



The Canadian Real Estate Association News Release

CREA Updates Resale Housing Forecast **Ottawa, ON, September 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.

Since CREA's forecast published in June, the outlook for oil and other natural resource commodities has deteriorated. As a result, the economic and employment backdrop has dimmed for provinces whose prospects rely on their production.

However, the continuation of low interest rates and supportive demographics has resulted in stronger than expected home sales activity in British Columbia and Ontario. These two provinces account for approximately 60 per cent of Canadian housing activity, so stronger than expected trends in these provinces have contributed to an upward revision to CREA's forecast for national sales activity and average prices.

The national average price has run higher than expected since CREA's last forecast, in part reflecting a jump in the proportion of higher priced home sales this spring and early summer in B.C.'s Lower Mainland, in and around the Greater Toronto Area (GTA) and Calgary. This trend now appears to be receding, causing the national average price to follow suit.

However, recent trends in the MLS® Home Price Index (MLS® HPI) – which is not affected by changes in the mix of sales activity the way that average price is – suggest that prices are still accelerating across much of B.C., in and around the GTA and Montreal.

B.C. continues to see some of the strongest economic growth in the country, coupled with strong demographics. Home sales there have been drawing down inventories and boosting prices across the province.

In Alberta, home sales have gone from setting records in 2014 to running at or below their 10-year average, as uncertainty surrounding the outlook for oil prices and employment continues to sideline potential homebuyers.

In Ontario, the ongoing shortage of single family homes for sale in and around the GTA continues to drive very strong price gains. Record levels of activity in the province would likely be higher were it not for a shortage of low-rise homes coming onto the market.

In Saskatchewan, Manitoba, Quebec, and most of Eastern Canada, supply remains elevated. Home prices outside of B.C. and Ontario are forecast to keep pace with or lag inflation, as elevated supplies are drawn down by sales and return to better balance.

The forecast for national sales in 2015 has been revised slightly higher, reflecting stronger than anticipated activity in B.C. and Ontario. National sales are now projected to rise by 3.3

per cent to 495,800 units in 2015, marking the second strongest year on record for home sales in Canada.

Across the country, British Columbia is projected to post the largest annual increase in activity in 2015 (+18.1 per cent). Alberta, Saskatchewan, and Nova Scotia are expected to post the largest annual sales declines (-21.6 per cent, -12.0 per cent, and -12.1 per cent respectively). Activity in Manitoba is forecast to rise by 2.2 per cent this year.

Home sales in Ontario are projected to rise by 7.3 per cent in 2015, while sales in Quebec are forecast to rise 4.6 per cent compared to a sluggish 2014.

In Eastern Canada, where activity tends to be more volatile, sales in New Brunswick and Prince Edward Island have surprised on the high side in recent months, while sales in Nova Scotia have remained weaker than previously forecast.

Home sales in New Brunswick are now expected to post an annual increase of 5.1 per cent in 2015. Activity in Prince Edward Island is set to rebound by 14.9 per cent over 2014, when sales slowed to their lowest level in over a decade. Sales activity in Newfoundland and Labrador is projected to remain little changed (+0.5 per cent).

The forecast for national average home price growth has been revised up slightly to \$433,600 in 2015, representing an annual increase of 6.2 per cent. The upward revision reflects 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 the average home price rises faster (8.5 per cent) than the national average, while the rise in Ontario's average price (6.0 per cent) is forecast to be roughly in line with the national increase.

Average prices in 2015 among other provinces are projected to remain stable, with annual gains in Manitoba (+1.6 per cent), Quebec (+1.4 per cent), and Nova Scotia (+2.9 per cent) and declines in New Brunswick (-2.7 per cent), Prince Edward Island (-0.9 per cent) and Newfoundland and Labrador (-0.4 per cent).

In 2016, national sales are forecast to number 495,000, which is little changed compared to forecast sales for 2015. Activity gains in Quebec and some improvement in Prairie provinces are expected to offset a slight cooling for activity in B.C. and Ontario, where affordability for single family home buyers is anticipated to become strained.

Elsewhere, strengthening economic prospects are expected to translate into slow and steady sales gains among provinces where home sales have struggled while prices remained more affordable due to an elevated supply of listings. The exception is in Newfoundland and Labrador, where economic and demographic challenges are expected to persist in 2016.

The national average price is forecast to edge higher by two per cent to \$442,400 in 2016. Increases are forecast to be slightly larger but less than three per cent in British Columbia,

Saskatchewan, Manitoba, Ontario, New Brunswick, and Prince Edward Island, with gains in some provinces reflecting an expected rebound from levels in 2015.

Price growth in 2016 is forecast to be strongest in Ontario (+2.8 per cent) due to an ongoing supply shortage of listings for low rise homes in and around the Greater Toronto Area. Alberta and Quebec are forecast to see average home price growth of about 1.7 and 0.8 per cent respectively in 2016, while Nova Scotia and Newfoundland and Labrador are forecast to edge slightly lower.

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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 109,000 real estate Brokers/agents and salespeople working through more than 90 real estate Boards and Associations.

