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NEWS RELEASE

For immediate release

Slow and steady growth forecast for residential real estate in major Canadian markets in 2008, says RE/MAX

Canadian home sales to top 500,000 in 2007

Kelowna, BC (October 17, 2007)—After posting extraordinary gains in 2007, housing market performance will moderate in most major Canadian centres in 2008, according to a report released today by RE/MAX.

The RE/MAX Housing Market Outlook 2008 examined residential real estate trends in 18 markets across the country. The report found that while economic prospects will continue to improve next year, few major markets are expected to exceed record sales levels set in 2007. Winnipeg, Hamilton-Burlington, Kitchener-Waterloo, London-St. Thomas, Ottawa, Sudbury, Saint John, Halifax-Dartmouth, and St. John's are all predicted to buck the trend in 2008, with appreciation ranging from one to seven per cent. Average price is forecast to increase in 78 per cent of markets surveyed next year, with the lowest price increase expected in Edmonton and the highest in St. John's.

Nationally, the number of homes sold is expected to break through the half-million threshold in 2007, climbing 13 per cent to an estimated 545,400 units, up from 483,770 units one year ago. Average price is projected to appreciate nine per cent to \$303,000, up about \$25,000 over 2006 levels. In 2008, home sales are expected to retreat to 500,000 units while Canadian housing values are forecast to continue their ascent, rising six per cent to \$321,000.

“Clearly, economic prosperity has translated into increased housing sales and upward pressure on prices across the board,” says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “The country's economic engine fired on all cylinders throughout the year, despite dire conditions south of the border. As in 2007, inventory will be the major wildcard next year—the ultimate variable most expected to influence housing market conditions and performance. A return to tight market conditions could mean all bets are off as buyers are forced to compete, creating increased market pressure.”

Major market frontrunners for price appreciation in 2008 include St. John's (12 per cent), Regina and Kelowna – Central Okanagan (nine per cent), Hamilton-Burlington and Saint John (eight per cent) and Greater Vancouver (seven per cent). Leading the country in sales growth next year will be Kitchener-Waterloo (seven per cent), followed by Hamilton-Burlington, London-St. Thomas, Sudbury and Halifax-Dartmouth, each forecasting a five per cent gain.

- more -

Higher mortgage rates and increased inventory levels failed to materialize in most major centres, making 2007 a record year for real estate activity in Canada. By year-end, housing values across the country are expected to shatter existing records. Serious double-digit increases in average price are forecasted for Saskatoon (49), Edmonton (31.5), Regina (21), Calgary (20), Sudbury (20), Kelowna (19.5) Saint John (17), St. John's (12), and Greater Vancouver (10).

Saskatchewan dominated real estate news in 2007, reporting some of the highest percentage increases in unit sales. The number of homes sold in Regina by year-end is expected to top 35 per cent, bringing sales to an estimated 4,000 units. Neighbouring Saskatoon is forecast to climb 28 per cent to 4,400 units in 2007. Other centres expected to post double-digit gains in activity include Saint John (19 per cent) Kitchener-Waterloo (13 per cent), Halifax-Dartmouth (12 per cent), St. John's (11 per cent), and Toronto (10 per cent).

“Western markets were first out of the gate in 2007, but those in the East followed suit,” says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. “By year-end, some of the most impressive gains in home sales will be realized in Ontario and Atlantic Canada. Solid economic fundamentals, including billions of dollars in capital projects, a positive unemployment outlook, and solid consumer confidence levels will propel markets forward. A slow and steady growth trajectory, minus the peaks and valleys experienced in 2007, is forecast for next year.”

RE/MAX is Canada's leading real estate organization with over 17,500 sales associates situated throughout its more than 640 independently owned and operated offices across the country. The RE/MAX franchise network, now in its 34th year of consecutive growth, is a global real estate system operating in over 65 countries. More than 7,000 independently owned offices engage 120,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral and asset management. For more information, visit: www.remax.ca.

