

Upper End

MARKET TRENDS 2010



British Columbia

Greater Vancouver

Luxury price point: \$2 million

First Quarter Residential Real Estate Sales over \$2 million				
2006	2007	2008	2009	2010
92	97	181	80	227

First quarter luxury sales in Greater Vancouver were the best on record, with 227 residential properties sold over \$2 million in 2010—an 184 per cent increase compared to the same period in 2009, when just 80 homes changed hands. Sales are currently 25 per cent above the previous peak in 2008, when 181 luxury residences moved over MLS. The momentum continues to build, with demand increasing in tandem with the Spring real estate market and improved performance of stock markets. Confidence is steadily building, with most eager to make their moves to take advantage of favourable conditions while they exist (before interest rates and prices increase further



and ahead of the impending Harmonized Sales Tax). This is particularly true in West Vancouver, where conditions remain soft (but improving), with both sales and prices on the rebound, but off peak 2008 levels. Here, savvy purchasers are jumping in to capitalize before the window of opportunity closes. Vancouver Westside, meanwhile, is firing on all cylinders, with sales 42 per cent above the previous high. An adequate selection of upper end properties is currently listed for sale, with 581 detached homes available and 157 condominiums. Balanced market conditions prevail throughout most areas, but continue to favour the purchaser in West Vancouver. The most coveted upscale neighbourhoods include Point Grey, the University Endowment Area, Shaughnessy, Southlands, South Granville and the Southwest Marine Drive Area on the Westside, as well as Dundarave, Altamont, Whitby Estate, Cypress and Caulfield in West Vancouver. The most expensive property sold in Greater Vancouver to date moved for just over \$10 million, while the priciest condo netted \$5.69 million. This remains well under the city's highest ever sale—\$17 million on MLS and a reported \$30 million exclusive. The priciest listings include a \$29.9 million acreage property in West Vancouver and a \$12.98 million penthouse condominium on Beach Ave. offering 7,500 sq. ft. of living space on two levels, 35 ft. ceilings and ocean and mountain views. With recovery underway and confidence levels rising, upper end home sales in Greater Vancouver are positioned to break existing records. The implementation of the HST, which is expected to put a temporary damper on new construction, should serve to further prop up activity in the resale segment.

Vancouver Westside

Luxury price point: \$3 million

First Quarter Residential Real Estate Sales over \$3 million				
2006	2007	2008	2009	2010
12	20	38	11	54

Vigorous activity characterized the luxury market in Vancouver's Westside out of the gate in 2010. First quarter sales, priced in excess of \$3 million, were 42 per cent ahead of peak 2008 levels, and a significant 391 per cent above first quarter recessionary levels of 2009 when just 11 properties moved above the high end threshold. Rising consumer confidence and a return to economic growth have been the primary factors motivating buyers, along with a recovery in the stock markets. Inventory remains adequate—at 497 listings—with supply on the upswing. There has been a marked increase in the number of immigrant purchasers from Mainland China in the city's upper end price points. Most are seeking out new or newer construction or custom-building. The demand for infill lots has increased considerably and prices are climbing, ranging from \$1.2 million to \$1.8 million in Point Grey and between \$2 million and \$3 million in Shaughnessy. Both areas remain most sought-after among luxury purchasers, in addition to South Granville, Kerrisdale and Dunbar. The Westside is home to the highest priced sales in Greater Vancouver to date—\$10.06 million for a 11,600 sq. ft. home on ¾ of an acre and \$5.69 million for 4,470 sq. ft. condo unit offering 3 bedrooms and 4 baths. Locals have been quite active in the condominium segment. Sales of apartment units remain solid, although supply increased considerably following the Olympics, softening price growth. Upper end condos are now moving for slightly more than one year ago. High end properties typically sell within a few weeks of being listed, with multiple offers a rarity, despite record



sales. In fact, overpriced listings are stagnating, but will readily sport sold signs if reduced to fair market value. When it comes to listings, the Westside’s most prestigious at present are a \$22 million 18,000 sq. ft. home in Shaughnessy and a \$12.98 million condominium on Beach Avenue boasting ocean and mountain views. Overall, Vancouver’s Westside is poised to set a new record for annual sales, while upper end price appreciation moves back in the single-digit range, before levelling out in the second half of 2010.

