

Royal LePage: More than half of Canada's largest real estate markets see double-digit price growth as national home values soar 9.7% in fourth quarter

Fourth quarter regional highlights:

- Price of detached homes continue to outpace condominiums as Canadians trade location for square footage
- Despite strong push toward the suburbs, Toronto and Montreal single-family homes see double-digit price gains in city centres
- Median price of a two-storey home in Greater Vancouver rises 8.8% as buyers prioritize square footage
- Out-of-region buyers spur Maritimes' home prices, as option of remote work and demand for large, affordable properties grows
- Aggregate price of a home in Canada rose \$206,815 since Q4 2015

TORONTO, January 15, 2021 –

According to the Royal LePage House Price Survey released today, the aggregate^[1] price of a home in Canada increased 9.7 per cent year-over-year to \$708,842 in the fourth quarter of 2020, as strong seller's market conditions continued to shape Canada's real estate market through the end of the year. The significant year-over-year increase in aggregate price was driven by price gains for larger properties. Sixty-four per cent of all regions surveyed showed year-over-year median price gains of more than 10 per cent for two-storey homes.



The Royal LePage National House Price Composite is compiled from proprietary property data, nationally and in 62 of the nation's largest real estate markets. When broken out by housing type, the median price of a standard two-storey home rose 11.2 per cent year-over-year to \$840,628, while the median price of a bungalow increased 10.0 per cent to \$592,899. The median price of a condominium increased 3.9 per cent year-over-year to \$509,239. Price data, which includes both

resale and new build, is provided by Royal LePage's sister company RPS Real Property Solutions, a leading Canadian real estate valuation company.

"In April 2020, we issued our pandemic period forecast for Canadian real estate, the principle prediction being that unexpectedly soft spring home prices, historically low interest rates, and years of pent-up demand would trigger a sharp recovery of sales volumes and rising property prices in the second half of the year," said Phil Soper, president and CEO of Royal LePage. "As we close the books on the strangest year in my long career, 'recovery' proved to be an understatement. Looking at fourth quarter results we can state without hyperbole that the health crisis triggered a real estate boom.

"High levels of unresolved housing demand and low inventory levels will likely characterize the 2021 spring market, putting further upward pressure on housing values, particularly in the detached and larger townhome segments, as families with access to extremely low borrowing costs trade traditionally desirable urban locations for more personal space," he continued.

Nationally, Ontario posted the highest year-over-year aggregate home price gains in dollar value during the fourth quarter. During this period, the aggregate price of a home in Markham increased \$133,932 to \$1,100,436, the highest dollar value increase in aggregate home price. Markham was followed by Vaughan, which increased by \$132,699 to \$1,130,483; Burlington, which increased by \$115,475 to \$950,796; Pickering, which increased by \$110,905 to \$856,725; and, Oakville, which increased by \$109,912 to \$1,215,405.

"Confined to their homes, Canadians are struggling to adapt their properties to accommodate the need for an office, school classroom and gym, and find themselves longing for more living space," said Soper. "Yet buying a house is not like buying a car; for most it is a long-term commitment. Post-crisis, some employers will be accommodating of work-from-home employee requests, and some businesses will require that their teams work together in offices again. Many will adopt a hybrid model. Home shoppers should look at prospective neighbourhoods through a post-pandemic eye, paying careful attention to the things that will matter when we drop our masks, including restaurants, access to entertainment and even walkability."

Soper added that the surge in sales that characterized the second half of the year is a sign that Canadians feel confident buying and selling properties during the pandemic.

"The real estate industry has shown that buying and selling property can be done safely as much of the search and purchase process can now be done online," he said. "Our real estate agents can help families looking for a home with efficient digital showings. Physical private viewings of a short-listed property should be done in compliance with best practice and public health guidelines.

Clients can use their phone or computer to complete the transaction, leveraging today's advanced technologies.”

While many Canadians have been seeking larger homes outside of urban centres, demand for properties in Canada's largest urban centres have remained high. Ottawa's aggregate price increased 14.9 per cent year-over-year to \$568,608 during the fourth quarter, the greater regions of Montreal, Toronto and Vancouver increased 12.4 per cent, 10.4 per cent and 7.2 per cent to \$487,380, \$936,510 and \$1,155,346, respectively.

