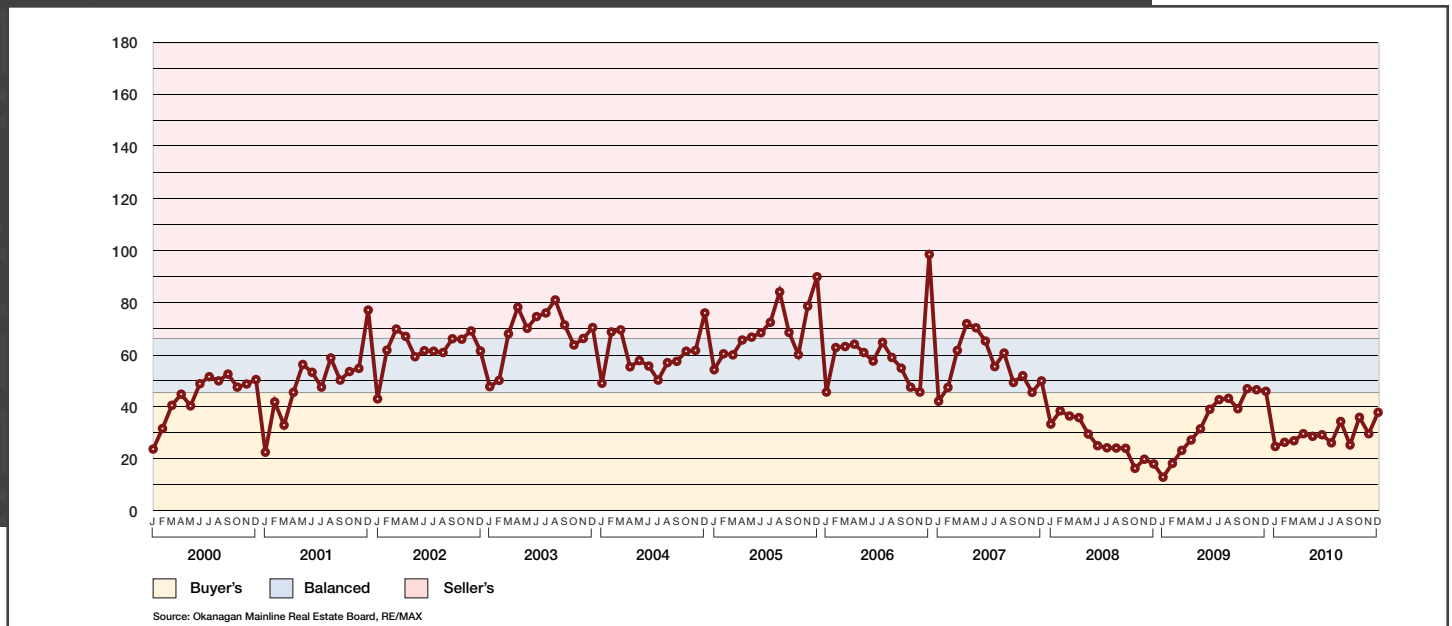
Kelowna

While much of Western Canada favoured the seller for a considerable portion of the past decade, buyers and sellers in Kelowna experienced conditions that were more balanced for the majority of the period. In fact, seller's market conditions were present only 23 per cent of the time, while

buyer's maintained an edge for 33 per cent. Yet, between 2000 – 2010, average price rose 143 per cent, climbing from \$168,551 in 2000 to \$410,302 in 2010. Return on investment exceeded the Canadian average of 6.8 per cent compounded annually, with a rate of return at 8.42 per cent.

KELOWNA

Monthly Residential Sales-to-New Listings Ratios January 2000 – December 2010

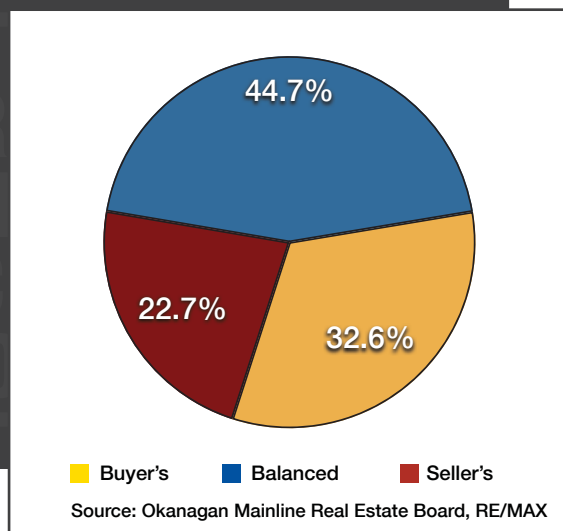


While buyer's market conditions have characterized the market for all but three months of the past three years, conditions have firmed up and prices have stabilized in Kelowna. Demand is healthy, up over December which is typically quiet, but activity has yet to translate into greater sales—remaining seasonably normal. The most popular price point at present continues to be \$360,000 to \$440,000,