West Vancouver

Luxury price point: \$2 million

First Quarter Residential Real Estate Sales over \$2 million				
2006	2007	2008	2009	2010
46	31	63	20	45

Despite a strong showing in sales during the first quarter of 2010—activity is virtually on par with the second-best year on record—prices in West Vancouver’s upper end market remain soft, not yet having reached pre-recession levels. Sales of homes priced in excess of \$2 million have increased 125 per cent over weak numbers posted in 2009, but remain 29 per cent off the peak levels of 2008. Opportunity exists for purchasers at all price points in the upper end, as conditions still favour the buyer. An oversupply of listings has been the main factor limiting price appreciation. Nearly 200 detached homes are available, representing a 14-month supply. Demand is ramping up steadily, as move-up buyers take advantage of favourable pricing and the ability to negotiate. Those purchasing in the mid-to-upper

reaches of the luxury market will likely realize the greatest value in 2010, while those active in the \$2 million to \$3 million dollar range will have some flexibility, but much less so. Overall buyers remain cautious, but confidence is rising in tandem with stock markets. Mainland Chinese purchasers, Iranians and locals—in that order—now account for the lion’s share of upper end sales. Turnkey properties—the newer-the-better—are most sought-after, as are view properties which continue to command a premium. Preferred areas continue to be Altamont, Dundarave, all waterfront areas, and British Properties where homes with views are in demand. The most expensive home sold in West Vancouver this year moved for \$5.1 million. Located in Altamont, it offered 12,400 sq. ft. of living space on a 132 ft. x 297 ft. lot. The priciest condo changed hands for \$3.85 million—a 3,100 sq. ft. waterfront half-duplex located in Dundarave. West Vancouver boasts the most expensive listing in all of Greater Vancouver at present—a \$29.9 million 5,000 sq. ft. home (with zoning for three dwellings—the lot can be split) on 5.4 acres in Chartwell. The area’s highest-priced condo, at \$6.25 million, is a 3,886 sq. ft. penthouse unit in Cypress Park Estates offering panoramic views. The market for West Vancouver upper end real estate will continue to improve as the year wears on. Introduction of the HST, in particular, is expected to boost demand for resale homes.



White Rock/ South Surrey

Luxury price point: \$1.3 million

First Quarter Residential Real Estate Sales over \$1.3 million				
2006	2007	2008	2009	2010
n/a	29	32	19	28

Sales in the upper end of White Rock/South Surrey's real estate market have been brisk during the first quarter of 2010, just slightly off the record pace (32 sales) set in 2008. During the first three months of the year, 28 homes priced in excess of \$1.3 million moved over MLS, compared with just 19 one year earlier—a 47 per cent increase. Over 180 high end properties are currently listed for sale in the area, with more properties expected to come on stream in coming weeks. Yet, demand is also set to ramp up considerably. With prices on the rise, many purchasers active in the million-dollar range could filter into the high end price points in the second half of 2010. Million-dollar home sales have surpassed last year's first quarter levels in White Rock/South Surrey, with 48 sales compared to 42 during the same period in 2009. Buyers continue to seek out homes in South Surrey/White Rock based on the significant value-for-the-dollar compared with the nearby City of Vancouver market. The 45-minute to one-hour commute is considered a worthwhile trade-off, given that purchasers can save in the neighbourhood of \$ 2 million to 4 million versus a similar home in the Vancouver Westside market. The area is highly popular with local move-up purchasers and buyers from Mainland China. The most sought-after communities in White Rock/South Surrey are Elgin and Chantrell, as well as Morgan Creek, where properties typically range from \$1 million to \$3 million. Upscale condominiums are also increasing in popularity, particularly developments such as Miramar and Bel Air. White Rock/South Surrey's

most expensive sales in 2010 included a 10,000 sq. ft., completely renovated mansion on 2.5 acres in Chantrell Elgin at \$5.3 million and a four-year old oceanview condominium at \$1.725 million. Neither reaches the prestige of White Rock/South Surrey's record December 2009 sale, which involved a Marine Drive waterfront home that changed hands for \$11.8 million. The highest sticker prices at present go to a view property on acreage on Marine Drive at nearly \$7.9 million and a Miramar Village penthouse condo at \$2.75 million. With the economy on the upswing and an increase in the number of immigrant purchasers in the area's upper end market, the momentum in upper end home sales is expected to gain steadily through year end. As a result, prices should escalate a further five per cent in 2010.

Victoria

Luxury price point: \$1 million

First Quarter Residential Real Estate Sales over \$1 million				
2006	2007	2008	2009	2010
46	45	58	20	75

