

RE/MAX

Upper End

MARKET TRENDS 2006



British Columbia

GREATER VANCOUVER

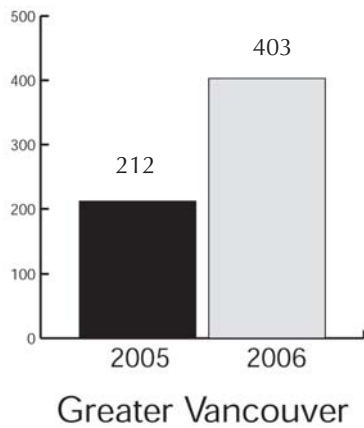
Most expensive home sold on MLS (2006) -- \$10,880,000

Most expensive home currently listed for sale on MLS -- \$20,880,000

Strong economic performance is fuelling sales of luxury homes priced in excess of \$1.5 million in the Greater Vancouver Area. The number of homes sold in the upper end has climbed 90 per cent to 403 units year-to-date (January to May 2006), up from 212 one year earlier. Demand from local purchasers is a major factor in the marketplace, despite solid interest from out-of-province and international buyers. Days on market hover at 75, although properties that are well priced will sell in less time, often in multiple



*RESIDENTIAL UNIT SALES OVER \$1.5 MILLION



* Based on local board MLS statistics (January – May), RE/MAX

offer situations. While inventory levels of single-family detached homes and condominiums are relatively tight, the market for these properties tends to move slower because fewer people can afford them. West Vancouver and Vancouver West Side offer up some of the city's most exclusive "blue chip neighbourhoods." Up and coming million dollar plus neighbourhoods include Kerrisdale, South Granville and Marpole, where teardowns and infill are creating exclusive new enclaves. Purchasers in this price range typically seek location, land, and square footage. Home sales are largely dependent on individual needs – some purchasers are prepared to spend top dollar for lots and are prepared to build custom homes; others are looking for turnkey properties. With economic prosperity expected to continue in the Greater Vancouver Area for years to come, the market for upscale properties should remain strong throughout 2006.

VICTORIA

Most expensive home sold on MLS (2006) --

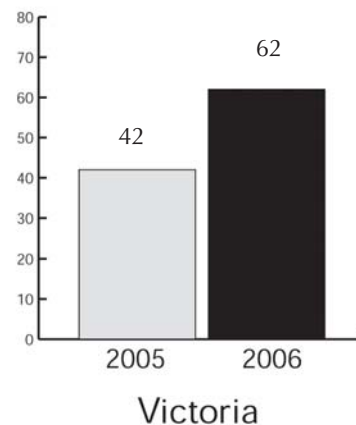
\$8,400,000

Most expensive home currently listed for sale on

MLS -- \$25,000,000

Baby boomers have contributed to a 48 per cent upswing in luxury homes sales priced in excess of \$1 million in Victoria this year. Sixty-two homes have changed hands between January and May 2006, up from 42 during the same period in 2005. Both local and out-of-province purchasers are fuelling demand, especially for waterfront properties. Multiple offers, which tend to be few and far between at the top end of the market, periodically occur on waterfront. Move-up buyers are most active in the market, spurred by the general health of the economy. Many have realized tremendous gains in equity in recent years, and much of that money is now being re-invested in upscale properties. Although the upper end

*RESIDENTIAL UNIT SALES OVER \$1 MILLION



* Based on local board MLS statistics (January – May), RE/MAX



represents just over two per cent of the market, that figure is up from one and a half per cent last year. Single-family detached homes still represent the lion's share of activity. Some upper end condominiums, such as the Pier One development in Sidney, are also popular. Days on market have declined from 109 in 2005 to just over 90. Oak Bay and Uplands are Victoria's premier communities. Infill is occurring on estate properties in older, established Oak Bay. Many purchasers are willing to renovate or tear down if they find the ideal location. The strong market activity experienced during the first half of this year is expected to continue throughout the remainder of the year. Prices in the upper end may moderate somewhat, although unique luxury homes will continue to see upward momentum in prices.

