

Snob value a factor for luxury home buyers

BY ERIC BEAUCHESNE
CanWest News Service

OTTAWA — More Canadians than ever before are moving into the lap of luxury, especially in Calgary, Edmonton, and Halifax, but also in other cities, and many more aspire to do so, a major real-estate firm says.

Royal LePage reported yesterday that sales of what it defines as luxury homes have soared this year.

And the No. 1 criteria for buyers, and would-be buyers, in selecting such a home is the property's investment potential, followed by its proximity to excellent schools, and then the snob value of the neighbourhood itself, it said.

Sales of luxury homes has 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 per cent, year-over-year, in the first three quarters of 2006, according to the firm's Carriage Trade Luxury Properties Report.

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 in the nine cities surveyed, ranging from \$500,000 to \$1 million.

"The pronounced increase in the number of luxury homes sold across the country is a strong reflection of Canadians' confidence in the economy and the real-estate market," said Phil Soper, president and CEO, Royal LePage Real Estate Services.

And if the aspirations of Canadians

play a factor, sales of luxury homes will not diminish anytime soon, said the report, which is based on an analysis of trends in major markets across the country and a national poll.

More than one-third of adult Canadians currently live in a luxury home, plan to buy one soon, or aspire to do so one day, according to the survey which also probed those surveyed on what they were looking for in such a residence.

"For the substantial sums that these homes command, buyers have come to expect distinctive properties outfitted with luxurious amenities, where it is clear that painstaking attention has been paid to every detail," Soper said.

Specifically, when asked what would be the most important criteria in selecting a luxury home, the largest proportion, 25 per cent cited the property's investment potential, followed by 19 per cent who said its proximity to excellent schools, 17 per cent who pointed to the prestige of the neighbourhood, 11 per cent to the luxurious amenities and the size of the home, and eight per cent the prominent neighbours they would have.

Asked what are the most important

features such a home would have, 21 per cent cited a commercial-style kitchen, including 26 per cent of women but only 15 per cent of men.

There was also a gender gap in another feature that would-be buyers would want and that is a den with an in-home movie viewing theatre, which was picked by 11 per cent of men but just five per cent of women.

Other important in-home features for would-be buyers were an indoor or outdoor pool, noted by 14 per cent, smart wiring picked by 12 per cent, and heated floors and a driveway, each of

which was picked by 11 per cent, and a fitness or relaxation studio and the in-home movie theatre, each chosen by eight per cent.

The minimum price required to qualify as a luxury home ranges from a low of \$500,000 in Winnipeg, where sales of such homes has jumped 25 per cent, to \$1 million in most of the largest cities.

The minimum price for a luxury home and the percentage increase in the number sold in the other cities surveyed were: Halifax \$600,000, 153 per cent; Edmonton \$700,000, 129 per cent; Ottawa \$750,000, 34 per cent; Montreal \$1 mil-

lion, 32 per cent. Greater Toronto \$1 million, 20 per cent. Calgary \$1 million, 160 per cent. Greater Vancouver, \$1 million, 57 per cent and Victoria \$1 million, 27 per cent.

In Toronto, Vancouver, Victoria, Montreal and Calgary, the home's listing price must also be no less than four times the average residential sales price, and in the other cities, three times the average.

The survey of 1,004 Canadians by Maritz Research Canada was conducted earlier this month and is considered accurate to within 3.1 percentage points 19 times out of 20.

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