Million-dollar home sales are soaring in Victoria, shattering the existing record for first-quarter sales over \$1 million. From January to March, 75 homes sold above the \$1 million threshold through the Multiple Listing Service (MLS), 275 per cent ahead of the same period in 2009, and well above the previous record of 58 set in 2008. Luxury home sales now represent four per cent of all transactions in Victoria, up considerably from the typical two to three per cent range. Softer prices, which are still in recovery mode following the economic downturn, and low interest rates, continue to be significant factors motivating today's buyers. Ample opportunity and a good selection of product exists, and savvy



purchasers are taking advantage of favourable conditions to trade up to larger homes or better neighbourhoods. Although more room may exist for negotiation in the condominium market, 95 per cent of all luxury transactions involve single-detached homes. Locals and Albertans continue to account for the lion's share of purchasers. Waterfront properties are most coveted, with peninsula homes, priced at market value, selling well. The most popular upper end communities have remained relatively static, with demand strong in Oak Bay, Uplands and North Saanich, where prices typically range from \$1 million to \$3 million. To date, the most expensive home to change hands in the city was a waterfront estate located in the Uplands area of Oak Bay. At just over \$3 million, it was a far cry from Victoria's all-time record of \$10.5 million set

in 2006. The top price paid for a condominium property so far this year was \$1 million. The unit, on Brentwood Bay in Central Saanich, boasted exceptional waterfront views. Nineteen million dollars will secure Victoria's most exclusive listing. The 11,000 sq. ft., one-of-a-kind estate features every bell and whistle imaginable including an indoor pool, movie theatre and boathouse, as well as a 3,400 sq. ft. guest house. Victoria West's inner harbour takes the title for the priciest condominium on the market at \$4.2 million. With an improving economic picture, growing stability and solid consumer confidence, momentum in the luxury segment is expected to remain brisk throughout 2010, as the window of opportunity for purchasers remains open. Prices are forecast to remain stable, while sales surge ahead of previous levels to set a new record.

First Quarter Upper End Sales							
Market	Price Point	Sales					% +/
		'06	'07	'08	'09	'10	
Greater Vancouver	\$2 million	92	97	181	80	227	184
• Vancouver Westside	\$3 million	12	20	38	11	54	391
• West Vancouver	\$2 million	46	31	63	20	45	125
• White Rock/South Surrey	\$1.3 million	n/a	29	32	19	28	47
Victoria	\$1 million	46	45	58	20	75	275
Kelowna	\$1 million	18	19	13	2	16	700
Edmonton	\$850,000	12	33	41	14	37	164
Calgary	\$1 million	86	124	86	35	67	91
Winnipeg	\$500,000	7	6	16	9	23	155
London – St. Thomas	\$500,000	16	27	25	16	36	125
Hamilton – Burlington	\$750,000	n/a	76	50	16	43	169
Greater Toronto Area	\$1.5 million	123	157	157	74	269	263
• Oakville	\$1.5 million	16	14	24	4	19	375
• Mississauga	\$1.5 million	8	8	15	6	20	233
Ottawa	\$750,000	7	23	33	19	42	121
Montréal (Island)	\$1.5 million	8	11	10	6	24	300
Halifax – Dartmouth	\$450,000	31	36	46	41	59	44
St. John's	\$400,000	3	8	6	19	27	42

Source: RE/MAX, Local Real Estate Boards



Kelowna

Luxury price point: \$1 million

First Quarter Residential Real Estate Sales over \$1 million				
2006	2007	2008	2009	2010
18	19	13	2	16

Kelowna's luxury housing market has gained serious momentum in recent months, with sixteen properties moving over the \$1 million price point. Compared to last year's dismal first quarter performance, sales are up a substantial 700 per cent—rising from just two units to the sixteen posted between January and March 31 of 2010. While prices are starting to firm up in the top end, there are still some deals to be had. Balanced market conditions exist for the first time in over a year, with more than 300 homes currently listed for sale. Selection is at its best, with lakefront starting at \$1.4 million and lake view homes (in Upper Mission) priced from \$1 to \$2 million. A 5,800 sq. ft. lake view estate in Southeast Kelowna, situated on 11 acres, was the highest sale this year at \$2.45 million, while the most expensive property currently listed for sale—with a price tag of \$10 million—boasts 7,500 sq. ft. on a ½ acre of land and 249 ft. of water frontage. Local move-up buyers, together with out-of-town purchasers, are fuelling demand for high end real estate in Kelowna. While most homes are purchased for year-round use, there are some that are second properties. Upscale condominiums remain a popular choice with many empty nesters and retirees. The priciest condominium sale this year—at \$845,000—occurred in the Village at Gallagher's Canyon, a gated community. A "rock star style" unit overlooking the lake is Kelowna's most expensive condo listed for sale, a fully-furnished turnkey unit offering 3,750 sq. ft. of living space priced at \$2.995 million. Kelowna's luxury market continues to offer up some of the most affordable high end product in the

province—close to lakes, skiing, golf and wineries—at a fraction of the price one would pay in the Lower Mainland. As the city's economy continues to improve, the upper end will respond accordingly—with sales on par or slightly ahead of record levels by year-end 2010.

