



AFFORDABILITY REPORT 2007

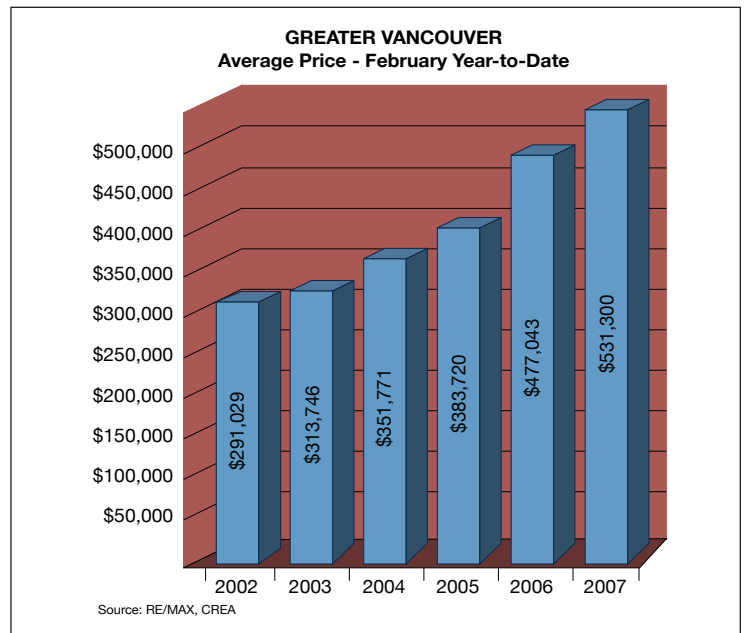
British Columbia

Greater Vancouver

Several years of double-digit price increases, compounded by very tight inventory levels, has resulted in declining affordability in Greater Vancouver. Only 700 listings are currently available under the average price in the city of over two million residents. In January, 16 per cent of all sales occurred under the average price. Competition is stiff and multiple offers are commonplace, particularly on the west side and in Vancouver East. Conditions ease slightly in the suburbs. Yet, in spite of the price escalation—or perhaps because of it—first-time buyers continue to enter the market en masse. Rather than being edged out, many first-time purchasers are simply getting more creative in their efforts to realize the dream of homeownership. While there are some buyers that are earning more, most find themselves digging into RRSPs, taking on larger mortgages, receiving funds from their parents, trading in equity (in the case of second-time purchasers) or opting for longer amortization periods. Others are combining two smaller homes and buying one larger property. Compromise is a common denominator for most entry-level buyers. The lion's share of first-time buyers are looking to apartment condominiums. The affordability factor is significant, given that a condominium can be purchased from as low \$162,000 (468 sq. ft.) in Vancouver East and \$300,000 downtown. As such, the core has seen a transition and is now as much a place for families as it is for young, urban singles and professionals. For those looking at detached homes, there are still some promising gems that can be found—and in very desirable areas. In Strathcona, a blue-chip neighbourhood near the city centre, a suite can be purchased in the low \$300,000s.



This is a considerable savings, given the average price for detached homes hovers around \$1.4 million on the West Side. The suburbs continue to offer the best bang for the buck. Abbotsford, Maple Ridge, and Mission are popular alternatives, offering detached homes with more square footage and larger lot sizes, starting at \$300,000. Buyers have tuned in quickly to the housing opportunities that exist. Sales have grown exponentially in these areas in recent years and prices continue to rise given demand. For those unwilling to make the one-hour commute, closer alternatives such as Burnaby, Surrey, and Port Coquitlam offer homes priced from \$400,000. In Vancouver East, detached homes typically start at \$500,000. Bargains are rare. Lowest-priced sales year-to-date include a detached ranch home in Maple Ridge that recently sold for \$265,000, and a condominium in Maillardville that was snapped up for \$94,000. Conditions are expected to remain tight heading into the traditional Spring market. Overall, the trend has been that people are settling for more modest homes closer to the city centre, whenever possible. Smaller condominiums are, by far, the favoured product. Move-up buyers are also choosing



to upsize their condominiums while others are looking to bungalows. The city is shifting to higher-density living, with a mix of residential condominium and retail space planned for the future. Buyers have responded well, with condominiums now accounting for 44 per cent of total residential sales.

Victoria

Despite upward pressure on pricing and moderately tight, but rebounding, inventory levels, first-time buyers are extremely active in Victoria's residential housing market. Affordability has eroded slightly year-over-year, yet buyers remain undaunted.



Most purchasers are willing to compromise on product or location or undertake other creative means to realize homeownership. Some are taking advantage of longer amortization periods or 100 per cent financing, while others look to alternative forms of housing. Homes with legal in-law suites have also become sought after, as lenders will now recognize these units when calculating the debt-service ratio. Popular choices among those looking for affordable options include condominiums, town homes, half-duplex or a single-family home in a small-lot subdivision. The western communities currently provide purchasers with greater value for the dollar, mainly because of availability and lower land costs outside of the city. Langford and Colwood are drawing the lion's share of entry-level purchasers. A 950 sq. ft. condominium, for example, can be purchased new from \$265,000. Yet, the suburbs remain a lifestyle choice, and given the commute, people appear willing to make concessions to remain in the core. James Bay and Fairfield, closer to the centre of the city and on the peripheral of hot pockets, have experienced an upswing in activity in light of rising prices. Redevelopment in these areas, in the form of infill, is providing more affordable housing options in demand neighbourhoods. Condos start at \$350,000, while a single-family home on a smaller lot can be purchased from \$450,000. A great deal of revitalization has also presented some opportunity in the core. Once stagnant, the area has seen considerable momentum in the past four to five years in tandem with urban renewal. Conversions are becoming more commonplace, bringing more affordable product onto the market. One such development is "The Hudson," the conversion of the old Hudson's Bay Building and its adjacent parking lot into three large condominium towers with



retail space below. Inventory levels are starting to improve, but remain a challenge for those entering the market in Victoria. Despite an average price approaching \$470,000, starting prices remain quite attainable. Condominiums start from \$189,000 in the western communities and the downtown core, while an urban, entry-level, single-family home can be purchased as low as \$289,000. A suburban starter home will offer a little more land from \$300,000. Nearly a quarter of all single-family homes sold in January for under \$375,000 and 49 per cent of condominiums sold for under \$250,000. The lowest-priced sales (end of January) include a condominium in an older building for \$179,900 in Saanich West and a 615 sq. ft., 1930s bungalow in Esquimalt for \$215,000. Development continues unabated in Victoria, with the future focused on multi-unit residential. A large number of projects offering entry-level components are on the drawing board—this should bode well for first-time buyers, potentially bringing more product onstream in the years ahead.