pointing to strength from both the starter and move-up segments. Those entering the market for the first time are seeking out quality older homes in established areas on Kelowna's peripherals such as Rutland and Glenmore. Investors have maintained a constant presence in the area, driving demand for single-family homes that require renovation. The trend is breathing new life into older neighbourhoods, as homes are fixed up and sold or offered as rental accommodations. Prices in the city's condominium market have largely flatlined due to an oversupply of listings, but that could change with the advent of the traditional spring market. For now, the window of opportunity remains. The upper-end continues to be a bright spot on the horizon—a segment that has proven quite resilient. Listings continue to flow in and demand remains steady. Overall, the mood remains optimistic that 2011 will prove a healthy year for real estate activity.

KELOWNA

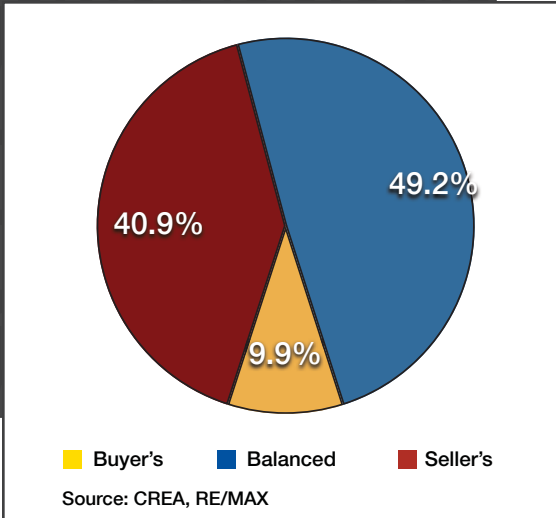
Residential Housing Market Conditions 2000 – 2010



