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## NEWS RELEASE

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For immediate release

### **Threat of global recession to hinder home sales in major Canadian housing markets in 2008 and 2009, says RE/MAX**

*Recovery linked to economic stability next year*

**Kelowna, BC (December 3, 2008)** -- Global economic uncertainty weighed heavily on residential real estate activity in most major Canadian centres during the latter half of 2008. Although the forecast for 2009 promises more of the same, most markets are expected to weather the storm, says RE/MAX.

The RE/MAX Housing Market Outlook for 2009 examined residential real estate trends in 22 markets across the country and found that average price held up remarkably well in 2008, despite 13 centres reporting double-digit declines in home sales. Solid gains earlier in the year likely served to prop-up housing values at year-end. The prognosis for housing activity in the first six to nine months of 2009 is somewhat static, given continued volatility in financial markets and the threat of recession, but as stability returns to the financial sector, housing markets are expected to recover.

Nationally, 440,000 homes are expected to change hands in 2008, down 15 per cent from record 2007 levels. Canadian housing values are expected to hover at \$300,000, a nominal three per cent decline from last year's historic peak. By year-end 2009, unit sales should match 2008 levels, while average price is forecast to fall another two per cent to \$293,000.

"Canada's real estate environment is considerably more complex than it has been in recent years," says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. "The landscape is definitely changing - with most markets shifting into either balanced or buyer's territory. The shut out is over. Sellers no longer rule the roost. Opportunities exist for purchasers like never before, including lower interest rates, greater inventory levels, the luxury of time to make decisions, and the upper-hand at the negotiating table. Motivated vendors will need to take note of the new mindset and set their prices accordingly."

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Major markets are evenly split in terms of housing performance in 2009, with 11 centres forecast to match or exceed 2008 home sales and 11 expected to slide from 2008 levels. The highest percentage increase in unit sales is anticipated in Saskatoon, where the number of homes sold is forecast to climb three per cent in 2009. Housing values are expected to hold the line in 2009, with St. John's, Montreal, Kingston, London, Winnipeg, Saskatoon, and Regina posting modest gains in average price in 2009.

"Housing market performance will clearly be contingent on economic performance at a local, provincial, and national level in 2009," says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. "Issues affecting the overall economy are impacting housing markets across the country and the situation is not expected to be remedied until consumer confidence is restored. That said, we could see a bounce back as early as spring – if inventory levels remain stable, pent-up demand kicks into gear, and lower interest rates stimulate home-buying activity."

Canadian sellers are slowly adjusting to new realities. For most markets, 2008 started in balanced territory and moved into buyer's market conditions during the latter half of 2008. The year ahead will prove challenging, especially for vendors.

"While the economy will dictate real estate performance next year, it's important to remember that demand still exists in the marketplace," says Sylvain Dansereau, Executive Vice President, RE/MAX Quebec. "In the midst of stock market turmoil, sold signs continue to appear on lawns across the country. With affordable lending rates and increased selection, first-time and move-up buyers with good credit may choose to play their investment strategy safe and purchase a home. The comfort of a tangible investment like real estate goes a long way in tough times."

RE/MAX is Canada's leading real estate organization with over 18,000 sales associates situated throughout its more than 670 independently owned and operated offices across the country. The RE/MAX franchise network, now in its 35th year, is a global real estate system operating in close to 70 countries. More than 7,000 independently owned offices engage more than 100,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral and asset management. For more information, visit: [www.remax.ca](http://www.remax.ca).