Kelowna

Higher housing values in Kelowna are prompting many first-time buyers to alter their expectations when it comes to homeownership. Many are purchasing smaller homes or those that require renovation, but have great potential. The trend toward those willing

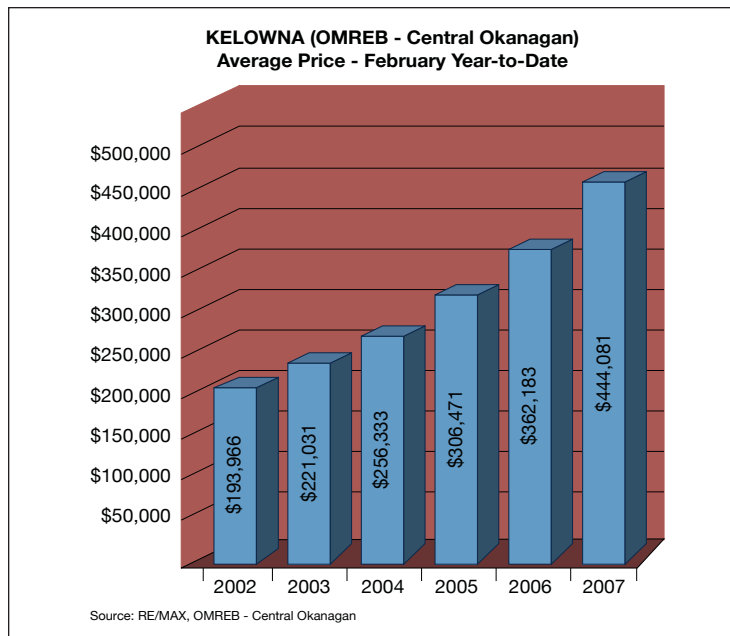


to invest a little “sweat equity” is particularly evident in the popular entry-level neighbourhoods of Glenrosa and Rutland. These areas tend to offer the greatest value for the dollar, but homes are generally older and in need of refurbishment. Longer amortization periods have allowed some purchasers to buy more house for the same monthly payment or newer product/better location. A growing number of buyers look to condominiums or town homes as an affordable alternative while some are seeking homes with in-law suites to offset carrying costs. Regardless of choice, it remains a fact that a growing number of purchasers have to make concessions to get their foot in the door. Springfield/Spall and North Glenmore also offer entry-level housing, with the latter boasting newer homes priced from the high \$300,000s to the low \$400,000s.

renovate. Condominiums now start from \$140,000. An urban starter home can be purchased from \$260,000. The entry-point in the suburbs is lower—at approximately \$230,000, but the age and location of the home may be less attractive to potential purchasers. To date, the lowest priced sales in Kelowna were a condominium apartment at \$120,000 and a single-detached home at \$262,000—both located on Richter Street. Currently, less than 150 active listings for single-family homes are available under \$400,000 in Kelowna and the surrounding area.

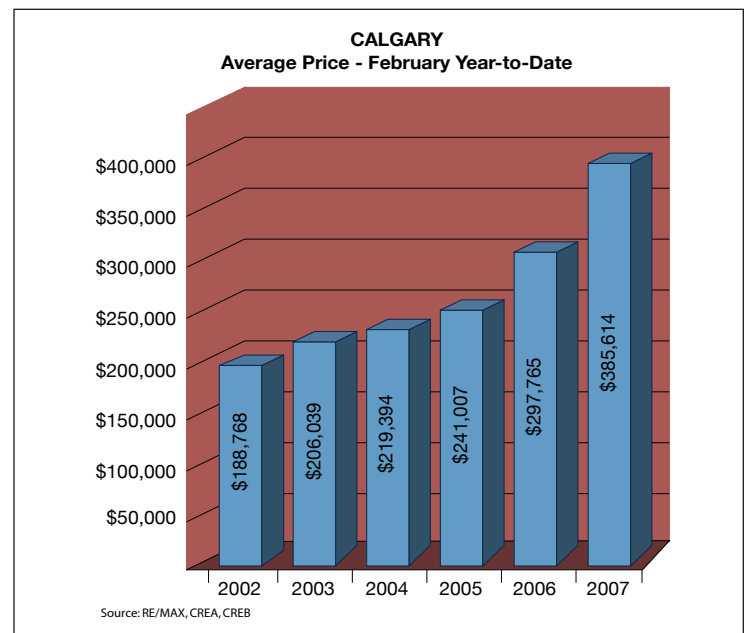
Alberta

Calgary



Rising prices year-over-year have promoted growing demand in a number of more affordable pockets throughout the city. Condominiums in the downtown core are sought after by first-time buyers. Up-and-coming areas include Kelowna’s north end and the area around the Hospital, which is slated to undergo significant change in the next few years. Renovation and infill is a serious factor in these neighbourhoods due primarily to favourable land prices. The resulting community will be “funky” and desirable, reminiscent of the popular Vancouver pocket of Kitsilano. The ability to move quickly is a necessity in Kelowna’s heated market, as well-priced homes can move within a matter of days, with an increasing number of those sales in multiple offer situations. Despite an average price approaching \$445,000, first-time purchasers can still get quality homes in older areas for very attainable prices, especially if they are willing to