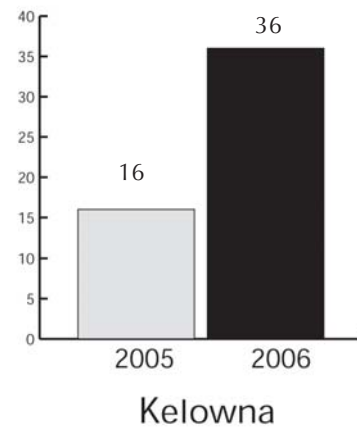
KELOWNA

Most expensive home sold on MLS (2006) -- \$4,400,000

Most expensive home currently listed for sale on MLS -- \$7,400,000

Solid economic performance, combined with an influx of affluent buyers, has contributed to a twofold increase in luxury home sales in Kelowna this year. Thirty-six properties priced over \$1 million have changed hands year-to-date, up from 16 during the same period in 2005 – a 125 per cent jump. Baby boomers from Vancouver and Alberta are most active in the market, with the vast majority seeking waterfront properties. Purchasers from Europe, the US and other parts of Canada are also present. The

*RESIDENTIAL UNIT SALES OVER \$1 MILLION



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majestic mountains, refreshing waters, lush orchards, and golf courses make Kelowna one of the most desirable places to live in the Okanagan Valley. The area has attracted some high-profile sports figures and celebrities in recent years. With over 130 luxury properties currently listed for sale, purchasers have a good variety of homes from which to choose. Turnkey properties are most sought-after, although renovations have become increasingly popular. Those planning to custom build on the water will have to spend over \$1 million on the lot alone. Days on market in the top end have declined from 138 in 2005 to 110. Prestige neighbourhoods include the Upper Mission, Dilworth and the waterfront. Some communities consist of older homes, while others are brand new subdivisions. Up and coming areas include new developments in Highpointe and Woodland Hills. Luxury condominiums in the downtown core and on the waterfront are popular with purchasers seeking ease of ownership. Given



current economic fundamentals, the upper end market is expected to remain strong throughout the year.

Alberta

CALGARY

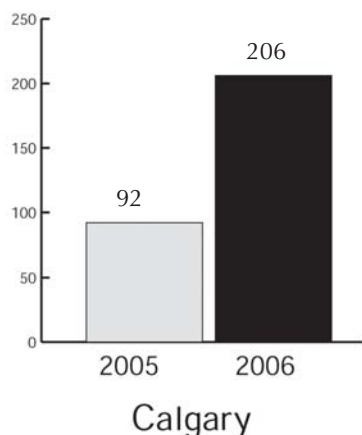
Most expensive home sold on MLS (2006) -- \$3,415,000

Most expensive home currently listed for sale on MLS -- \$12,000,000

Calgary's red-hot economy is propelling luxury home sales to record levels this year. Sales of homes priced over \$1 million climbed to 206 units in the first five months of 2006, 124 per cent higher than the 92 units reported during the same period in 2005. The vibrant economy, as well as profit taking and bonuses in the oil and gas industry, is contributing to unprecedented demand for upscale

properties. Britannia, Bel-Aire, Elbow Park, Mt. Royal, Rideau, and Roxboro are communities synonymous with wealth in Calgary, with price tags starting at \$1,000,000 to \$3,500,000. Multiple offers have been a frequent occurrence in recent months. Aspen Estates, Elbow Valley, and Heritage Point offer new construction starting at \$1,000,000 to \$3,000,000. Elboya, Altadore/Garrison Woods, South Calgary, and Glendale Meadows are Calgary's up and coming communities approaching million-dollar status. Teardowns are underway in some of Calgary's more established communities, including Mt. Royal, Rideau, Roxboro, Elbow Park, Altadore, South Calgary, Elboya and Lakeview Village. Infill is also placing serious upward pressure on housing values. Tight inventory levels continue to exist, with Mt. Royal, Elbow Park, Rideau, Roxboro, Britannia, Bel-Aire, and Lakeview Village experiencing the greatest shortage. Upper end values have appreciated by 30 to 50 per cent, slightly higher than the average house price. Purchasers are willing to compromise to realize ownership in Calgary. Local purchasers – including corporate executives and entrepreneurs – are vying with international purchasers from Russia and the Caribbean for luxury homes. As Calgary's economy continues to fire on all cylinders, little relief is expected for homebuyers. Tight inventory levels, rising prices, and an overall heated marketplace is par for the course in coming months.