Strong demand in the fourth quarter also resulted in price stability in Canada's energy and agriculture regions. During the period, the aggregate home price in Saskatoon, Regina and St. John's increased year-over-year by 6.3 per cent, 3.4 per cent and 0.8 per cent to \$400,173, \$327,517 and \$325,833, respectively. Edmonton and Calgary's aggregate home prices remained relatively stable, dipping 0.1 per cent and 0.5 per cent to \$372,515 and \$467,041, respectively.

Demand from local buyers and those relocating back to the Maritimes put significant upward pressure on prices. During the quarter, Halifax posted the highest increase in aggregate price, rising 17.1 per cent year-over-year to \$377,469. Charlottetown posted the second highest increase in aggregate price rising 12.7 per cent year-over-year to \$344,823, during the same period.

In December 2020, Royal LePage issued its 2021 forecast stating that the national aggregate price of a home is expected to increase 5.5 per cent year-over-year. To read more about Royal LePage's national and major urban centre forecast, please go to [rlp.ca/2021-forecast](https://www.royallepage.ca/en/realestate/news/royal-lepage-canadian-home-prices-forecast-to-rise-5-5-by-the-end-of-2021-as-low-inventory-and-unmet-demand-set-to-fuel-price-increases/) [<https://www.royallepage.ca/en/realestate/news/royal-lepage-canadian-home-prices-forecast-to-rise-5-5-by-the-end-of-2021-as-low-inventory-and-unmet-demand-set-to-fuel-price-increases/>](https://www.royallepage.ca/en/realestate/news/royal-lepage-canadian-home-prices-forecast-to-rise-5-5-by-the-end-of-2021-as-low-inventory-and-unmet-demand-set-to-fuel-price-increases/).

REGIONAL SUMMARIES

Greater Toronto Area

The aggregate price of a home in the Greater Toronto Area (GTA) increased 10.4 per cent year-over-year to \$936,510 in the fourth quarter of 2020. Broken out by housing type, the median price of a standard two-storey home increased 11.9 per cent year-over-year to \$1,102,155 in the fourth quarter, and the median price of a bungalow rose 12.8 per cent year-over-year to \$923,047. During the same period, condominiums in the region continued to see healthy price appreciation, with the median price rising 3.6 per cent year-over-year to \$593,811.

With the exception of condominiums, similar strong home price gains were seen in the City of Toronto where the aggregate price of a home rose 7.4 per cent year-over-year to \$960,368 in the

fourth quarter. Broken out by housing type, the median price of a standard two-storey home increased 10.6 per cent year-over-year to \$1,446,184, and the median price of a bungalow rose 12.3 per cent year-over-year to \$1,001,083. During the same period, the median price of a condominium grew 1.4 per cent year-over-year to \$634,081.

“Throughout the second half of 2020, buyers were looking for as much space as they could afford. While many buyers shifted their target neighbourhood away from the city centre, so few properties for sale meant that most detached listings saw multiple-offer scenarios,” said Debra Harris, vice president, Royal LePage Real Estate Services Ltd. “2020 did bring some balance to the region’s condominium market but larger units, often in the greater region, are still in high competition.”

Harris added that pent-up demand in the GTA remains significant for detached homes and inventory levels will be a leading indicator of price appreciation in the spring market.

“The GTA real estate market could absorb a short-term influx of detached home listings and remain in a seller’s market. If inventory remains low, prices can only go up,” said Harris.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in the Greater Toronto Area will increase 5.75 per cent in the fourth quarter of 2021, compared to the same quarter in 2020.

Greater Montreal Area

In the Greater Montreal Area, the aggregate price of a home posted a 12.4 per cent increase year-over-year reaching \$487,380 in the fourth quarter of 2020. When broken down by housing type, the median price of a standard two-storey home increased 13.6 per cent year-over-year to \$619,099 in the fourth quarter, and the price of a bungalow rose 15.3 per cent year-over-year to \$391,493. During the same period, condominiums in the region continued to see strong price appreciation, although at a slower pace than single-family homes, with the median price rising 8.1 per cent year-over-year to \$367,113.

In the core of Montreal, the aggregate price of a home rose 10.8 per cent year-over-year to \$613,268. Broken out by housing type, the median price of a standard two-storey home increased 13.3 per cent year-over-year to \$836,790, and the price of a bungalow rose 12.1 per cent year-over-year to \$582,225. During the same period, the median price of a condominium grew 7.1 per cent year-over-year to \$442,317.