In spite of higher housing values, economic prosperity continues to propel home-buying activity through-out Calgary. Year-to-date average price for residential properties combined hovers at \$385,614, up 29 per cent from one year ago. Low inventory levels have had a serious impact on the marketplace, placing strong upward pressure on prices. Multiple offers are commonplace, with approximately 3,500 listings available for a city with a population of more than one million. Both single-detached and condominium apartment and town homes are experiencing solid demand, with no hold back from first-time purchasers. Many fear further price escalation in coming months and

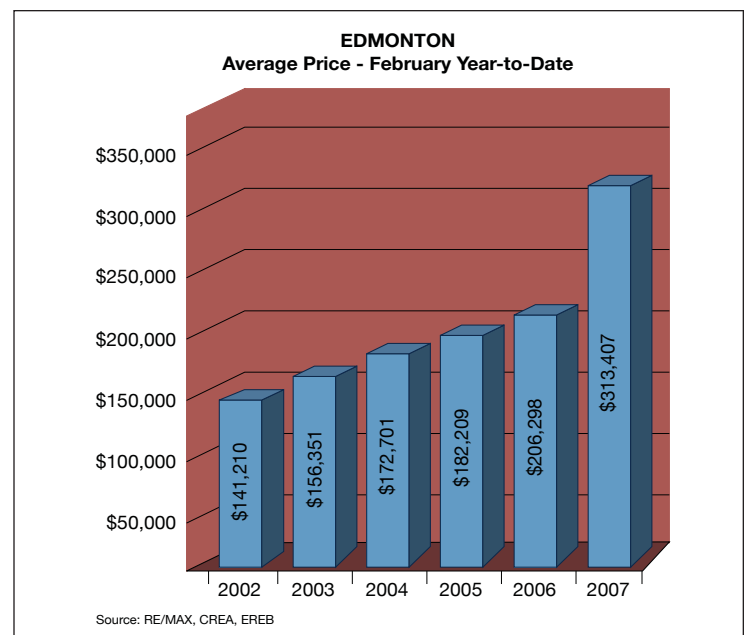


are scrambling to realize homeownership. Condominium sales in the downtown core are exploding as a result. Conversions of inner city rental apartments are a recent phenomenon, offering the most affordable “renovated and well-located” product priced from \$250,000 to \$350,000. Purchasers are willing to sacrifice new construction and amenities for the affordably-priced older units. First-time buyers, the impetus behind the current construction boom, also favour new homes on Calgary’s peripheral. Although communities such as Okotoks and Airdrie may offer the rare exception to the rule, very few single-detached homes are available under the \$400,000 price point. The best bang for the buck continues to be the 50 ft. lot in the inner city. Purchasers are buying into established areas in the hopes of demolishing the existing structure and building a new custom home in the future. South Calgary, Altadore, and Killarney have all seen a surge in demand for “infill” housing – 50 ft. infill lots are now priced between \$500,000 and \$600,000. Revitalization is also underway in the northeast end of the city where a 1,100 -1,500 sq. ft. home will cost from \$300,000-\$400,000. In total, less than one per cent (12) single-detached homes have sold under the \$200,000 price point in the city year-to-date; approximately 10 per cent (364) have sold between \$200,000 and \$300,000. The bulk of single-detached sales—28 per cent—occur in the \$400,000 to \$500,000 price range. The least expensive condominium, with 355 sq. ft. of living space, recently sold for \$85,000 in Pine Ridge. Close to six per cent (100) of condominium sales have occurred under the \$200,000 benchmark. The vast majority of condominiums sold in the city year-to-date—75 per cent—were priced between \$200,000 to \$350,000.

and low interest rates have served to offset the impact of higher house prices. The province’s bright economic outlook is reflected in consumer confidence levels. Most purchasers are confident in their decision to purchase a home, yet few have thrown caution to the wind. The vast majority have saved enough for a down payment. That, combined with mortgage products offering longer amortization periods, are allowing purchasers to realize homeownership sooner rather than later. Condominium conversions have proved to be the easiest entry-point into Edmonton’s real estate market. These lower-priced units, with modest upgrades, have soared in popularity. Easy access to the downtown core is more often than not their strongest selling feature and these types of properties generally experience multiple offers. The lowest condominium sale in January was a conversion priced at \$112,900 and sold at \$113,000. The 581 sq. ft. unit was situated in a building constructed in 1969. Condominiums represent approximately 35 per cent of total residential sales. Single-detached homes are typically more expensive, starting at \$350,000 in the inner city. First-time buyers willing to invest a little sweat equity may want to look to areas such as Ottewell for single-family homes and infill properties. Less expensive properties can be found along Alberta Ave. —the eight blocks between 96th and 114th—where a single-detached home, approximately 900 sq. ft., typically starts at \$170,000. Suburban starter homes in communities like St. Albert start at \$300,000 while an older property in Morinville, just 15 minutes north of St. Albert, can sometimes be picked up for as little as \$190,000. Inexpensive properties, however, are few and far between. Higher housing values have prompted a trend toward joint tenancy—whereby two or three unrelated people join forces to buy a home. With no price relief in sight, this trend is expected to gain momentum in years to come.

Edmonton

First-time buyers in Edmonton’s red-hot real estate market have yet to be deterred by rising housing values. In the first two months of the year, residential home sales soared to just over 3,400 units, up 23 per cent over 2006 levels. Despite an increase in the number of homes listed for sale, the sales-to-listings ratio remains tight at 81 per cent. Prices have also climbed in tandem, with single-detached homes posting a 50 per cent gain year-over-year to \$375,412 and condominiums rising 68.3 per cent to \$247,266. Affordability has eroded in recent years, but a strong economy



Saskatchewan

Regina

First-time buyers are the driving force behind rising homeownership levels in Regina. Affordability is a major factor, as more and more people realize that the cost of carrying a home is comparable to rental rates in many instances. Despite extremely tight inventory levels, properties can be found to accommodate almost any price point. Compromise is a necessity for many in recent months, and the trend among first-time buyers is a tendency to start out conservatively. Most are seeking homes priced from a modest \$110,000 up to \$180,000 in safe, family areas. Cathedral is extremely sought-after following some dramatic revitalization several years ago. The next up-and-coming pocket expected to experience a similar transformation is Regina's General Hospital area. The neighbourhood is older, offering 1,300 sq. ft., two-storey character homes situated on 30 ft. lots. Prices, starting at a very affordable \$95,000, are already on the rise. After renovations, these homes can sell for as much as \$130,000 to \$150,000. Other affordable options include smaller, gingerbread-style homes requiring work in places like Broders Annex and Arnheim Place, priced from \$120,000. An apartment-style condominium in an older building can provide good value for the dollar starting at \$85,000 to \$90,000 for a two-bedroom.