*RESIDENTIAL UNIT SALES OVER \$1 MILLION



* Based on local board MLS statistics (January – May), RE/MAX



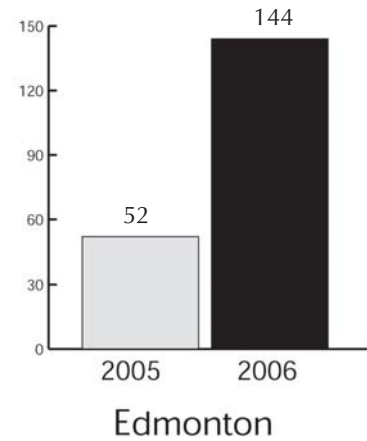
EDMONTON

Most expensive home sold on MLS (2006) -- \$1,650,000

Most expensive home currently listed for sale on MLS -- \$2,600,000

Heated market conditions have contributed to a dramatic increase in the number of luxury homes sold in Edmonton this year. Sales of properties priced from \$500,000 have surged 177 per cent year-to-date – rising from 52 units during the first five months of 2005 to 144 units so far this year. The overall strength of the residential real estate market, with average price ahead of last year’s figure by 24 per cent, has bolstered the upper end. Local purchasers, as well as buyers from out-of-province, have served to stimulate growth in this segment of the market. Days on market vary, with properties over the \$1 million price point taking longer to sell than those homes priced closer to \$500,000. Multiple offers are a reality in Edmonton, with one in every two homes selling at list price or more. However, multiple offers are less common at the top end of the market where there is a relatively good selection of homes listed for sale. Southwest Edmonton tends to be a hotbed of upper end activity, with many newly-constructed homes starting at \$500,000 plus. Teardowns are occurring in older, established neighbourhoods like Old Glenora. Single-detached homes are still most popular with purchasers, although luxury condominiums have met with success. It’s anticipated that more upscale condominium developments will come on-stream in the years ahead. Strong economic fundamentals in

*RESIDENTIAL UNIT SALES OVER \$500,000



* Based on local board MLS statistics (January – May), RE/MAX

Edmonton are expected to fuel housing market activity in virtually all price ranges for the remainder of the year. The outlook is bright for the upper end of the market.

Manitoba

WINNIPEG

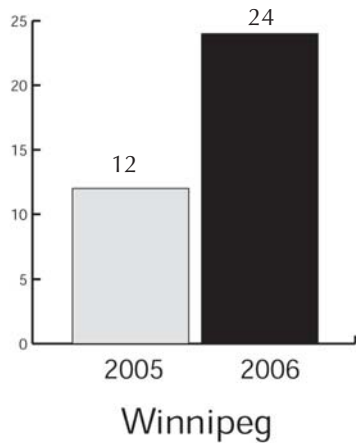
Most expensive home sold on MLS (2006) -- \$2,025,000

Most expensive home currently listed for sale on MLS -- \$1,695,000

Surging consumer confidence levels contributed to a substantial upswing in luxury housing sales in Winnipeg this year. The number of homes sold in excess of \$500,000 has doubled year-to-date (January – May 2006 vs. the same period in 2005),