“Conditions were favourable to make 2020 a year of strong growth for Montreal's real estate market,” said Dominic St-Pierre, vice-president and general manager of Royal LePage for the Quebec region. “During the first wave of the health crisis, it was difficult to predict how it would

impact the economy and, more importantly, consumer behaviour. We could have seen a price correction if buyers had left the market. But low interest rates, combined with increased household savings from remote work and new buyer incentives, played a key role in a market that was already highly competitive before the pandemic. In the suburbs and on the Island of Montreal, activity in the single-family segment resulted in double-digit price increases in most neighbourhoods of the Greater Montreal Area.

“Historically, the Montreal core has always been the hottest spot for both sales activity and prices. No one could have predicted before COVID-19 that the pace of markets on the outskirts of Montreal would outpace the city,” said St-Pierre.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in the Greater Montreal Area will increase 6.0 per cent in the fourth quarter of 2021, compared to the same quarter in 2020.

Greater Vancouver

The aggregate price of a home in Greater Vancouver increased 7.2 per cent year-over-year to \$1,155,346 in the fourth quarter of 2020. Broken out by housing type, the median price of a standard two-storey home increased 8.8 per cent year-over-year to \$1,507,279 in the fourth quarter, and the median price of a bungalow increased 6.8 per cent to \$1,265,285. During the same period, the median price of a condominium increased 3.3 per cent year-over-year to \$662,120.

In the city's centre, the aggregate price of a home rose 5.7 per cent year-over-year to \$1,306,820 in the fourth quarter. Broken out by housing type, the median price of a standard two-storey home increased 7.3 per cent year-over-year to \$2,113,504, and the price of a bungalow rose 4.1 per cent year-over-year to \$1,424,474. During the same period, the median price of a condominium grew 3.9 per cent year-over-year to \$784,351.

“Multiple offers were common throughout the fourth quarter and almost every detached home was attracting competitive bids. Buyer confidence is strong and current low interest rates make purchasing even more attractive,” said Randy Ryalls, general manager, Royal LePage Sterling Realty. “Buyers are worried they will be priced out of the market and with our low inventory of homes for sale in the region, prices are expected to go up in the spring.”

Ryalls added that while new listings slowed in the fourth quarter, which is consistent with seasonal trends, the pipeline of buyers continues to grow.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in Greater Vancouver will increase 9.0 per cent in the fourth quarter of 2021, compared to the same

quarter in 2020.

Ottawa

The aggregate price of a home in Ottawa increased 14.9 per cent year-over-year to \$568,608 in the fourth quarter of 2020. During the same period, the median price of a two-storey home increased 14.8 per cent to \$595,991, while the median price of a bungalow increased 15.9 per cent to \$588,320, and the median price of a condominium increased 13.8 per cent to \$385,525.

"The strong seller's market is expected to persist through 2021, as demand continues to outpace supply in Ottawa," said Jason Ralph, managing partner, Royal LePage TEAM Realty. "The city is more affordable than Vancouver or Toronto and that's attractive to both first-time buyers and young professionals from across the country, especially those with families."

Ralph noted that prices are set to continue a steady upward climb as potential buyers who were unsuccessful purchasing in 2020 re-enter the upcoming spring market.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in Ottawa will increase 11.5 per cent in the fourth quarter of 2021, compared to the same quarter in 2020.

Calgary

The aggregate price of a home in Calgary dipped slightly by 0.5 per cent year-over-year to \$467,041 in the fourth quarter of 2020. During the same period, the median price of a two-storey home decreased 0.5 per cent to \$512,107, while the median price of a bungalow increased 0.5 per cent to \$493,164, and the median price of a condominium decreased 3.7 per cent to \$248,840.

"Calgary remains an attractive place to purchase a home, partly due to its affordability relative to other major cities in Western Canada," said Corinne Lyall, broker and owner, Royal LePage Benchmark. "With inventory levels the lowest we've seen in nearly two decades, specifically in the single-family detached market, I expect a brisk spring market in 2021."

Lyall added that all signs point to continued stability in the region as an increase in immigration next year will likely create new opportunities for investors, and those looking to relocate to the region as remote work remains a viable option for many.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in Calgary will increase 0.75 per cent in the fourth quarter of 2021, compared to the same quarter in

2020.