Alberta

Edmonton

Luxury price point: \$850,000

First Quarter Residential Real Estate Sales over \$850,000				
2006	2007	2008	2009	2010
12	33	41	14	37

Edmonton's residential real estate market continues to flourish as economic recovery takes hold in the province of Alberta. Rising consumer confidence levels and greater job security have seriously bolstered home buying activity in recent months. Luxury home sales, in particular, are on the upswing, rising 164 per cent over last year's poor performance in the first quarter—and just under peak levels posted back in 2008. To date, 37 homes priced in excess of \$850,000 have changed hands, including 18 over the \$1 million benchmark. The most expensive sale this year—a 4,500 square ft., two-storey home in West Edmonton—sold for \$1.8 million—well off the record \$4.6 million set back in 2008. The priciest condo, located in the upscale One River Park development backing onto the river valley fetched \$1.65 million. Entrepreneurs, executives, and professionals are behind the push for upper end product, driving demand for single-family homes in newer subdivisions. Southwest Edmonton is especially coveted,



with the city’s most expensive listing nestled on seven acres in the river valley. Priced at \$15 million, this 5,200 sq. ft. “trophy estate” represents the best the city has to offer. Upscale condominiums are a popular choice, especially with empty nesters, many of whom prefer high rise apartments located in central Edmonton on scenic Saskatchewan Dr. While the top end represents just over one per cent of total sales, the level of activity speaks to the overall health of the residential housing market. With all segments now experiencing steady demand, Edmonton’s housing market is firing on all cylinders. A six-month supply of upper end listings is currently available for sale—including 59 single family homes and 15 condominiums.

end of the market and properties that are priced at fair market value are moving relatively quickly. Some multiple offers have occurred on unique listings—but they remain the exception, rather than the rule. Overpriced homes continue to linger on the market, with many risking stagnation. With deals to be had in the top end of the market and interest rates low, ideal opportunities exist for savvy purchasers. Many of today’s luxury buyers are local corporate and industry heads, taking advantage of favourable market conditions to trade up to larger homes or better neighbourhoods. Close to 350 condominiums and single-family homes are listed for sale over the \$1 million price point. Older, established areas such as Mount Royal and Elbow Park are popular with upscale purchasers looking for easy access to the downtown core, while Bears Paw, Elbow Valley and Springbank offer upper end buyers more bang for their buck—with country homes typically situated on sprawling lot sizes. The most expensive home sold on MLS so far this year was priced at \$5.75 million—off last year’s record sale of \$10.3 million. The priciest condominium moved for \$1.375 million in Rideau Park. As the overall economic picture improves in Calgary, so too will sales in the top end of the market. After more than 24 months of downward pressure, housing is finally moving in the right direction.

Calgary

Luxury Price Point: \$1 million

First Quarter Residential Real Estate Sales over \$1 million				
2006	2007	2008	2009	2010
86	124	86	35	67

While demand for luxury homes has gained momentum in Calgary in 2010, sales remain off peak performance levels reported in 2007. Sixty-seven homes—priced in excess of \$1 million—changed hands between January to March of this year, up 91 per cent from the 35 units recorded during the same period in 2009, but well off the 124 sales posted in 2007. Home buying activity has improved significantly in the city over the past 12 months, but purchasers are still cautious, especially in the top end of the market. Upward pressure on prices in the lower-end of the market has yet to translate into the mid-to-upper price ranges, and inventory levels are starting to climb once again. Balanced market conditions currently prevail in the top



Manitoba

Winnipeg

Luxury price point: \$500,000

First Quarter Residential Real Estate Sales over \$500,000				
2006	2007	2008	2009	2010
7	6	16	9	23

Demand for upper end properties has been exceptionally strong in Winnipeg during the first quarter of the year. To date, 23 homes priced in excess of \$500,000 have moved over the MLS—two of which sold in multiple-offer situations—an increase of 155 per cent over the nine sales posted during the same period in 2009. The previous milestone for first quarter luxury home sales occurred in 2008 when 16 homes over \$500,000 changed hands—a distant second. Manitoba’s vibrant economy continues to lift consumer confidence levels, which, in combination with low interest rates and a very active move-up segment, has contributed to the solid momentum in the housing market. Inventory remains adequate, with 110 high end listings available, although supply is tighter in the lower range of \$500,000 to \$600,000. Multiple offers are occurring, but not with frequency. The highest-priced sale this year—at \$1.5 million—occurred in Royalwood in Southeast Winnipeg. The two-year old 3,650 sq. ft. home offered a walk-out basement with an additional 2,000 sq. ft. of living space. Wellington Crescent, on the river, took the title for the most expensive condominium sold at \$539,000. As arguably the most sought-after and prestigious address in Winnipeg, Wellington Crescent is also home to the city’s priciest listings—a \$2.8 million, 9,000 sq. ft. character home, built in 1935 and situated on two acres on the river, as well as a \$1.175

million, 3,550 sq. ft. riverfront condo. Despite this year’s heated activity, the city’s record-setting upper-end sale of \$2.025 million continues to hold. It took place in 2006 and also involved a 1930s character home on Wellington Crescent. North River Heights, where homes can range as high as \$3 million, and Tuxedo, where homes range from \$500,000 to \$1 million, are most popular with today’s luxury purchasers. Both areas are fully developed, with Tuxedo being the newer of the two. Infill properties are the typical choice for new construction, with standard land-value lots (40 ft. x 100 ft.) selling for \$100,000 on average, while lakefront lots command \$250,000. Local professionals and entrepreneurs remain most active in Winnipeg’s high end marketplace. They are expected to continue to drive demand throughout 2010, leading to a new annual milestone for upper end sales.