*RESIDENTIAL UNIT SALES OVER \$500,000



* Based on local board MLS statistics (January – May), RE/MAX

rising from 12 to 24 units. Of the 24, six sales occurred over the \$1 million price point this year, including the most expensive home ever sold in Winnipeg at \$2,025,000. Unlike the \$2 million sale, which took all of six hours, most homes at the top end of the market take about six weeks to sell. Many people are investing in their properties, moving up to larger homes and/or better neighbourhoods. Wellington Crescent, Lindenwoods and Linden Ridge, Tuxedo, River Heights, and Royalwood are the most coveted addresses in Winnipeg. Outside the city centre, the capital region offers upscale communities such as East St. Paul where an abundance of new, upper end construction is underway. Economic fundamentals continue to be good in Winnipeg, with full-time job growth leading the way. Supply and demand are major factors in today's marketplace, with approximately one in every two homes selling at or above list price. There are 33 luxury homes

currently listed for sale, which translates into one or two homes in each neighbourhood. Still, multiple offers in the top end are an exception. Teardowns are a frequent occurrence in Winnipeg's older, established areas such as North River Heights and Wellington Crescent. Large, well-treed lots and a good sense of community are attracting purchasers to these areas. Renovations are also a popular choice, with most purchasers choosing to maintain the original integrity of the home. Luxury condominium sales on Waterfront Dr. are gaining momentum. Empty nesters are helping to revitalize the downtown area. Starting at \$350,000 for the "shell", it is not uncommon for purchasers to spend an equal amount in improvements and upgrades to the condominium. Made in Manitoba success stories are behind the push for upper end homes. Typically, these affluent buyers, aged between 30 to 50 years of age, are choosing homes reflecting their status and lifestyle.

Ontario

WINDSOR

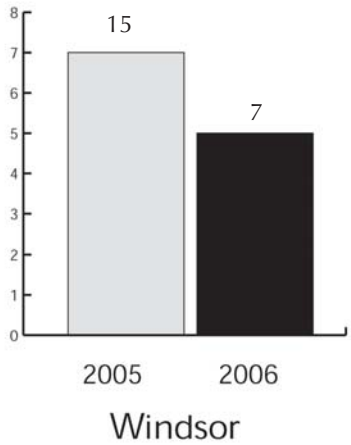
Most expensive home sold on MLS (2006) -- \$775,000

Most expensive home currently listed for sale on MLS -- \$2,900,000

Layoffs at Ford and Chrysler have had a serious impact on luxury home sales in Windsor this year. The number of homes sold in the upper end --



*RESIDENTIAL UNIT SALES OVER \$500,000



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priced in excess of \$500,000 – has declined 54 per cent year-to-date compared to the same period in 2005 (seven units vs. 15 units). Supply typically exceeds demand in the top end of the market. There are just over 100 luxury homes currently listed for sale - 21 are priced over the million-dollar mark. Last year, the upper end represented just over seven per cent of total residential sales. Windsor’s prestige areas include Riverside Drive, Amherstburg, Kingsville, La Salle and Lakeshore. Although teardowns and renovations are limited, waterfront properties are the exception to the rule. Most purchasers are looking for turnkey properties, but those that are ambitious can buy a sixty-foot lot for as low as \$300,000 and custom build. Sales of upscale condominiums in the downtown core have also softened. Until recently, the majority of purchasers were US residents buying waterfront properties, but with the rising dollar, many are now holding back.

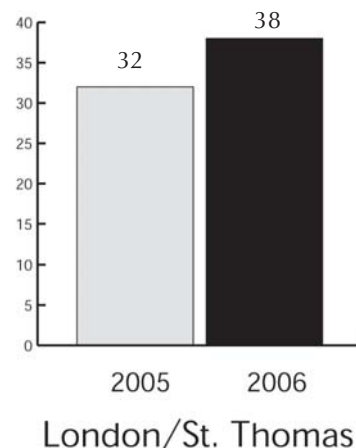
LONDON/ST. THOMAS

Most expensive home sold on MLS (2006) -- \$850,000

Most expensive home currently listed for sale on MLS -- \$1,400,000

Low interest rates, a healthy automotive sector, and a solid residential real estate market have had a positive impact on sales of luxury homes in London/St. Thomas in 2006. Thirty-eight homes priced at \$500,000 plus changed hands during the first five months of the year, up from 32 during the same period in 2005 – an increase of 19 per cent. An influx of new listings in the upper end has also provided greater selection for buyers in the top end. West, northwest, and north London are the most sought-after locations. New construction, starting at \$350,000 in the north and west end, is also popular. Local baby boomers, as well as successful young professionals, are largely responsible for the increase in luxury sales.