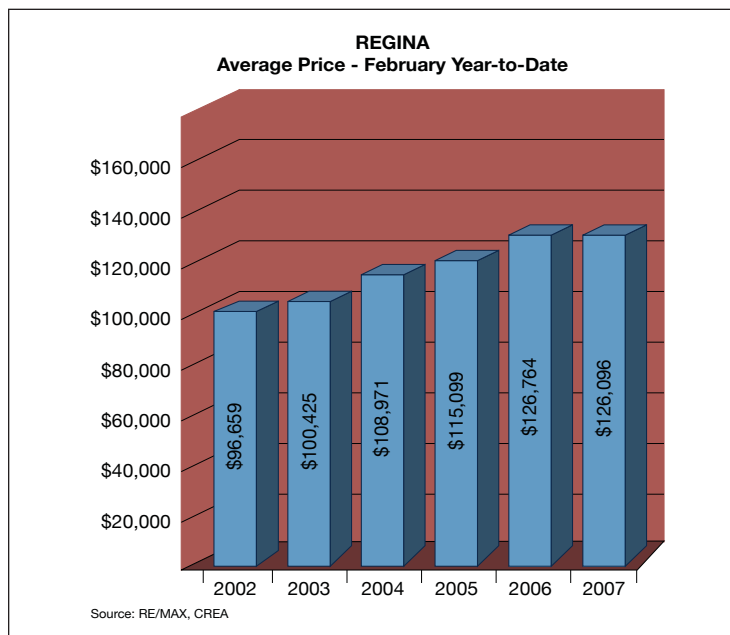
A unit in a newer building offering one bedroom or one bedroom and a den sells from \$120,000. All the rage with entry-level buyers at present is town homes in neighbourhoods such as Lakeridge and Riverbend. This product tends to be newer construction and is priced from \$150,000 to \$180,000 for 1,200 sq. ft. The typical urban starter home in an established area now sells from \$125,000. For move-up purchasers, affordability exists even in some of the city's priciest enclaves. Wascana View, for example, with prices generally ranging from \$400,000, also offers two-storey, split-level homes from \$350,000. While many options exist across the city, the current challenge for homebuyers in all price ranges is inventory. Multiple offers are becoming increasingly common, and this is expected to continue into the Spring market.

Saskatoon

Affordable homeownership alternatives exist in virtually all areas of Saskatoon. Rising prices over the past several years have yet to influence buyer intentions, particularly in the entry-level segment, as purchasers continue to enter the market en masse.



With average price hovering near \$190,000 and interest rates still historically low, ownership continues to climb. Those willing to compromise—choosing slightly smaller or older product in the east or west ends of the city—can find homes priced from \$110,000 to \$140,000. The core offers the most affordably-priced product on average and is just now starting to undergo revitalization. Bungalows ranging in size from 900 to 1,000 sq. ft. with detached garages and finished basements cost between \$100,000-\$120,000—arguably the best bang for the buck. Saskatoon's west end is also growing in popularity. The older neighbourhoods in the west have been called “up-and-coming,” offering entry-level product from \$110,000. More established pockets in the west end offer starter homes in the \$120,000 to \$160,000 range. Properties can be found under the \$100,000 price point, but are generally located in less sought-after areas and require renovations. Those who can afford to ante up a little extra are seeking more established communities in the east and north ends of the city, close to shopping, restaurants, and downtown. An entry-level bungalow in these areas is still relatively affordable, priced from \$180,000 to \$210,000. Demand for areas on the peripheral of hot pocket neighbourhoods have surged in recent years.



Manitoba

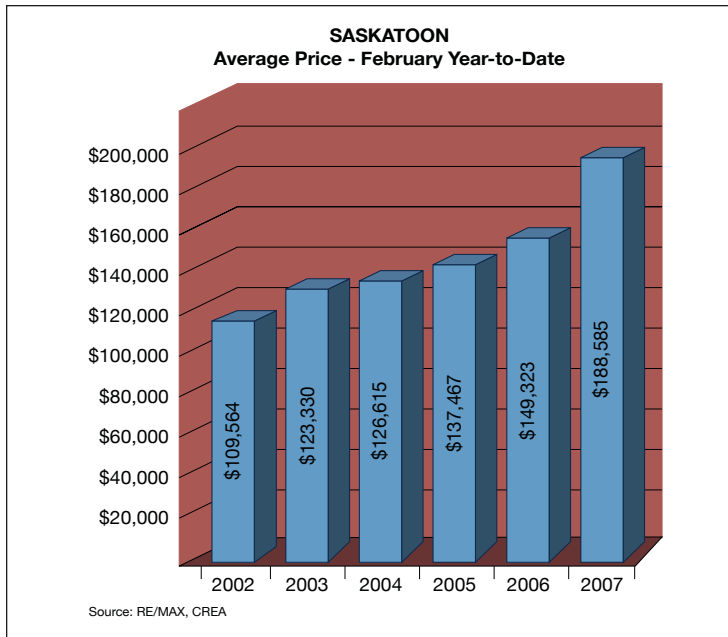
Winnipeg

Move-up buyers in Saskatoon can still get into blue chip neighbourhoods from \$200,000—in areas where prices reach as high as \$500,000. Prices are on the upswing across the board, although increases have been most pronounced for product under the average price. Many listings are already moving at \$30,000 to \$40,000 more than comparables sold in December. Multiple offers are very common and the sales-to-listings ratio now hovers near 85 per cent, but reaches