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Residential Unit Sales by Market 2004-2009								
Market	2004	2005	2006	2007	2008*	%	2009**	%
<b>British Columbia</b>								
Vancouver	37,972	42,222	36,479	38,978	26,000	-33	26,000	0
Victoria	7,685	7,970	7,500	8,403	6,500	-23	5,800	-11
Kelowna	5,153	6,070	5,459	6,192	3,900	-37	3,510	-10
<b>Alberta</b>								
Edmonton	17,652	18,634	21,984	20,427	18,900	-8	18,900	0
Calgary	26,511	31,569	33,027	32,176	22,500	-30	23,000	2
<b>Saskatchewan</b>								
Regina	2,785	2,730	2,953	3,957	3,450	-13	3,450	0
Saskatoon	2,999	3,246	3,430	4,446	3,600	-19	3,700	3
<b>Manitoba</b>								
Winnipeg***	11,447	12,087	12,304	13,079	12,900	-1	12,900	0
<b>Ontario</b>								
Hamilton-Burlington	13,176	13,565	13,059	13,866	12,200	-12	11,500	-6
Kitchener-Waterloo	5,931	6,147	6,115	7,031	6,600	-6	6,000	-9
London-St. Thomas	9,238	9,133	9,234	9,686	9,000	-7	9,000	0
Ottawa	13,158	13,099	13,783	14,579	13,900	-5	13,500	-3
Sudbury	2,180	2,477	2,519	2,632	2,400	-9	2,400	0
Toronto	83,501	84,145	83,084	93,193	79,000	-15	75,000	-5
Barrie and District	4,657	4,675	4,397	5,017	4,250	-15	4,250	0
St. Catharines	3,130	3,217	3,214	3,258	2,900	-11	2,900	0
Kingston	3,764	3,464	3,517	3,725	3,550	-5	3,550	0
<b>Quebec</b>								
Montreal	48,564	49,506	50,106	56,151	48,000	-14	43,000	-11
<b>New Brunswick</b>								
Saint John	1,612	1,901	1,852	2,253	2,250	0	2,200	-2
<b>Nova Scotia</b>								
Halifax-Dartmouth	5,516	6,698	6,462	7,261	6,500	-10	6,300	-3
<b>PEI</b>								
Charlottetown	1,500	1,449	1,492	1,769	1,450	-18	1,400	-4
<b>Newfoundland and Labrador</b>								
St. John's	3,203	3,211	3,537	4,471	4,950	11	4,700	-5
<b>NATIONAL</b>								
	460,790	483,789	484,027	520,747	440,000	-15	440,000	0
* Estimate **Forecast ***Total MLS								
Source: CREA, OMREB, TREB, WREB, Sudbury Real Estate Board, Ottawa Real Estate Board, RE/MAX								

Residential Average Price by Market 2004-2009								
Market	2004	2005	2006	2007	2008*	%	2009*	%
<b>British Columbia</b>								
Greater Vancouver	\$373,877	\$425,745	\$509,876	\$570,795	\$585,000	2	\$545,000	-7
Victoria	\$325,412	\$380,897	\$427,154	\$466,974	\$490,000	5	\$440,000	-10
Kelowna	\$287,351	\$330,378	\$349,751	\$411,095	\$420,000	2	\$378,000	-10
<b>Alberta</b>								
Edmonton	\$179,610	\$193,934	\$250,915	\$338,636	\$335,000	-1	\$335,000	0
Calgary	\$222,860	\$250,832	\$346,675	\$414,066	\$410,000	-1	\$410,000	0
<b>Saskatchewan</b>								
Regina	\$111,869	\$123,600	\$131,851	\$165,613	\$230,000	39	\$250,000	9
Saskatoon	\$132,549	\$144,787	\$160,577	\$232,754	\$289,000	24	\$296,000	2
<b>Manitoba</b>								
Winnipeg***	\$117,570	\$134,028	\$151,983	\$170,502	\$207,882	22	\$212,000	2
<b>Ontario</b>								
Hamilton-Burlington	\$215,922	\$229,753	\$248,754	\$268,857	\$279,600	4	\$268,000	-4
Kitchener-Waterloo	\$205,639	\$220,511	\$237,913	\$252,429	\$270,000	7	\$250,000	-7
London-St. Thomas	\$167,334	\$178,910	\$190,521	\$202,908	\$214,000	5	\$218,000	2
Ottawa	\$235,678	\$244,531	\$255,889	\$272,618	\$292,000	7	\$292,000	0
Sudbury	\$124,575	\$136,748	\$154,549	\$186,276	\$213,000	14	\$213,000	0
Greater Toronto	\$315,266	\$335,907	\$351,941	\$376,236	\$384,000	2	\$376,000	-2
Barrie and District	\$215,275	\$232,045	\$244,394	\$258,999	\$259,000	0	\$259,000	0
St. Catharines	\$184,503	\$196,928	\$213,032	\$217,841	\$223,000	2	\$223,000	0
Kingston	\$175,821	\$195,757	\$212,157	\$222,300	\$236,000	6	\$241,000	2
<b>Quebec</b>								
Montreal	\$188,289	\$203,720	\$215,659	\$229,902	\$258,000	12	\$262,000	2
<b>New Brunswick</b>								
Saint John	\$116,836	\$119,718	\$128,202	\$140,544	\$168,000	19.5	\$165,000	-1
<b>Nova Scotia</b>								
Halifax-Dartmouth	\$175,132	\$188,484	\$203,178	\$216,339	\$233,000	8	\$233,000	0
<b>PEI</b>								
Charlottetown	\$110,815	\$117,238	\$125,430	\$133,457	\$138,000	3	\$133,500	-3
<b>Newfoundland and Labrador</b>								
St. John's	\$132,993	\$141,167	\$139,542	\$149,258	\$180,000	21	\$202,000	12
<b>National</b>								
	\$226,337	\$249,201	\$276,883	\$307,265	\$300,000	-3	\$293,000	-2
*Estimate **Forecast ***Total MLS								
Source: CREA, OMREB, WREB, TREB, Sudbury Real Estate Board, Ottawa Real Estate Board, RE/MAX								