*RESIDENTIAL UNIT SALES OVER \$500,000



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Representing approximately one per cent of total residential sales, the upper end of the market is expected to remain stable throughout the remainder of the year.

HAMILTON/BURLINGTON

*Most expensive home sold on MLS (2006) --
\$6,350,000*

*Most expensive home currently listed for sale on
MLS -- \$3,449,000*

After an exceptionally strong start to the year, sales of luxury homes have tapered slightly in the Hamilton/Burlington area. The number of homes sold over \$500,000 has climbed 42 per cent to 225 units (January to May 2006), up from 158 units during the same period in 2005. Confidence in the economy, the lowest unemployment levels in 30 years, and reasonable interest rates have

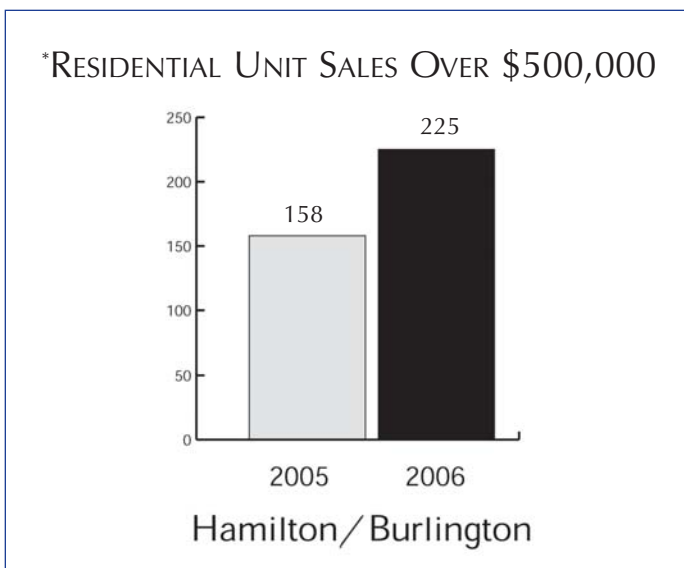
contributed to the upswing in activity. Equity gains in recent years have also played a role, with many purchasers moving-up to larger homes and/or better neighbourhoods. Coveted locations in Hamilton/Burlington include Lakeshore Rd., the Millcroft area, and Tiffany Falls, Deerview, and Chancery in Ancaster. Teardowns and infill are responsible for creating new up and coming "blue chip neighbourhoods" in Burlington, including Aldershot-Birdland and Roseland. In Ancaster, Mansfield Park is an area to watch. A good selection of upper end homes is currently available in the Hamilton/Burlington area. Price appreciation in the upper end of the market has been on par with the average price. While demand has softened somewhat, sales of luxury homes are still expected to finish the year ahead of 2005 levels, thanks to solid economic factors.

GREATER TORONTO

*Most expensive home sold on MLS (2006) --
\$6,795,000*

*Most expensive home currently listed for sale on
MLS -- \$45,000,000*

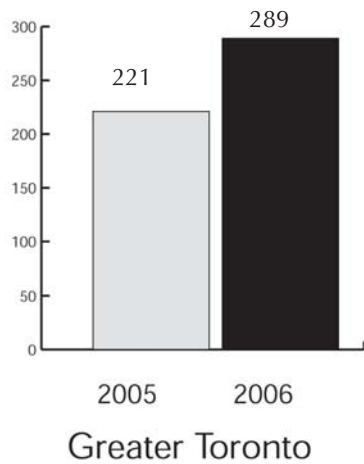
Extraordinary demand for upscale homes has translated into a record number of transactions in the Greater Toronto Area this year. Year-to-date sales (January to May) of properties priced in excess of \$1.5 million have climbed 31 per cent to 289 units, up from 221 units one year earlier. Strong economic fundamentals, including high consumer confidence levels and low unemployment figures, have served to further fuel