Ontario

London—St. Thomas

Luxury price point: \$500,000

First Quarter Residential Real Estate Sales over \$500,000				
2006	2007	2008	2009	2010
16	27	25	16	36

Move-up purchasers and corporate transfers have bolstered sales in London-St. Thomas’ upper end segment during the first quarter of the year. The number of homes sold over the \$500,000 price point is up 125 per cent year over year (36 vs. 16) and 33 per cent ahead of the previous record of 27 sales set in 2007. Overall, luxury properties account for a growing portion of real estate transactions,



now representing 2.3 per cent of the market vs. 1.3 per cent in 2009. Buyers have been motivated by historically low interest rates, the threat of rising interest rates, and the pending introduction of the HST. The southwest and northwest ends continue to be most sought-after. Despite the momentum, sales have yet to break the million-dollar threshold in the city this year. The highest-priced property to change hands was small hobby farm in Southeast London, which moved for \$950,000. The most expensive condominium to date sold in the northeast for \$525,000. The north end of London is currently home to the city's priciest listings—a \$775,000 condo on Del Court and a \$2.85 million executive home on Chantry Place, which if sold, would represent a new milestone. The current record belongs to an acreage property in the city's southwest end, which sold for an unprecedented \$1.6 million in July of 2006. The vast majority of high end homes typically sell for between \$500,000 and \$800,000. Days on market for luxury properties currently average approximately 60 to 90 days. Multiple offers are virtually non-existent, given adequate supply—83 homes, priced in excess of \$500,000, are now available on the Multiple Listing Service (MLS). Well-appointed, turnkey properties are most sought after. Those that require renovation take substantially longer to sell and for far less. Most buyers are locals, followed by those from within the Golden Horseshoe, although a small uptick has been reported in the number of out-of-province purchasers, including professionals from British Columbia, Alberta and Canada's East Coast—again largely due to corporate transfers. The trend is expected to gain momentum as the economy continues to improve. 2010 is forecast to be a record year for luxury home sales in London-St. Thomas, as buyers move to take advantage of favourable conditions, while they still exist. Prices, now in line with pre-recession levels, are expected to hold steady through to year end.

Hamilton—Burlington

Luxury price point: \$750,000

First Quarter Residential Real Estate Sales over \$750,000				
2006	2007	2008	2009	2010
n/a	76	50	16	43

While luxury sales in Hamilton-Burlington remain off the peak pace set in 2007, the market is well ahead of levels reported in 2009. To date, 43 upper end properties have changed hands, a 169 per cent increase over the 16 units sold in the first three months of 2009. Prices have fully recovered from the effects of the recession and are holding steady. Consumer confidence continues to buoy the market, along with low interest rates and the value-for-the-dollar that Hamilton-Burlington represents. McMaster Innovation Park is attracting a growing number of professionals and executives to the area, which has helped prop up demand. So far this year, 14 high end properties have sold over \$1 million. The priciest of which was an executive lakefront home in Burlington. Burlington's lakeshore was also home to the most expensive condo sold at \$602,500. A North Burlington home, offering 20,000 sq. ft. of living space and situated on three acres of land is currently the area's highest-priced listing at nearly \$6.5 million. The condominium sporting the greatest sticker price, at \$1.249 million, is located on Elizabeth St. in Burlington. North Burlington still retains the title of the most expensive listing to ever cross MLS in Hamilton-Burlington at \$6.35 million. The rural Mediterranean-style 8,000 sq. ft. home was one-of-a-kind, situated on 14 acres of land. The area's luxury purchasers continue to seek out properties in Hamilton's southwest, as well as throughout Burlington and Ancaster. Waterfront and water view properties are particularly sought-after. Privacy, large lots and well-appointed finishings continue to top wish lists. The most unique and highly desirable



Luxury properties in Hamilton are ravine lots overlooking the escarpment. Older character homes with impressive architecture and gumwood trim in Southeast Hamilton, while rarely available, typically sport price tags in the \$1 million range. Overall, the upper end of Hamilton-Burlington’s real estate market is expected to remain fairly brisk throughout the remainder of 2010, possibly reaching the second-best year on record. With the area’s healthcare, education and transportation sectors experiencing considerable growth, the future of the luxury property market remains bright.