Canada

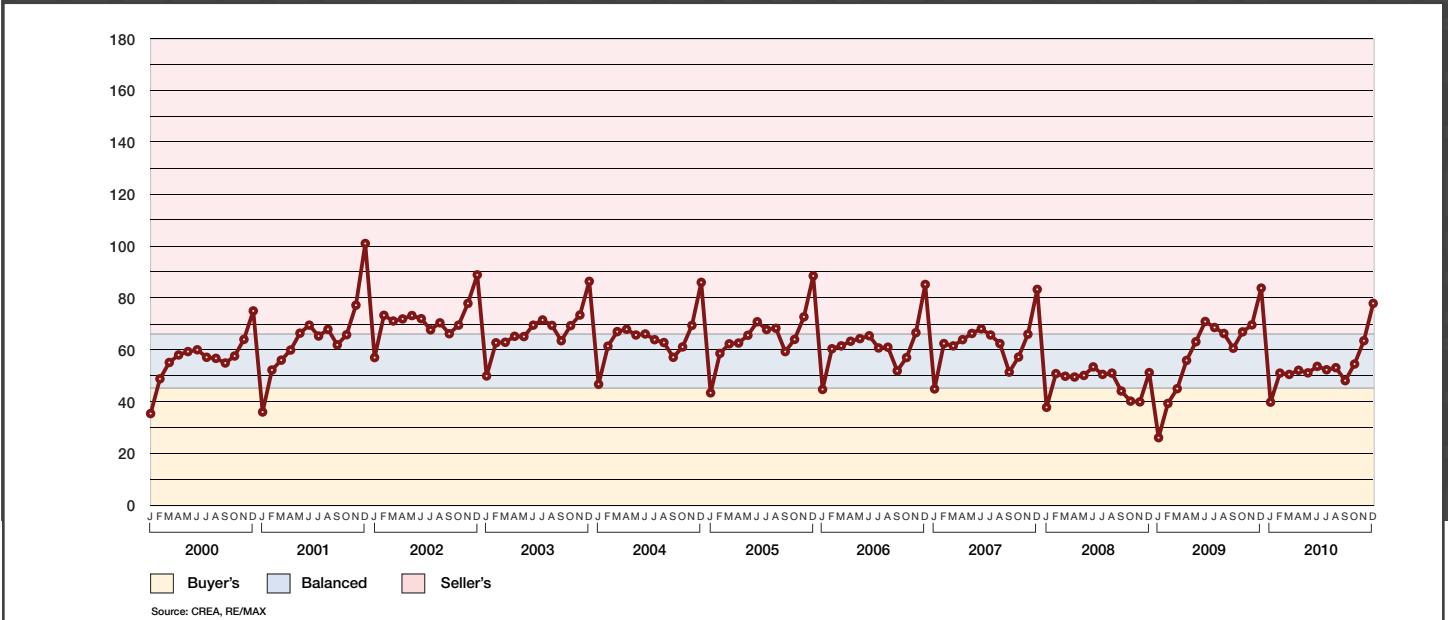
CANADA

Residential Housing Market Conditions
2000 – 2010



CANADA

Monthly Residential Sales-to-New Listings Ratios
January 2000 – December 2010



Residential Sales & New Listings Monthly Highs & Lows: 2000 – 2010

		Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Newfoundland & Labrador	New Listings												
	H	632	579	734	809	851	948	918	785	744	685	595	351
	L	358	286	403	444	560	503	516	440	420	390	296	154
	Sales												
	H	240	238	309	320	346	436	610	551	544	549	497	399
	L	84	124	157	170	158	218	315	310	262	244	202	203
Halifax – Dartmouth	New Listings												
	H	840	842	1,157	1,189	1,265	1,119	984	985	917	859	656	449
	L	605	566	826	895	991	806	692	709	621	628	489	305
	Sales												
	H	463	508	663	760	906	811	724	661	559	540	491	357
	L	228	347	438	531	625	627	509	470	398	366	269	216
Moncton	New Listings												
	H	343	330	467	472	569	512	464	452	428	374	295	179
	L	202	181	248	275	289	242	250	260	208	195	147	88
	Sales												
	H	145	217	229	267	349	325	295	274	240	230	213	146
	L	76	101	137	108	184	153	136	147	131	123	85	56
Greater Montréal	New Listings												
	H	10,146	9,971	10,701	9,075	8,678	6,975	8,203	7,876	9,053	9,418	7,800	4,954
	L	6,430	6,789	7,323	6,050	5,433	3,893	3,304	4,609	5,857	5,727	5,133	3,288
	Sales												
	H	3,884	5,745	6,672	6,359	6,287	4,836	3,831	3,752	3,744	4,464	4,300	3,164
	L	1,662	3,134	4,404	4,216	4,403	2,765	1,993	2,036	2,391	2,776	2,303	1,710
Québec	New Listings												
	H	1,626	1,456	1,675	1,426	1,379	1,174	1,059	1,269	1,450	1,336	1,215	750
	L	968	1,066	1,161	976	874	615	667	722	892	911	794	530
	Sales												
	H	778	1,148	1,136	1,009	1,054	863	650	662	696	820	716	580
	L	405	684	807	737	628	478	384	430	426	525	568	420
London – St. Thomas	New Listings												
	H	1,396	1,266	1,774	1,838	1,881	1,614	1,617	1,325	1,494	1,467	1,057	655
	L	1,010	1,020	1,184	1,216	1,326	1,062	1,132	970	995	934	773	472
	Sales												
	H	547	732	1,049	1,050	1,192	1,045	1,042	923	792	731	675	458
	L	304	494	677	669	766	673	572	590	474	524	400	295
Hamilton – Burlington	New Listings												
	H	1,631	1,714	2,095	5,350	2,180	1,888	1,776	1,684	1,886	1,664	1,542	838
	L	1,238	1,333	1,545	1,541	1,656	1,362	1,392	1,211	1,174	1,242	985	554
	Sales												
	H	849	1,149	1,393	1,490	1,529	1,560	1,358	1,293	1,162	1,230	1,101	733
	L	447	717	1,002	939	1,067	1,041	863	947	797	813	658	454

Source: CREA, TREB, Montréal Real Estate Board, Québec Real Estate Board, Okanagan Mainline Real Estate Board, RE/MAX