* Based on local board MLS statistics (January – May), RE/MAX



*RESIDENTIAL UNIT SALES OVER \$1.5 MILLION



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activity in this segment of the market. Limited inventory, particularly in the central core, has prompted a flurry of multiple offers. One of the GTA's newest million-dollar communities – Leaside – has the highest percentage of sales at or over list price at 58 per cent. The South Hill, Annex area follows with almost one in every two homes selling at or above list price. Leading in terms of upper end sales are Toronto's Lytton Park, Ledbury Park, and John Ross Robertson neighbourhoods (88), Hogg's Hollow, St. Andrews, and the Bridle Path (87), Rosedale, Summerhill (59), Oakville (58), Lawrence Park (56), the Kingsway (54), Forest Hill (51), South Hill, Annex (35), Lorne Park (35), the Beach (24), and Lansing, Willowdale (24). Thirty-one homes have sold over the \$3 million price point, up from 17 during the same period in 2005. Seven homes have sold for over \$5 million this year. Up and coming million dollar communities include Lansing, Willowdale, where

sales have climbed 33 per cent to 24. The Beach has seen a 380 per cent increase in million dollar sales, rising from five in the first five months of 2005 to 24 year-to-date. Suburban neighbourhoods such as Markham, Thornhill, and Richmond Hill are becoming increasingly popular, with more home sales posted over the million-dollar benchmark. Activity has also surged in the west end of the city – in Swansea, High Park, and Roncesvalles – there has been a 450 per cent increase in million dollar sales (two vs. 11). The Kingsway has also experienced solid upward momentum in the million dollar plus category, with 54 sales so far this year compared to 36 in 2005. Housing values in the upper end have exceeded the year-over-year average percentage increase for the Greater Toronto Area. Coveted "blue chip neighbourhoods" are climbing as much as 10 to 20 per cent annually – as a result, a home that could be purchased for \$900,000 just one year ago is now priced over \$1 million. Move-up buyers are largely responsible for the significant upswing in luxury home sales. Many are cashing in on serious equity gains realized in recent years. Others are capitalizing on the strong economy, taking their hard-earned dollars, and investing in real estate. Successful professionals, investment bankers, financial people, as well as corporate transfers into the area are all driving market activity at the top end. Teardowns are a huge factor, particularly in the downtown area, and it is not uncommon to see a \$2 million home demolished to make way for a grand new residence. Upscale condominiums have also increased in popularity as aging baby boomers enter the marketplace.