Greater Toronto Area

Luxury price point: \$1.5 million

First Quarter Residential Real Estate Sales over \$1.5 million				
2006	2007	2008	2009	2010
123	157	157	74	269

Luxury home sales shattered all existing records in the Greater Toronto Area in the first quarter of 2010. Two hundred and sixty-nine high end properties changed hands in the three month period, an increase of 263 per cent over the 74 sales reported in 2009, and a 71 per cent increase over peak 2008, 2007 levels. The imminent threat of higher interest rates and the introduction of the Harmonized Sales Tax (HST) have seriously bolstered activity in the top end of the market this year. Heated demand, combined with a shortage of listing inventory across the board, has placed upward pressure on prices, especially in the city’s hot pocket areas. With a nominal three to four month supply of listings on hand, seller’s market conditions prevail. Multiple offers are commonplace as a result, with demand strongest between \$1.5 million to \$3.5

million. Sales over the \$1.5 million price point have risen gradually in the past decade (with the exception of 2009) and now represent just over one per cent of total residential sales. The vast majority have sold in the city’s core districts—home to Rosedale, Forest Hill, Lawrence Park, Hogg’s Hollow, Bridle Path, Lytton Park, South Hill, the Annex, Yorkville and the Kingsway. The most expensive sales in 2010 occurred in Rosedale, where a single-detached home sold for \$6.25 million and a condominium moved for \$4.6 million. The highest priced GTA listing is a custom-built, 30,000 sq. ft. gated stone estate on the Bridle Path offered at \$23 million. The relative stability of Canada’s residential housing market and sound banking practices continue to attract investors from overseas, many of whom are buying second properties in the GTA. Immigration has also contributed to the upswing in upper end sales, particularly in the York Mills area. Location is first and foremost with purchasers in the upper end, followed by turnkey properties. In fact, newer construction—be it infill or a suburban subdivision—is commanding as much as twice the price of a similar-sized older resale home. Strong economic fundamentals will carry the top end of the market going forward. The momentum, however, is expected to taper somewhat in the latter half as interest rates edge higher and the HST is finally implemented.



Oakville

Luxury Price Point: \$1.5 million

First Quarter Residential Real Estate Sales over \$1.5 million				
2006	2007	2008	2009	2010
16	14	24	4	19

Upper end housing sales have roared back to life in Oakville—up a substantial 375 per cent in the first three months of 2010—yet, activity has not returned to peak levels reported in 2008. Nineteen homes changed hands over \$1.5 million in the first quarter of the year, up from four in 2009, but off the record 24 sales posted in 2008. The momentum driving heated activity in the low-to-mid price ranges has not yet spilled over into the top end, although sales over \$1 million dollars hit 60 between January and March of this year, up from 15 one year ago. A good selection of homes is currently listed for sale over the \$1.5 million price point, the equivalent of six months supply. Prices are holding steady and properties offered at fair market value tend to move quickly. There are some multiple offers occurring in the top end, but incidents tend to be few and far between. The most expensive home sold to date was a \$4.2 million estate property in Southwest Oakville on a 1.8 acre parcel lot, while the town’s priciest listing is a sprawling lakefront mansion boasting 11,000 sq. ft. of living space, featured at \$9.95 million. Luxury buyers are younger than in years past, ranging in age from 35 to 45 years. Most are senior executives, entrepreneurs, and professionals, looking for prime properties in older, established Southeast Oakville. Some out-of-province buyers—many of whom are corporate transfers—have also purchased in the area in recent months. Upscale condominium sales are also climbing in Oakville, as empty nesters and retirees downsize to smaller accommodations. New condominium developments in downtown Oakville offering

townhomes with elevators have been especially popular. While the highest priced condominium sale this year was \$865,000, many sell for well over \$1 million and are typically loaded with all the bells and whistles. Continued provincial and local economic growth is expected to bode well for the residential real estate market, with solid activity spilling over into the second half of the year. Sales should near, but are not expected to exceed, peak levels set in 2008.

