

The Canadian Real Estate Association News Release

CREA Updates Resale Housing Forecast

Ottawa, ON, June 15, 2015

The Canadian Real Estate Association (CREA) has updated its forecast for home sales activity via the Multiple Listing Service® (MLS®) Systems of Canadian real estate Boards and Associations for 2015 and 2016.

While oil prices have firmed up recently, they remain well down from where they were a year ago and their outlook remains uncertain. The extent to which lower oil prices will continue to weigh on the Canadian economy also remains uncertain. In the Prairie region, this is dampening consumer confidence and sidelining potential homebuyers.

When CREA published its previous forecast in March, a rush of homeowners in Alberta had listed their property for sale. Since then, new supply has sharply pulled back. CREA's forecast remains for a continued gradual improvement in home sales and housing market conditions in oil-producing provinces in line with further gradual oil price gains.

Home sales elsewhere in Canada are continuing to evolve mostly as expected, with the exception of a slower than expected spring market in Nova Scotia due to extraordinarily inclement weather and stronger than expected sales activity across much of British Columbia.

Low rise property markets remain tight in parts of British Columbia and Ontario. These are the only two provinces where a shortage of listings for low rise homes is expected to fuel average price gains above inflation this year.

In other provinces, listings have begun to decline but remain elevated. Average prices across the Prairies, Quebec and the Atlantic region are unlikely to see much in the way of price growth over the forecast horizon as sales gradually deplete listings.

The forecast for national sales in 2015 has been revised upward, reflecting stronger than anticipated activity in British Columbia. National sales are now projected to rise by 1.3 per cent to 487,200 units in 2015, which is slightly above its 10-year annual average (Chart A).

British Columbia is projected to post the largest annual increase in activity in 2015 (+12.2 per cent), while Alberta and Saskatchewan are expected to post the largest annual sales declines (-18.2 per cent and -12.9 per cent respectively). Modest changes in annual home sales are forecast for all other provinces.

The forecast for national average home price growth has been revised upward to \$429,400 for an annual increase of 5.2 per cent in 2015. This reflects forecast average price gains in British Columbia and Ontario together with a projected increase in their proportion of national sales. British Columbia is expected to be the only province where average price rises faster (8.5 per cent) than the national average, while the rise in Ontario's average price (5.6 per cent) is predicted to be roughly in line with the national increase.

Average prices are projected to remain largely stable in other provinces this year, with annual changes ranging between plus or minus one per cent. The exception is Alberta, where average price is forecast to slip by 2.8 per cent amid a pullback in higher-priced property sales activity.



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In 2016, national sales activity is forecast to reach 491,200 units, a further annual gain of 0.8 per cent. The increase reflects an anticipated rise in sales activity in Alberta and Saskatchewan, in line with a gradual improvement in their economic outlook.

Although sales in British Columbia are expected to remain strong in 2016, it is the only province where they are forecast to moderate (-2.9 per cent) due to stretched affordability. Strengthening economic prospects should translate into slow and steady gains in other provinces where home sales have struggled in recent years while prices remained more affordable due to an elevated supply of listings.

The national average price is forecast to rise by a further 1.7 per cent to \$436,700 in 2016, with larger percentage increases in British Columbia, Alberta, Manitoba, and Ontario. Price growth in 2016 is forecast to be strongest in Ontario (+2.6 per cent) due to an ongoing supply shortage of listings for low rise homes in and around the Greater Toronto Area. An improvement in the share of higher-priced sales activity is anticipated to boost average prices in Alberta (+2.4 per cent).

Gains of around two per cent are forecast for British Columbia and Manitoba, and around one per cent for Saskatchewan and Quebec. Average home prices in the Atlantic region are forecast to hold steady in 2016.

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About The Canadian Real Estate Association

The Canadian Real Estate Association (CREA) is one of Canada's largest single-industry trade associations, representing more than 100,000 real estate Brokers/agents and salespeople working through more than 100 real estate Boards and Associations.

For more information, please contact:

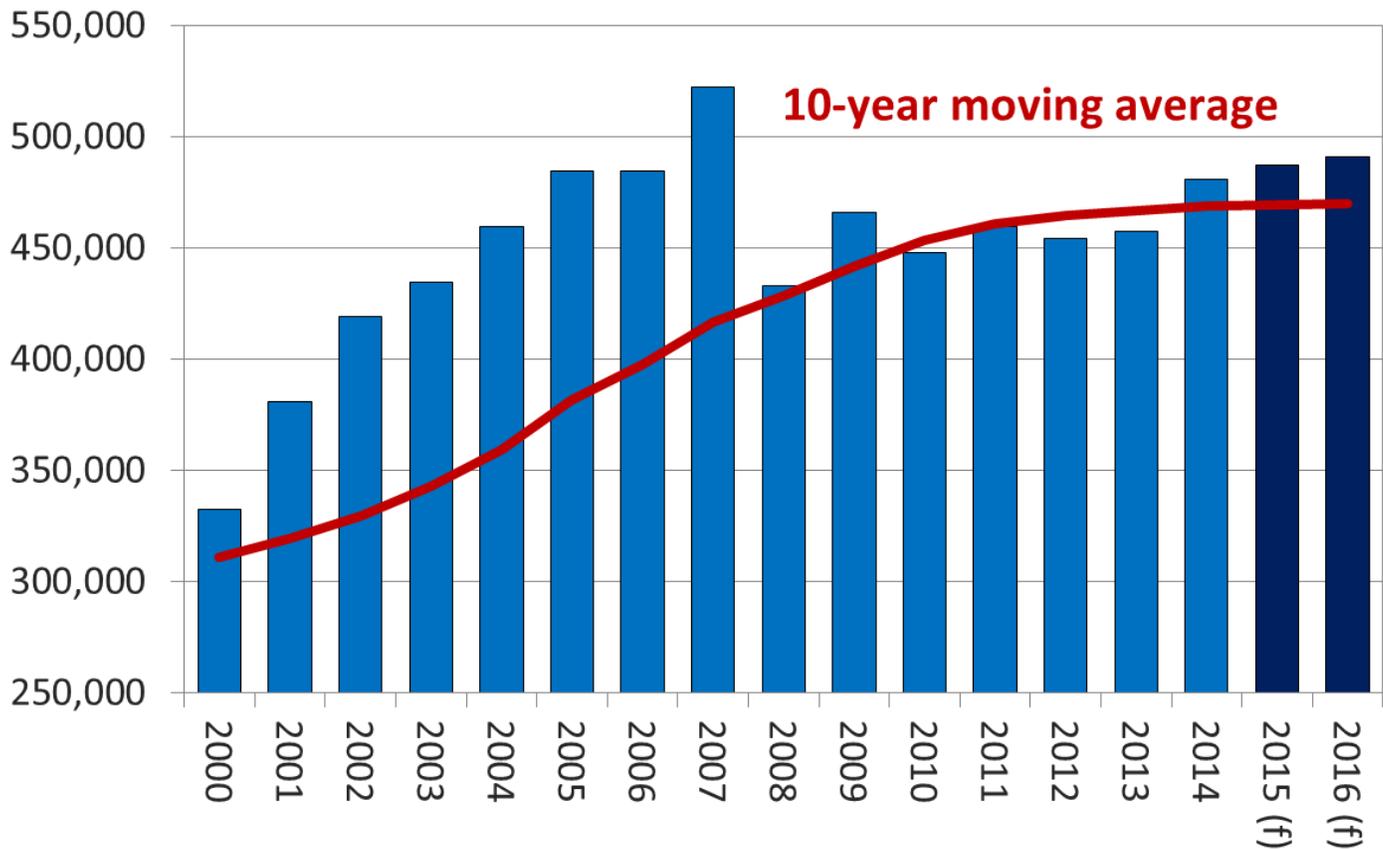
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Sales Activity Historical and Forecast



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CREA Residential Market Forecast:

Sales activity forecast	2014	2014 Annual percentage change	2015 Forecast	2015 Annual percentage change	2016 Forecast	2016 Annual percentage change
Canada	481,113	5.1	487,200	1.3	491,200	0.8
British Columbia	84,049	15.2	94,300	12.2	91,600	-2.9
Alberta	71,773	8.6	58,700	-18.2	62,600	6.6
Saskatchewan	13,863	2.4	12,080	-12.9	12,700	5.1
Manitoba	13,782	0.3	13,920	1.0	13,920	0.0
Ontario	205,972	3.7	213,000	3.4	214,100	0.5
Quebec	70,642	-0.8	74,000	4.8	74,500	0.7
New Brunswick	6,273	-0.1	6,370	1.5	6,480	1.7
Nova Scotia	8,821	-3.6	8,710	-1.3	9,090	4.4
Prince Edward Island	1,380	-3.2	1,410	2.2	1,420	0.7
Newfoundland	4,100	-4.7	4,230	3.2	4,260	0.7

Average price forecast	2014	2014 Annual percentage change	2015 Forecast	2015 Annual percentage change	2016 Forecast	2016 Annual percentage change
Canada	408,086	6.7	429,400	5.2	436,700	1.7
British Columbia	568,405	5.8	616,600	8.5	628,200	1.9
Alberta	400,590	5.2	389,200	-2.8	398,700	2.4
Saskatchewan	298,372	3.4	295,500	-1.0	298,400	1.0
Manitoba	266,329	2.1	268,900	1.0	274,300	2.0
Ontario	430,984	7.0	455,200	5.6	466,900	2.6
Quebec*	271,227	1.3	271,700	0.2	274,200	0.9
New Brunswick	161,803	-0.5	161,500	-0.2	162,500	0.6
Nova Scotia	215,279	-0.9	217,200	0.9	217,000	-0.1
Prince Edward Island	163,911	5.0	162,200	-1.0	162,700	0.3
Newfoundland	283,671	0.2	282,200	-0.5	282,100	0.0

* Provincial weighted average price for Quebec does not affect unweighted national average price calculations. Information on Quebec's weighted average price calculation can be found at: <http://www.fcq.ca/immobilier-statistiques-definitions.php>



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