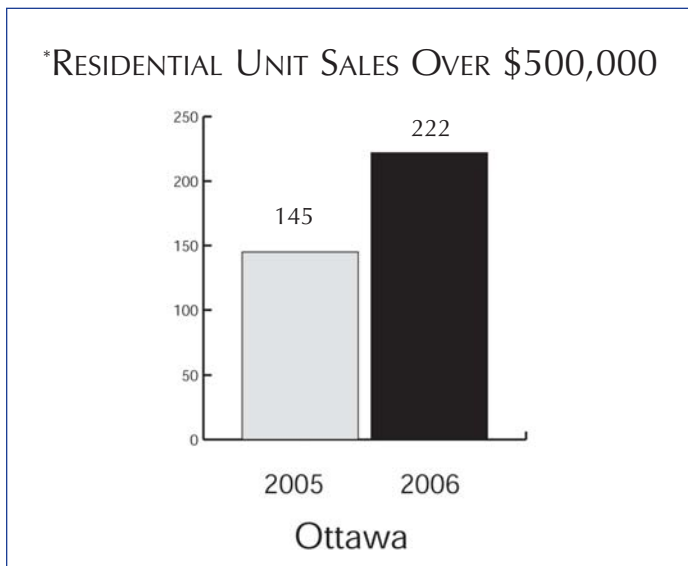


OTTAWA

Most expensive home sold on MLS (2006) -- \$3,300,000

Most expensive home currently listed for sale on MLS -- \$2,800,000

Low interest rates and economic stability have buoyed luxury home sales in the Ottawa market this year. To date, 222 residential homes and condominiums priced in excess of \$500,000 have changed hands, an increase of 53 per cent over the same period one year earlier. Move-up purchasers, as well as international buyers and diplomatic transfers to the nation's capital, are stimulating sales of high-end properties. Traditional areas like Rockcliffe Park, Rothwell Heights, Manotick, Glebe, and the Golden Triangle continue to experience solid demand. Teardowns, renovations and additions occurring in older, established areas such as Alta Vista, McKellar Park and McKellar Heights are creating new upscale communities.



* Based on local board MLS statistics (January – May), RE/MAX

Built in the 1940s and 1950s, these desirable south central and west end areas offering smaller homes on oversized lots are attracting purchasers who wish to custom build in close proximity to the city. More suburban areas including Kanata, Manotick along the Rideau, Dunrobin Shores, Riverside South and in the east, Cumberland/Navan, are also seeing new construction of high end homes. Typically, homes priced between \$500,000 to \$750,000 will sell close to the board's average days on market, while those priced at the top end will traditionally take longer to sell. Sales of homes priced over \$500,000 have risen steadily since 2002 when they represented just over one per cent of the market (at 76 sales). Today, that figure has climbed to almost four per cent (at 222 sales) and is expected to experience further growth in coming years.

Nova Scotia

HALIFAX/DARTMOUTH

Most expensive home sold on MLS (2006) -- \$1,900,000

Most expensive home currently listed for sale on MLS -- \$1,700,000

Sales of upper end homes continue to climb in Halifax/Dartmouth, with 40 properties priced over \$500,000 changing hands so far this year. The eight per cent increase in luxury home sales can be directly attributed to strong offshore activity, which has bolstered consumer confidence levels across the board. With close to 200 homes listed for sale, supply of properties is plentiful and purchasers



have a good selection of homes from which to choose. Upper end homes usually take between 10-12 months to sell, compared to three to five months for prices in the mid-to-low range. Luxury property values typically appreciate at a slower pace than average price. The most coveted communities in Halifax/Dartmouth include the south end of the Halifax Peninsula, St. Margaret's Bay, Fall River, Hammonds Plains and Bedford South. Some areas consist of older homes; others are new subdivisions. Teardowns are uncommon as most purchasers are looking for turnkey properties. Prices range from \$400,000 to \$600,000 for new construction. Double-income families and retirees are leading the charge for move-up properties. Incremental increases in interest rates over the past five months have done little to deter purchasers. Condominium sales in the upper end of the market have also been relatively brisk, although product is limited. One new condominium project - Sailor's Trail - near the

Eastern Passage is drawing attention. Europeans and US residents have been responsible for a large portion of waterfront sales, but a higher Canadian dollar has had an impact on activity in recent months. With a positive economic outlook in place, the upper end market is expected to remain active through to 2007.

Newfoundland

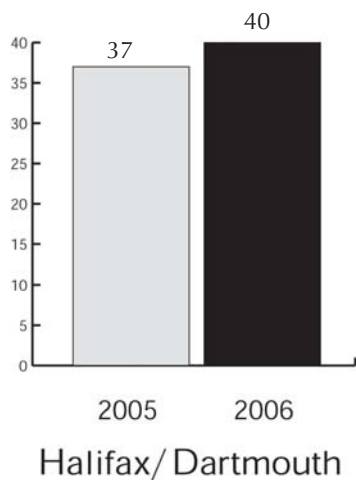
ST. JOHN'S

*Most expensive home sold on MLS (2006) --
\$1,050,000*

*Most expensive home currently listed for sale on
MLS -- \$749,500*

Although the luxury market is small in St. John's, demand for these types of properties is on the rise. Five sales have occurred over the \$500,000 price point so far this year (January – May), up from four one year ago. Move-up buyers, aged between 40 and 50, are fuelling the market for the most part. New construction has honed in on the trend, with Osprey Landing in St. John's exclusive east end now starting to sell homes over \$500,000. Admiralty Wood in Mt. Pearl, Waterford Bridge Road, King William Estates, and Churchill Square in the central core are St. John's most coveted addresses. Teardowns are occurring in areas like Churchill Square, where purchasers are buying houses up to \$200,000 and building large, custom homes. The landscape is changing in St. John's and nowhere is that more evident than the east end of the city. Country Gardens in St. Philips,