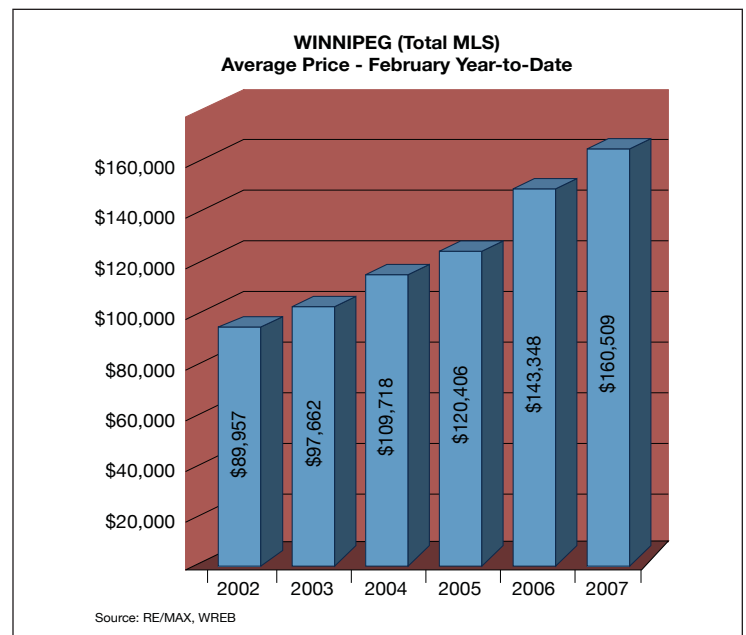
Winnipeg remains one of the most affordable real estate markets in the country. In January, nearly 56 per cent of homes sold under average price, while 34 per cent of sales occurred under the \$100,000 price point.



First-time buyers continue to enter the market unabated, with a good portion buying homes priced above entry-level—from \$150,000 to \$200,000. While Winnipeg is one of only a handful of markets across the country where compromise is not a factor, buyers still face a significant challenge in the form of extremely tight inventory levels. The sales-to-listings ratio hovers near 80 per cent and multiple offers are common place, occurring on more than 50 per cent of listings priced between \$100,000 and \$150,000. Homes from \$150,000 to \$200,000 are also experiencing bidding wars, and it is not unusual for sales to occur above the asking price. Given the increasing pressure on the market, prices are rising in response. Despite this, purchasers can still buy into some of the most sought-after areas for very reasonable prices. For example, in Whyte Ridge—one of the hottest enclaves of the city, a 1,400 sq. ft. home was offered at \$229,000. Neighbourhoods on the periphery such as Transcona and St. Norbert offer purchasers the best value for the dollar, with larger square footage homes and



90 per cent in the hot pockets. Town homes and condominium conversions are the hottest products on the market at present, often prompting bidding wars. Demand is driving prices upward for condominium conversions in particular. In December, a one-bedroom unit sold for \$73,500. Today, a similar unit is \$104,000. A renovated two-bedroom unit with in-suite laundry on the east side now sells from \$120,000 to \$140,000, but could have been snapped up from \$80,000 to \$100,000 a few short months ago. Units that have not undergone renovation can be purchased from \$115,000. Nearly 60 per cent of all sales have occurred under average price year-to-date. Of those sales, nearly one-third are under \$100,000, slightly more than a third occur from \$100,000 to \$150,000, while the remaining third sell at \$150,000 to \$200,000. Popular entry-level neighbourhoods include: Westmount, Mount Royal, Pacific Heights, East or West College Park, Nutana, Holliston, North Park, and Richmond Heights.



MONTHLY CARRYING COSTS BY MARKET*			
Market	Year-to-Date**	Monthly Mortgage Payment	Monthly Mortgage Payment
	Average Price	25-Year Amortization	35-Year Amortization
Greater Vancouver	\$531,300	\$2,669	\$2,384
Victoria	\$467,689	\$2,350	\$2,098
Kelowna***	\$444,081	\$2,231	\$1,992
Calgary	\$385,536	\$1,937	\$1,730
Edmonton	\$313,407	\$1,574	\$1,406
Saskatoon	\$188,585	\$947	\$846
Regina	\$126,096	\$633	\$566
Winnipeg****	\$160,509	\$806	\$720
Ottawa	\$263,215	\$1,322	\$1,181
Greater Toronto	\$362,003	\$1,819	\$1,624
Hamilton-Burlington	\$265,513	\$1,334	\$1,191
Kitchener-Waterloo	\$243,109	\$1,221	\$1,091
Halifax-Dartmouth	\$205,891	\$1,034	\$924

*Note: Based on a 25 per cent downpayment and a five-year closed mortgage rate of 6.5 per cent
February 2007 **Total MLS Average Price
Source: CREA, OMREB (Central Okanagan)***, CREB, EREB, WREB, TREB, RE/MAX, VREB

50 x 100 ft. lots priced between \$120,000 and \$130,000. Purchasers looking for more modest starter product are choosing areas such as the eastern part of St. James, where smaller, older homes with partial basements can be bought from \$55,000. The core of the city has experienced an upswing in activity due to ongoing revitalization in the form of infill (small modest homes) and the refurbishment of older homes. It has now become a place where families are looking locate—a trend that was not so common several years ago. Although condo fever has yet to reach Winnipeg, this type of product has experienced slow, but growing interest among buyers. Condominiums tend to be newer than some of the city’s housing stock, and therefore starting prices tend to be slightly higher for a typical unit—priced from \$79,900. Condominiums are popular near the university, but are slightly more expensive due to demand, starting at \$100,000. In the core, older homes can be priced as low as \$29,900, and get pricier radiating outward. A bungalow with a two-car garage in St. Boniface, for example, will cost \$81,500, while a similar home in St. Vital is priced at \$98,700. The suburbs, which boast somewhat newer product on 50 ft. lots in areas like Fort Gary and East Kildonan are typically priced from \$100,000, though less expensive homes are available, depending on inventory. The lowest-priced sale in Winnipeg (as of the end of January) was a small bungalow in the core that sold for \$24,000. When it came to condominiums, the core also proved a bargain, with a 500 sq. ft. bachelor changing hands for \$30,000 last month.