Edmonton

The aggregate price of a home in Edmonton dipped slightly by 0.1 per cent year-over-year to \$372,515 in the fourth quarter of 2020. During the same period, the median price of a two-storey home remained flat at \$427,530, while the median price of a bungalow increased 0.4 per cent to \$360,996, and the median price of a condominium decreased 1.3 per cent to \$217,141.

"Edmonton's housing market has been relatively flat throughout the pandemic, with sellers hesitant to list their homes due to safety concerns. However, the resilience of Edmonton's home prices during the pandemic is reassuring to both buyers and sellers," said Tom Shearer, broker and owner, Royal LePage Noralta Real Estate. "I anticipate a brisk spring market, as consumer confidence rises once a vaccination plan is well underway."

Shearer added that demand for detached homes, driven by young families, remains strong and low inventory in this segment of the market is expected to put upward pressure on prices in the new year.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in Edmonton will increase 1.5 per cent in the fourth quarter of 2021, compared to the same quarter in 2020.

Halifax

The aggregate price of a home in Halifax increased 17.1 per cent year-over-year to \$377,469 in the fourth quarter of 2020. During the same period, the median price of a two-storey home increased 17.5 per cent to \$399,282, while the median price of a bungalow increased 19.4 per cent to \$335,744, and the median price of a condominium increased 4.0 per cent to \$301,615.

"Inventory levels have hit historic lows in recent months, putting continued upward pressure on prices," said Matt Honsberger, broker and owner, Royal LePage Atlantic. "Local buyers are looking for more space, and now, more than usual, they are competing with out-of-province buyers, many of whom are returning to the Maritimes. The option of remote work has altered the landscape of the real estate market."

Honsberger added that many new construction projects are experiencing delays due to uncertainty surrounding the pandemic, further contributing to the supply shortage.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in Halifax will increase 7.5 per cent in the fourth quarter of 2021, compared to the same quarter in 2020.

Winnipeg

The aggregate price of a home in Winnipeg increased 7.1 per cent year-over-year to \$330,273 in the fourth quarter of 2020. During the same period, the median price of a two-storey home increased 11.4 per cent to \$372,915, while the median price of a bungalow increased 3.7 per cent to \$307,841, and the median price of a condominium increased 0.2 per cent to \$231,500.

“That remote work will remain an option indefinitely is a reality for many Canadians, resulting in continued high demand for homes with more space,” said Michael Froese, broker and manager, Royal LePage Prime Real Estate. “As long as the supply shortage continues in Winnipeg and the surrounding communities, prices will remain buoyant.”

Froese added that the pace of sales has been exceptionally brisk. In the fourth quarter of 2020, the median number of days a detached home spent on the market was ten, compared to 27 during the same time period in 2019.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in Winnipeg will increase 4.75 per cent in the fourth quarter of 2021, compared to the same quarter in 2020.

Regina

The aggregate price of a home in Regina increased 3.4 per cent year-over-year to \$327,517 in the fourth quarter of 2020. During the same period, the median price of a two-storey home increased 4.2 per cent to \$402,903, while the median price of a bungalow increased 2.1 per cent to \$295,421, and the median price of a condominium rose 8.2 per cent to \$222,210.

“The trend of steadily increasing prices that we’ve seen over the last year in Regina will likely extend into the spring, as the need for more space continues to drive demand,” said Mike Duggleby, broker and owner, Royal LePage Regina Realty. “We are experiencing an inventory shortage, like many cities in Canada. Until supply can keep up with growing demand, prices will keep climbing.”

Duggleby added that the return of international students to the region will put further upward pressure on prices, specifically in the condominium segment.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in Regina will increase 2.75 per cent in the fourth quarter of 2021, compared to the same quarter in 2020.

Royal LePage Home Price Data:

Royal LePage House Price Survey Chart: rlp.ca/house-prices-Q4-2020 <<https://rlp.ca/house-prices-Q4-2020>>

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About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing, nationally and in 62 of the nation's largest real estate markets. Housing values in the Royal LePage House Price Survey are based on the Royal LePage Canadian Real Estate Market Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, RPS Real Property Solutions, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

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[1] *Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions and includes both resale and new build.*

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