Mississauga

Luxury price point: \$1.5 million

First Quarter Residential Real Estate Sales over \$1.5 million				
2006	2007	2008	2009	2010
8	8	15	6	20

Sales of luxury homes, priced in excess of \$1.5 million, in Mississauga’s south end reached the highest first-quarter level on record. Twenty homes changed hands above that price point—a 233 per cent increase—and five more sales than the previous benchmark of 15 set in 2008. Demand for upper end homes has been ramping up in recent months, leading to yet another milestone—the highest-priced sale on the Multiple Listing Service (MLS) in Mississauga. The property, on Doulton Drive, sold for an unprecedented \$7.25 million this year. To date, sales over \$1 million in the city have increased 142 per cent year-over-year (January to March), with 46 homes sold, compared with 19 in the previous year. An initial supply crunch out the gate in 2010, combined with low interest rates and a rebounding economy, has helped fuel the upper end market. Lorne Park, Rattray Marsh and Mineola West continue to be most sought-after. Prices here typically range from \$1.5 million to \$3.5 million, while



Mineola West can command up to \$5 million-plus. Although adequate inventory exists—close to 150 upper end properties are currently available—tastes at this level can be very specific. As such, purchasers are still vying for choice properties and multiple offers are occurring. Mississauga’s most expensive home listed for sale sports a previously unmatched price tag of just over \$11 million. The custom-built, 18,000 sq. ft. mansion on a ravine lot backs onto the prestigious Mississauga Golf and Country Club. The priciest condo, which offers views of Port Credit’s waterfront, is listed at \$1.85 million. Prices are on the upswing in the luxury segment. Building lots are commanding top dollar. Properties offering 70 to 100+ feet of frontage now fetch \$1.2 million and up, compared to \$800,000-plus just one year ago. Demand for lots, ideal for custom building, has increased significantly in recent months. The preference toward newer construction is a growing trend, although location remains foremost. Momentum in Mississauga’s top end is expected to remain strong throughout the first half of 2010, although rising inventory levels may temper price escalation in coming months. Rising interest rates may cool demand slightly in the second half.

Ottawa

Luxury price point: \$750,000

First Quarter Residential Real Estate Sales over \$750,000				
2006	2007	2008	2009	2010
7	23	33	19	42

Demand for luxury properties in the nation’s capital continues to climb unabated, with a record 42 sales posted in the first quarter of 2010. The number of homes sold over \$750,000 is up 121 per cent over the 2009 figure of 19 for the same period, and 27 per cent over peak 2008 levels. Home-buying activity remains unusually brisk in the upper end, bolstered by strong consumer confidence and low interest rates. Even concerns over government down-sizing have yet to impact sales in the top end of the market. In fact, nine homes changed hands over the \$1 million benchmark between January and March, up from four one year ago. While just under 200 properties, priced in excess of \$750,000, are listed for sale, some key areas could benefit from additional high end product. Older, established neighbourhoods such as Rockcliffe, Manor Park, Rothwell Heights, and Glebe are highly sought-after, but so too are properties in Manotick, along the Rideau River and the shores of the Ottawa River. Many suburban properties, especially those that offer estate lots, are also coveted. Multiple offers are a factor in the market, but they tend to occur on distinctive properties. The most expensive single-family home sold so far this year was priced at \$1.949 million, while the priciest condo fetched \$1,375,500—neither sale setting any record. An estate property in Rockcliffe is the highest priced MLS listing in Ottawa at present at \$6.99 million. The upscale condominium is gaining ground with empty nesters and retirees in the city’s downtown core—a reality best illustrated by the upswing in sales. Design has improved tenfold in recent years, with newer, architecturally-significant



units that offer innovative floor plans and countless amenities moving quickly. The highest-priced condominium is currently listed for sale at \$1.7 million in Downtown Ottawa. Diplomats, executives, politicians, entrepreneurs and professionals once again lead the charge for luxury accommodations—and the trend is expected to continue for the remainder of the year. Strong economic fundamentals will continue to support a vibrant housing market—and a robust high end—throughout 2010, with sales forecast to shatter the existing record set in 2009.

Québec

Montréal (Island)

Luxury price point: \$1.5 million

First Quarter Residential Real Estate Sales over \$1.5 million				
2006	2007	2008	2009	2010
8	11	10	6	24

A renewed sense of political and financial stability has contributed to a serious upswing in luxury home sales in Montréal (Island) during the first quarter of 2010. Twenty-four homes priced over \$1.5 million have changed hands between January and March of this year, up 300 per cent from the six sales reported in 2009. The area’s condominium market has also seen solid appreciation, with sales of upscale product priced over \$800,000 up 190 per cent over last year—rising from 10 to 29 units. The top end of the market now represents approximately three per cent of total sales in Montréal (Island). Close to 200 single-family homes are currently listed in the city’s blue chip neighbourhoods of Westmount, Ville Marie,

Outremont, Town of Mont Royal, and Hampstead. Well-known for quality-built, character homes dating back to the turn of the century, outstanding architecture, and spectacular mountain settings, these older, established communities set the standard in the top end. Proximity to the downtown core is key, particularly for buyers in Montréal (Island), many of whom work in the centre of the city. The highest priced sale so far this year of a single-family home occurred in Westmount at \$5.5 million. A penthouse condominium moved earlier this year for \$2.2 million. While there has been an increase in teardown activity in the last three to four years in these communities, a number of properties carry a heritage designation which restricts construction. Renovation, however, has been a popular choice, with many of these homes now returned to their original splendor. The most expensive single-family home currently listed for sale is a stone estate priced at \$5.975 million in Westmount, while the priciest condominium is a unique, four-level unit located in Old Montréal listed at \$6.9 million. While the lion’s share of purchasers are local, the city also attracts out-of-town buyers who admire its cosmopolitan nature. Balanced market conditions exist in the high end, with supply meeting demand. Solid economic fundamentals are expected to continue to prop up sales in the luxury segment for the remainder of the year, making 2010 the best year on record for upper end sales.