Ontario

Kitchener - Waterloo

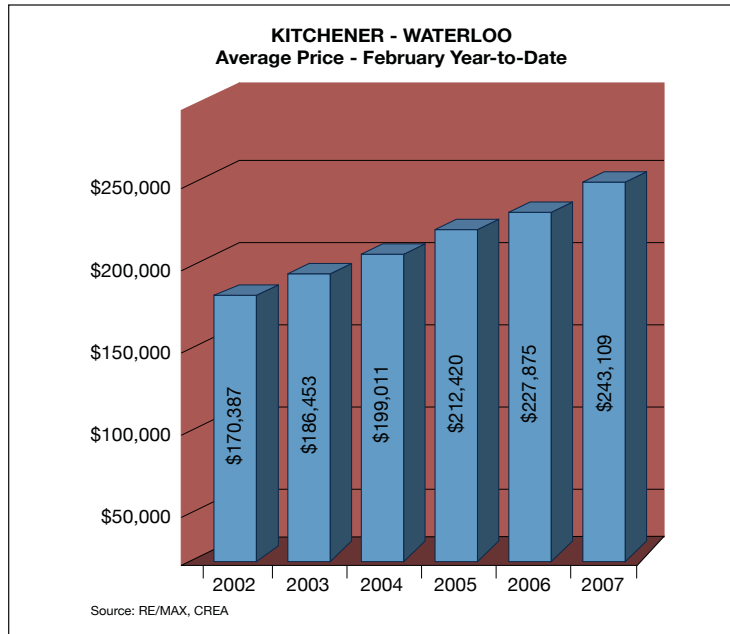
Low interest rates and a solid economic outlook continue to prompt first-time buyers to enter the residential housing market en masse in Kitchener-Waterloo and the surrounding areas. A good selection of affordable product exists, with single-detached homes



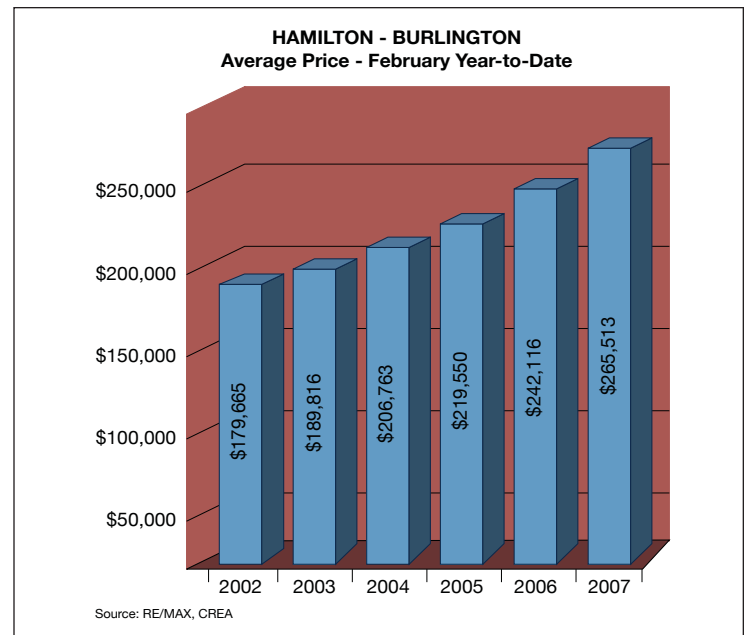
\$219,900

starting as low as \$225,000 and semi-detached housing ranging in price from \$180,000 to \$225,000. Condominiums are also available, typically priced from the low \$100,000s to as high as \$400,000, but most first-time buyers tend to prefer freehold living. The Kitchener area continues to offer the most affordable housing product, followed by Cambridge, Waterloo and Guelph. Revitalization has been a major factor in Cambridge in recent years, with the university campus bringing new energy to the downtown core. Spillover has been noted in residential housing, as purchasers look to be close to trendy shops and restaurants in the area. Resale listings are on par with last year’s healthy levels, with the exception of homes priced between \$350,000 and \$400,000. Balanced market conditions exist overall, providing an ideal environment for first-time buyers. There are 500 homes currently listed for sale between \$150,000 and \$250,000.

Only 200 homes are listed for sale in the most popular price category—\$250,000 - \$350,000. Twenty-eight per cent of sales have occurred in that price range so far this year. To date, the lowest priced condominium sold for approximately \$90,000 while the least expensive single-detached home sold for approximately \$185,000.



the area while a condominium can be purchased for as little as \$147,000. In downtown Hamilton, the starting price of a condominium is approximately \$45,000, whereas a single-detached home can sell for as low as \$70,000. Offering the best bang for the buck is South Central Hamilton, where a single-detached bungalow on a 40x100 foot lot can be purchased for \$180,000. In general, the Glanbrook area (East and South of Hamilton) has seen an upswing in activity due to new developments and resales—a single-family home can be purchased from \$250,000 and up. The northwest part of Hamilton, adjacent to the Hamilton Bay, has experienced revitalization. A three-bedroom house in Hamilton Centre has an average price of \$117,000, whereas the same type of home in Hamilton West has an average price of \$162,000. The lowest-priced sales year-to-date include a single-detached, two-bedroom home in Central Hamilton for \$73,000 and a one-bedroom condominium in east Hamilton for \$31,500.