Residential Sales & New Listings Monthly Highs & Lows: 2000 – 2010

		Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Kitchener – Waterloo	New Listings												
	H	985	904	1,182	1,140	1,158	1,124	974	903	964	899	711	481
	L	566	551	648	614	718	595	485	516	487	498	402	237
	Sales												
	H	439	566	752	745	804	772	674	620	546	593	566	369
	L	262	374	446	442	515	460	387	395	315	326	308	203
Greater Toronto Area	New Listings												
	H	12,570	12,869	18,914	20,683	18,940	16,069	14,830	12,675	16,236	14,530	10,692	5,506
	L	5,980	7,465	10,287	8,872	9,369	8,473	7,633	7,386	8,215	7,121	6,240	3,209
	Sales												
	H	5,173	7,291	10,430	10,898	11,146	10,955	9,967	8,059	8,196	8,476	7,446	5,541
	L	2,670	4,120	6,133	5,996	5,892	5,754	4,729	4,961	4,857	4,696	3,640	2,577
Ottawa	New Listings												
	H	1,844	2,026	2,741	3,049	2,971	2,700	2,136	2,082	2,234	1,943	1,668	828
	L	1,222	1,429	1,643	1,597	1,938	1,559	1,358	1,243	1,126	1,026	981	519
	Sales												
	H	773	1,156	1,516	1,854	1,990	1,912	1,590	1,331	1,230	1,223	957	748
	L	508	798	1,064	1,202	1,410	1,156	1,111	1,056	874	928	654	474
Winnipeg	New Listings												
	H	1,063	1,144	1,596	1,958	1,970	1,961	1,672	1,754	1,627	1,459	954	516
	L	644	807	1,159	1,241	1,364	1,292	1,141	1,001	1,045	901	638	363
	Sales												
	H	555	756	1,080	1,247	1,563	1,484	1,344	1,221	1,088	1,131	821	613
	L	424	609	850	916	1,128	1,003	958	830	753	689	576	404
Regina	New Listings												
	H	425	521	701	696	811	791	598	607	640	488	347	267
	L	211	235	328	346	361	339	345	288	271	272	218	116
	Sales												
	H	250	291	351	416	494	456	444	392	343	308	282	194
	L	115	177	188	244	267	259	216	225	207	190	168	97
Saskatoon	New Listings												
	H	512	568	738	898	1,015	905	832	805	825	695	425	274
	L	277	307	387	388	458	370	379	361	323	338	235	135
	Sales												
	H	300	367	433	475	586	477	440	396	351	311	316	211
	L	136	184	244	259	285	270	245	224	221	200	171	119
Edmonton	New Listings												
	H	3,408	3,576	4,244	4,470	4,710	4,884	4,481	4,192	3,919	3,774	2,638	1,433
	L	1,277	1,461	1,672	1,790	1,957	1,842	1,764	1,664	1,291	1,524	1,323	676
	Sales												
	H	1,544	1,886	2,358	2,443	2,794	2,551	2,278	2,079	1,844	1,890	1,574	1,074
	L	730	1,062	1,342	1,269	1,581	1,475	1,237	1,280	1,042	1,122	891	608

Source: CREA, TREB, Montréal Real Estate Board, Québec Real Estate Board, Okanagan Mainline Real Estate Board, RE/MAX

Residential Sales & New Listings Monthly Highs & Lows: 2000 – 2010

		Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Calgary	New Listings												
	H	5,424	5,182	6,188	5,995	6,085	5,544	4,682	4,903	5,330	4,644	3,677	1,760
	L	2,743	2,681	3,049	2,980	3,247	3,003	2,740	2,651	2,411	2,509	2,214	1,198
	Sales												
	H	2,631	3,348	3,939	3,505	3,550	3,388	2,745	2,788	2,647	2,584	2,617	2,015
	L	928	1,392	1,797	1,701	2,097	1,824	1,612	1,562	1,606	1,442	1,141	777
Greater Vancouver	New Listings												
	H	5,325	5,467	7,187	7,851	7,651	6,796	6,369	4,713	6,322	5,108	3,769	2,409
	L	3,168	3,732	3,978	3,682	4,035	3,928	3,506	3,450	3,260	2,929	2,573	1,555
	Sales												
	H	2,307	3,173	4,514	4,215	4,610	4,485	4,197	3,800	3,632	3,865	3,133	2,567
	L	771	1,494	2,234	1,813	2,180	2,033	1,710	1,611	1,620	1,391	889	929
Victoria	New Listings												
	H	1,242	1,291	1,566	1,650	1,675	1,356	1,317	1,133	1,299	1,051	803	553
	L	653	755	864	835	850	818	697	680	641	582	481	300
	Sales												
	H	552	664	885	885	904	905	885	784	728	691	593	531
	L	240	362	455	420	513	469	419	395	379	294	258	229
Kelowna	New Listings												
	H	1,021	1,098	1,362	1,364	1,452	1,421	1,419	1,126	1,102	1,032	803	665
	L	595	557	659	615	688	658	637	532	555	569	468	262
	Sales												
	H	348	480	642	659	699	647	552	631	584	474	447	336
	L	114	162	248	307	318	339	239	271	221	168	149	120
CANADA	New Listings												
	H	72,825	72,139	97,616	99,883	99,804	86,918	84,326	72,959	82,706	74,611	55,417	33,100
	L	47,782	50,388	57,854	55,728	61,366	50,522	48,949	46,981	46,815	46,447	37,849	22,845
	Sales												
	H	29,992	40,059	50,070	52,487	60,796	54,821	50,214	45,479	42,451	42,245	36,542	27,708
	L	16,221	25,197	34,707	32,239	37,002	32,828	27,912	29,235	27,217	26,723	21,083	16,117

Source: CREA, TREB, Montréal Real Estate Board, Québec Real Estate Board, Okanagan Mainline Real Estate Board, RE/MAX

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