For more information, please contact:

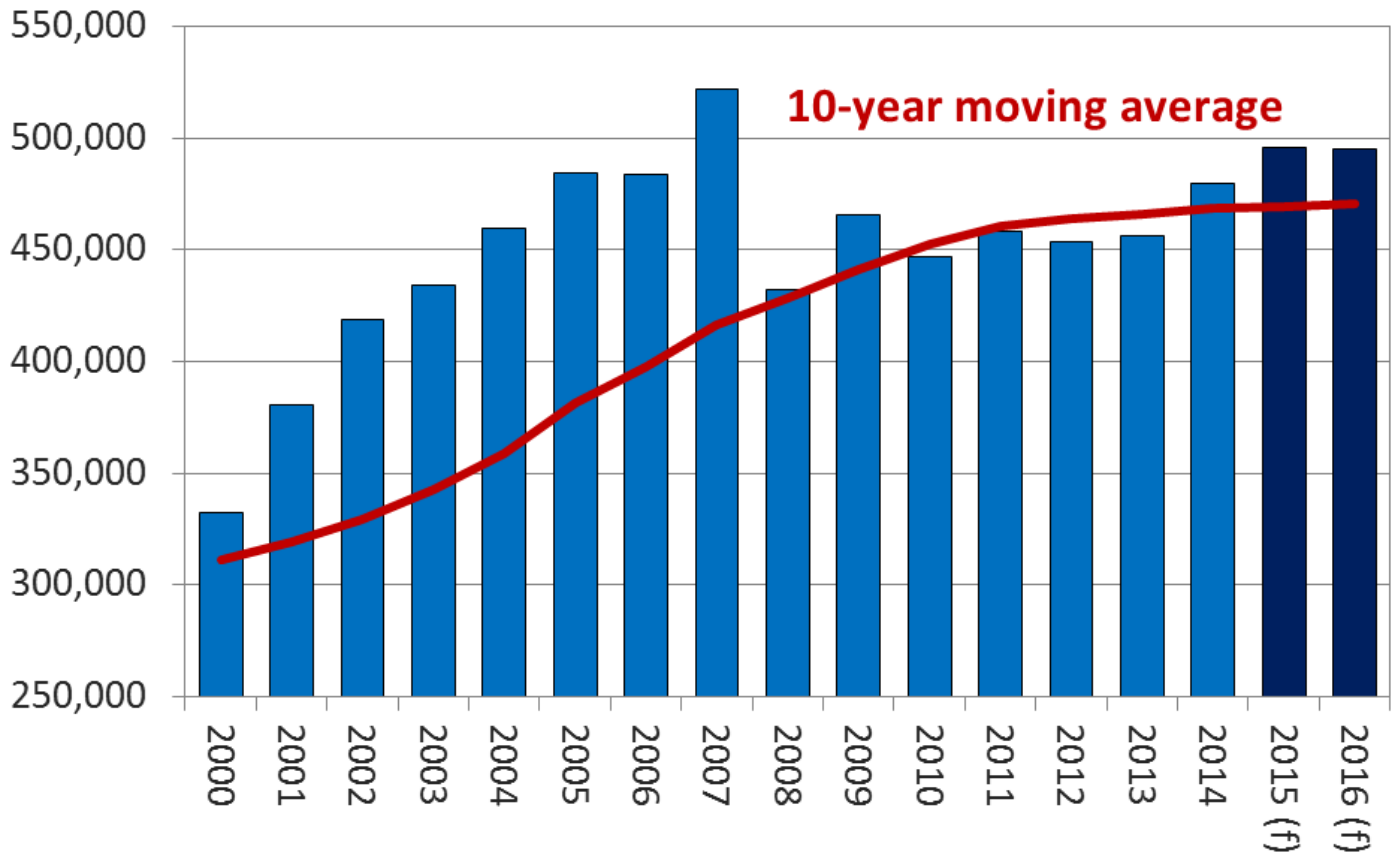
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Sales Activity Historical and Forecast



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	479,878	5.1	495,800	3.3	495,000	-0.2
British Columbia	84,049	15.2	99,300	18.1	97,600	-1.7
Alberta	71,773	8.6	56,300	-21.6	56,700	0.7
Saskatchewan	13,863	2.4	12,200	-12.0	12,400	1.6
Manitoba	13,782	0.3	14,080	2.2	14,160	0.6
Ontario	204,743	3.7	219,600	7.3	217,800	-0.8
Quebec	70,636	-0.8	73,850	4.6	75,700	2.5
New Brunswick	6,273	-0.1	6,590	5.1	6,840	3.8
Nova Scotia	8,821	-3.6	7,750	-12.1	7,730	-0.3
Prince Edward Island	1,380	-3.2	1,585	14.9	1,630	2.8
Newfoundland	4,100	-4.7	4,120	0.5	4,010	-2.7

Average price forecast	2014	2014 Annual percentage change	2015 Forecast	2015 Annual percentage change	2016 Forecast	2016 Annual percentage change
Canada	408,263	6.7	433,600	6.2	442,400	2.0
British Columbia	568,405	5.8	616,500	8.5	631,100	2.4
Alberta	400,590	5.2	391,500	-2.3	398,000	1.7
Saskatchewan	298,372	3.4	294,600	-1.3	301,500	2.3
Manitoba	266,329	2.1	270,600	1.6	277,000	2.4
Ontario	431,526	7.0	457,500	6.0	470,400	2.8
Quebec*	271,227	1.3	275,000	1.4	277,100	0.8
New Brunswick	161,803	-0.5	157,500	-2.7	161,000	2.2
Nova Scotia	215,279	-0.9	221,600	2.9	218,900	-1.2
Prince Edward Island	163,911	5.0	162,400	-0.9	166,100	2.3
Newfoundland	283,671	0.2	282,600	-0.4	280,500	-0.7

* 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>