Hamilton - Burlington

Affordability continues to be a major draw for purchasers in the Hamilton-Burlington area. Approximately 30 per cent of sales occurred below the average price of \$265,000 year-to-date. Average price has increased 12 per cent over last year. Inventory levels



\$227,900

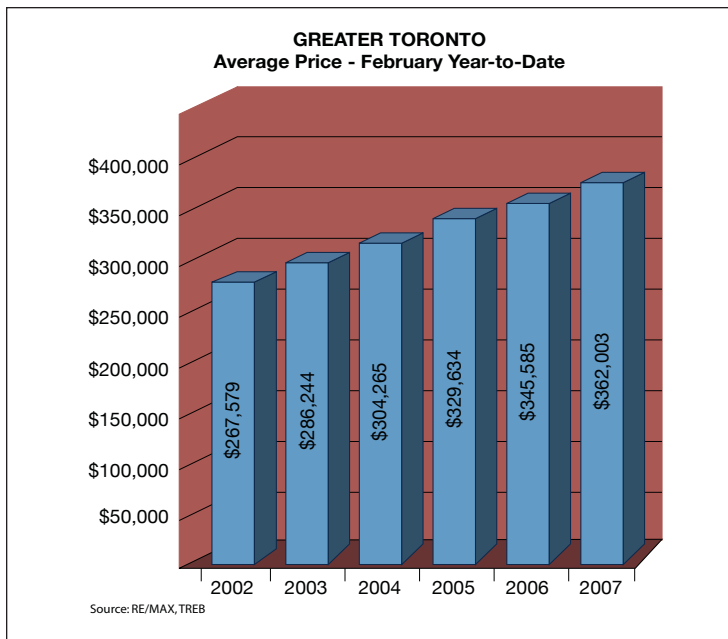
are ample, although there is a shortage of listings around the \$250,000 price point. Of the close to 3,100 homes currently listed for sale, just over 1,000 are listed below the average price. Affordably-priced product, especially in the Hamilton Mountain area, tends to generate multiple offers. Buyers include first-time, move-up, investors and those choosing to reside in the Hamilton-Burlington area and commute to Toronto. The most active price range for single-detached homes and condominiums below the average price is between \$200,000 and \$210,000. The Hamilton Mountain, outside the downtown core, is most sought-after by first-time buyers. The starting price of a single-family home is \$172,000 in

Greater Toronto

While purchasers have mulled over conflicting U.S. housing stats, the residential real estate market in the Greater Toronto Area has quietly gained momentum. Average price has crept up to \$368,000, while sales have climbed five per cent ahead of last year's near-record pace at close to 12,000 units year-to-date.



\$358,000



New listings are down eight per cent from one year ago. Demand for single and semi-detached homes, as well as condominium apartments and town homes, continues to be strong. Limited inventory levels are causing bidding wars in neighbourhoods across the board. To illustrate, a single-detached home listed at \$339,000 in Don Mills was recently sold in a multiple offer situation for over \$420,000 (with an unprecedented 35 offers). Spring is shaping up to be every bit as busy as in previous years, with record sales and prices predicted in coming months. First-time buyers are bracing for another heated market, and as such, are prepared to up the ante in order to achieve homeownership this year. Some buyers are turning to new mortgage products offering longer amortization periods. Others are approaching their parents for help with a down payment. Many are altering their expectations, settling for smaller homes or condominiums as a compromise. Perhaps the least expensive road to homeownership is the co-op condominium apartment, priced from as low as \$60,000. Rental conversions are the next step, with some located in blue chip areas starting as low as \$150,000, with condominium fees of \$300 plus. Condominium apartments and town homes represent approximately 30 per cent of all residential sales on the Toronto Real Estate Board. Newer condominium product is available in the downtown core, with a bachelor starting as low as \$150,000 - \$160,000. Apartment units in the coveted Yorkville area start at \$220,000 in high-rise condominiums like the Lotus. Single-detached homes typically start at \$350,000 in downtown neighbourhoods like Dovercourt Village, although the odd property does come up for under \$200,000. For example, the lowest priced home currently listed for sale is located in the

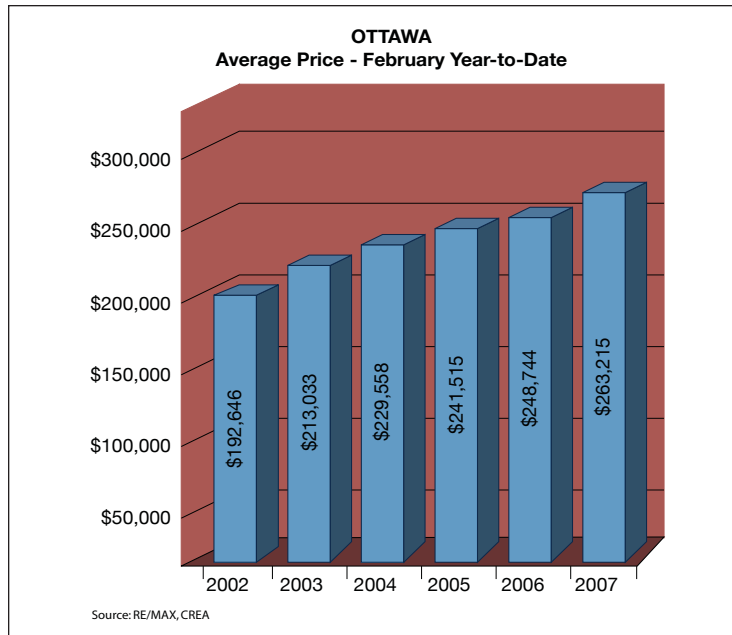
Eglinton/Weston Rd. area (W03) for \$169,000—the 700 ft., four-room bungalow, situated on a 20 x 93 ft. irregular lot, requires some TLC. The Junction and Parkdale in the west end and Leslieville, East York, Don Mills, and the Scarborough Bluffs in the east end of the city also offer up some affordable starter homes. For those willing to look to suburban communities, entry-level properties including town homes, semi, and single-detached housing can be found in Ajax, Whitby, Brampton, and Mississauga at reasonable price points. Approximately 14 per cent of sales (941) in February occurred under \$200,000—the vast majority of which were condominium apartments and townhomes (714). Just 227 single and semi-detached homes sold for less than \$200,000. The lowest-priced condominium sale occurred in Emery/Elia/Humber Summit for \$49,000, while the least expensive freehold detached home sold for \$125,000 in Riverdale/Leslieville.

