

More Canadians want luxury homes

A recent survey found that more Canadians than ever before are embracing luxury living and many more aspire to do so. Sales of luxury homes in 2006 have skyrocketed in all of Canada's major markets with the greatest increases occurring in Calgary, Edmonton and Halifax, all of which reported sales increases of more than 125% compared to the first three quarters of 2005. (Luxury sales in Greater Vancouver are up by 57.2% in this time frame.)

In this survey, a luxury home is defined as one that is situated in a prestigious, sought-after neighbourhood, that features high-end amenities and which has a minimum price ranging from \$500,000 to \$1 million. (In Vancouver, Victoria, Calgary, Montreal and Toronto, the luxury home market refers to a house priced at \$1 million and up.) If the aspirations of Canadians play a factor, sales of luxury homes will not diminish anytime soon. It was found that over one-third (37%) of Canadians aged eighteen and older, either currently live in a luxury home, plan to buy one soon or aspire to do so one day.

When asked what would be the most important criteria to consider when choosing a luxury home, Canadians cited: investment potential (25%), proximity to excellent schools (19%), the prestige of the neighbourhood (17%), luxurious amenities throughout the house and the size of the house (11%) and the prominent neighbours (8%).

In terms of the features that would be the most important to Canadians if they were purchasing a luxury home a commercial-style kitchen assumed top rank (21%) in the poll. Interestingly, a gender divide was evident when it came to cooking as 26% of women cited the commercial-style kitchen as the most important feature compared to 15% of the men. However, 11% of males cited a luxury in-home movie-viewing theatre as an important feature, compared to only 5% of females.

The poll also found additional features that would be of most importance if purchasing a luxury home would include an indoor or outdoor pool (14%), smart wiring (12%), heated floors and driveway (11%) and a fitness centre/pilates/yoga studio and luxury in-home movie theatre (both at 8%).

The pronounced increase in the number of luxury homes sold across the country can be seen as a strong reflection of Canadians' confidence in the economy and the real estate market. House values have appreciated much more quickly than the underlying economy for much of this decade.

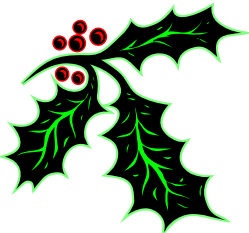
Sources: Realty Times, CanWest News Services

INVENTORY CONTINUES TO INCREASE

Buyers in Greater Vancouver continued to have more selection as the number of active listings increased by 30.6% in November compared to November 2005. Sales in November totalled 2,358; there were 2,938 sales in November 2005.

Says Rick Valouche, president of the Real Estate Board of Greater Vancouver, "This is the first time since April 2006 that new listings have decreased compared to the same period in 2005. This decrease was balanced by our higher year-to-date active inventory and by the fact that the average days-on-market for homes has remained unchanged at 43 days when compared to November 2005."

Prices are still up year over year. The benchmark price of a detached home in Greater Vancouver in November was \$647,562, up 14.3% compared to November 2005; the benchmark price of a townhome was \$410,085, up 17.9%, while the apartment benchmark price was \$329,537 last month, up 17.0% from last November.



*My best wishes to you and your family
for a wonderful holiday season and a
happy, healthy and prosperous 2007.*

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