*RESIDENTIAL UNIT SALES OVER \$500,000

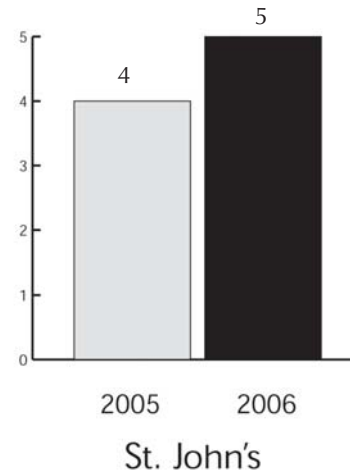


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which offers ocean views, is another upscale development popular with upper end purchasers. Approximately 20 to 25 per cent of purchasers in the top end of the market are from out-of-town. This figure is down from years past, when corporate transfers into the area were more of a factor in the marketplace. Although the market is stable economically, the departure of Chevron has had somewhat of an impact on the upper end in the downtown core. Over the next 12 months, residential home sales are expected to remain relatively solid, while the top end continues to outperform.

***RESIDENTIAL UNIT SALES OVER \$500,000**



* Based on local board MLS statistics (January – May), RE/MAX

UPPER END HOMES SALES 2005 VS. 2006

Market **	Luxury homes start at	Sales 2005	Sales 2006	Percentage +/-
Greater Vancouver	\$1.5 million	212	403	90%
Victoria	\$1 million	42	62	48%
Kelowna	\$1 million	16	36	125%
Calgary	\$1 million	92	206	124%
Edmonton	\$500,000	52	144	177%
Winnipeg	\$500,000	12	24	100%
Windsor	\$500,000	15	7	-54%
London / St. Thomas	\$500,000	32	38	19%
Hamilton / Burlington	\$500,000	158	225	42%
Greater Toronto	\$1.5 million	221	289	31%
Ottawa	\$500,000	145	222	53%
Halifax / Dartmouth	\$500,000	37	40	8%
St. John's	\$500,000	4	5	25%

** Based on local board MLS statistics (January – May), RE/MAX



NATIONAL CONTACTS

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Point Blank Communications	Eva Blay/Kim Hennick	416-781-3911

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Kelowna	Cliff Schillington	RE/MAX Kelowna	250-717-5000
ALBERTA			
Calgary	Rick Bumphrey	RE/MAX Realty Professionals	403-259-4141
Edmonton	Bill Briggs	RE/MAX Real Estate	780-488-4000
MANITOBA			
Winnipeg	Stan Newman	RE/MAX Professionals	204-477-0500
ONTARIO			
Windsor	Glen Muir	RE/MAX Preferred Realty Inc.	519-944-5955
London/St. Thomas	Gary Robinson	RE/MAX Advantage Realty Ltd.	519-649-6000
Hamilton/Burlington	Ralph Schmidt	RE/MAX Escarpment Realty Inc.	905-304-3303
Greater Toronto	John Meehan	RE/MAX Unique Inc.	416-928-6833
	Helen Kamin-Lokash	RE/MAX Realtron Realty Inc.	416-782-8882
Ottawa	Bill Lenardon	RE/MAX Metro-City Realty Inc.	613-563-1155
NOVA SCOTIA			
Halifax/Dartmouth	Al Demings	RE/MAX Nova	902-468-3400
NEWFOUNDLAND			
St. John's	Craig Blanchard	RE/MAX Realty Specialists Inc.	709-726-8300