Ottawa

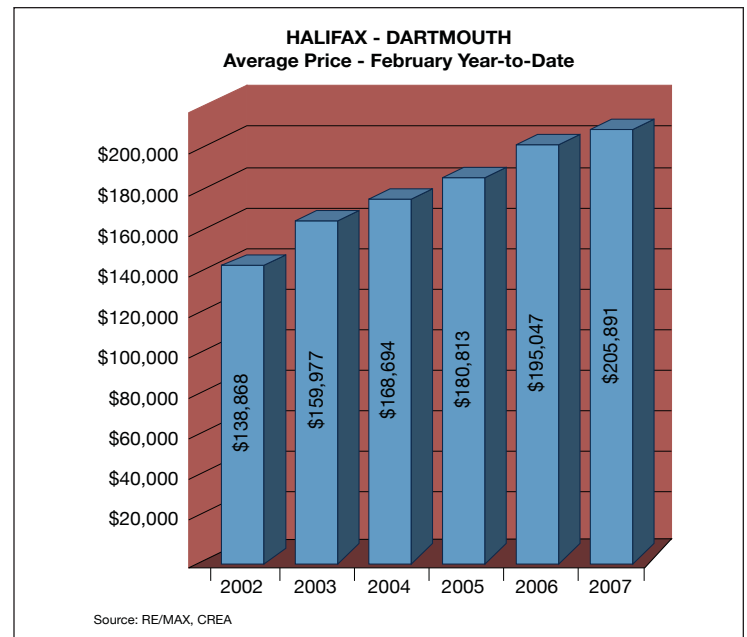
First-time buyers continue to be the dominant force in Ottawa's real estate market. Despite an average price now approaching \$265,000, homeownership is a reasonable expectation. In January, 442 homes sold below the average price, accounting for 58 per cent of residential sales, compared to 384 sales (58 per cent) below the average price in January 2006. Both the downtown core and suburbs offer affordable homes. In the city, popular areas include Hintonburg, Vanier and Castle Heights. The starting price for a 600 sq. ft. condominium in the city is now \$130,000, while 1,100 sq. ft. town houses and semi-detached homes are available for as low as \$180,000. The least expensive sale to date (end of January) is a one-bedroom condominium in Beacon Hill for \$90,000 and single-detached home in Vanier for \$155,000. Affordable housing in "blue-chip neighbourhoods," such as Golden Triangle, Glebe and Westboro, tend to be freehold town homes or row houses in need of renovation. Revitalization is underway in older areas such as Hintonburg and Mechanicsville, where prices for single and semi-detached homes are still within acceptable limits. Outlying communities, just a 20-minute drive outside of the city, continue to provide the best value for the dollar. Kanata, Barrhaven, Stittsville and Orleans are popular suburban neighbourhoods offering 1,100 sq. ft. condominium town homes from \$135,000,



as well as detached and semi-detached homes with a starting price from \$200,000. In total, freeholds accounted for the majority of sales below the average price at 60 per cent, while condominiums represented 40 per cent. About sixteen per cent of freeholds sold under the \$200,000 price point in January while almost 40 per cent sold between \$200,000 and \$230,000. Approximately 48 per cent of freehold sales were priced between \$230,000 - \$260,000. The majority of condominium apartments and town homes sell below the average price. The \$125,000 - \$150,000 price point was most popular, with 26 per cent of sales. Twenty-two per cent of sales occurred between \$150,000 and \$175,000 and 13 per cent sold between \$175,000 and \$200,000. Inventory levels are stable with an ample supply of affordable housing currently available for sale. Low interest rates, a solid employment outlook and favourable affordability levels buoyed residential real estate activity in Ottawa in 2006 and that trend is expected to continue in 2007.



with more than 2,700 units listed for sale, 750 of which are priced below the market average. Although bidding wars are uncommon, properties priced at fair market value tend to sell fast. The starting price for a 1,000 sq. ft., two-bedroom condominium apartment in Mainland Halifax is close to \$145,000, while a 1,250 sq. ft., three-bedroom, older home in downtown Dartmouth will cost \$190,000. Rising prices in “blue-chip neighbourhoods” such as Peninsula Halifax and Bedford/Kingswood have prompted entry-level buyers to purchase homes in the nearby suburbs of Timberlea, Eastern Passage, Forest Hills and Lower Sackville.



Starting price for a semi-detached home or bungalow ranges from \$125,000 to \$150,000 in these areas. Those purchasers looking for other alternatives in the city are turning towards older, non-revitalized areas in the downtown core in need of refurbishment. While communities within Halifax-Dartmouth are most sought-after, the suburbs are also quite popular. Located just 30 minutes outside of the city, areas like Infield and Beaver Bank offer first-time buyers reasonably-priced homes situated on larger lot sizes. The starting price for a new 1,400 sq. ft., three bedroom, semi-detached home in these areas is \$125,000. To date, the lowest-priced sale (end of January) is a 581 sq. ft. condominium in Central Dartmouth for \$83,500 and an 880 sq. ft., three-bedroom, single-detached home in the downtown core for \$93,000. The most active price range for freehold and semi-detached houses, with 31 per cent of sales, is between \$175,000 and \$205,000. Thirty-eight per cent of condominium apartments and town home sales occur between \$175,000 and \$205,000.

Nova Scotia

Halifax - Dartmouth

First-time buyers continue to be the driving force behind the residential housing market in Halifax-Dartmouth. Approximately 63 per cent of sales occurred under the city's average price of \$205,891. Inventory levels are stable



RE/MAX® AFFORDABILITY REPORT 2007

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