Nova Scotia

Halifax—Dartmouth

Luxury price point: \$450,000

First Quarter Residential Real Estate Sales over \$450,000				
2006	2007	2008	2009	2010
31	36	46	41	59

Residential real estate activity in Halifax-Dartmouth has shifted into high gear, with all segments of the market now operating in tandem. Fifty-nine upper end properties, priced in excess of \$450,000, sold during the first quarter of 2010, an increase of 44 per cent over the same period last year. Sales in the top end have steadily increased since 2006, when they represented 2.3 per cent of total residential activity. Now representing closer to five per cent, momentum in the upper end shows no sign of abating. Renewed confidence in the economy is, in large part, responsible for the jump-start in the luxury segment. Foreign purchasers have also contributed to the upswing, buying up high end real estate across the board in recent months. While most buyers are local, an estimated 10 to 20 per cent are from other parts of the country or overseas. Location continues to be first and foremost, with most purchasers looking for luxury homes in South End Halifax Peninsula (where they can buy waterfront or water view listings starting at \$750,000), Fall River, Southwest Shore (Purcell's Cover), Glenn Arbour (backing onto the golf course), and Bedford South and the Ravines. Turnkey properties remain most sought after, although there have been a handful of purchasers willing to renovate. New construction overall—both multi-unit and single-family—has slowed over the past year, with fewer luxury housing starts reported. Despite the lack of

new product available, almost 400 high end resale properties are currently listed for sale over \$450,000. The highest priced sale so far this year—at \$1.447 million—took place in the coveted Northwest Arm. The 6,900 sq. ft. home offering water frontage sold for more than ask price, in a multiple offer situation. Four properties have sold over the \$1 million benchmark so far this year, compared to one in the first three months of 2009. The most expensive condominium sold for \$647,500 in the Northwest Arm. As economic performance improves, so too will residential real estate activity. Halifax-Dartmouth continues to offer up some of the best deals in the country on high end real estate, with prestigious waterfront estates on the Atlantic starting at a fraction of the cost of the same product on the Pacific coast.

Newfoundland & Labrador

St. John's

Luxury price point: \$400,000

First Quarter Residential Real Estate Sales over \$400,000				
2006	2007	2008	2009	2010
3	8	6	19	27

Upper end activity in St. John's eclipsed the previous first quarter record set in 2009, with sales climbing 42 per cent higher in the first three months of 2010. Twenty-seven properties sold in excess of \$400,000 between January and March, up from 19 during the same period one year ago. Low interest rates—spurring increased move-up activity—as well as



migration and offshore oil wealth have contributed to rising demand for luxury homes. Activity has been particularly brisk in sought-after neighbourhoods such as Clovelly Trails (Osprey Landing), King William Estates and Country Gardens, where prices typically start at \$500,000 and reach upwards of \$1 million. To date, the most expensive properties that have changed hands have yet to exceed the \$800,000 range. The most expensive listing currently on the market is a \$1.55 million property located on Queens Road, while \$699,000 will secure the city's priciest condo, located on Roosevelt Ave., in the east end of St. John's. Historic Queen's Road is home to St. John's highest recorded MLS sale ever at \$1.05 million (December 2009). Prices have fully recovered from the recession and continue to escalate at a steady clip. Yet, despite the strength of the market, multiple offers remain a rare phenomenon. With 162 upper end homes available, inventory remains adequate. The vast majority of purchasers are seeking out executive detached homes and/or water view properties. Demand has been considerable for one-acre building lots, although these remain hard to find and are selling for a premium. One-acre lots that could be had from \$75,000 four years ago are now selling for between \$165,000 and \$200,000. Demand is expected to ramp up, as projects such as Long Harbour and Hebron continue to attract executives and highly-skilled professionals. Oil and gas exploration, as well as other natural resource-based industry, is quite promising going forward. GDP growth is expected to lead the country in 2010, which will bode well for the high end market. 2010 is expected to be the best year on record for luxury homes sales in St. John's, with well over 130 high end properties (the previous annual record set in 2009) moving on MLS.



RE/MAX UPPER END MARKET TRENDS REPORT 2010

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