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| Residential Average Price by Market | | | | | | | |
|--|------------------|------------------|------------------|------------------|----------|------------------|----------|
| 2004-2008 | | | | | | | |
| Market | 2004 | 2005 | 2006 | 2007* | % | 2008** | % |
| British Columbia | | | | | | | |
| Greater Vancouver | \$373,877 | \$425,745 | \$509,876 | \$560,000 | 10 | \$600,000 | 7 |
| Victoria | \$325,412 | \$380,897 | \$427,154 | \$462,000 | 8 | \$485,000 | 5 |
| Kelowna*** (Central Okanagan) | \$217,625 | \$261,466 | \$313,923 | \$375,300 | 19.5 | \$408,750 | 9 |
| Alberta | | | | | | | |
| Edmonton | \$179,610 | \$193,934 | \$250,915 | \$330,000 | 31.5 | \$335,000 | 1.5 |
| Calgary | \$222,860 | \$250,832 | \$346,675 | \$415,000 | 20 | \$415,000 | n/c |
| Saskatchewan | | | | | | | |
| Regina | \$111,869 | \$123,600 | \$131,851 | \$160,000 | 21 | \$175,000 | 9 |
| Saskatoon | \$132,549 | \$144,787 | \$160,577 | \$240,000 | 49 | \$250,000 | 4 |
| Manitoba | | | | | | | |
| Winnipeg*** | \$117,570 | \$134,028 | \$151,983 | \$169,400 | 11 | \$180,000 | 6 |
| Ontario | | | | | | | |
| Hamilton-Burlington | \$215,922 | \$229,753 | \$248,754 | \$268,000 | 8 | \$289,440 | 8 |
| Kitchener-Waterloo | \$205,639 | \$220,511 | \$237,963 | \$250,000 | 5 | \$262,500 | 5 |
| London-St. Thomas | \$167,334 | \$178,910 | \$190,521 | \$202,000 | 6 | \$202,000 | n/c |
| Ottawa | \$236,152 | \$248,358 | \$257,481 | \$272,000 | 6 | \$288,320 | 6 |
| Sudbury | \$122,866 | \$134,440 | \$150,341 | \$180,000 | 20 | \$180,000 | n/c |
| Greater Toronto | \$315,266 | \$335,907 | \$351,941 | \$372,000 | 6 | \$390,600 | 5 |
| New Brunswick | | | | | | | |
| Saint John | \$116,836 | \$119,718 | \$128,202 | \$150,000 | 17 | \$162,000 | 8 |
| Nova Scotia | | | | | | | |
| Halifax-Dartmouth | \$175,132 | \$188,484 | \$203,178 | \$216,000 | 6 | \$226,000 | 5 |
| PEI | | | | | | | |
| Charlottetown | \$110,815 | \$117,238 | \$125,430 | \$125,430 | n/c | \$125,430 | n/c |
| Newfoundland and Labrador | | | | | | | |
| St. John's | \$132,993 | \$141,167 | \$139,542 | \$156,000 | 12 | \$174,700 | 12 |
| National | \$226,337 | \$249,201 | \$276,959 | \$303,000 | 9 | \$321,000 | 6 |
| *Estimate **Forecast ***Total MLS | | | | | | | |
| Source: CREA, OMREB, WREB, TREB, RE/MAX | | | | | | | |

| Residential Unit Sales by Market | | | | | | | |
|---|----------------|----------------|----------------|----------------|-----------|----------------|-----------|
| 2004-2008 | | | | | | | |
| Market | 2004 | 2005 | 2006 | 2007* | % | 2008** | % |
| British Columbia | | | | | | | |
| Greater Vancouver Area | 37,972 | 42,222 | 36,479 | 37,680 | 3 | 37,700 | n/c |
| Victoria | 7,685 | 7,970 | 7,500 | 8,190 | 9 | 7,500 | -9 |
| Kelowna*** (Central Okanagan) | 9,301 | 10,350 | 9,392 | 10,100 | 7.5 | 9,595 | -5 |
| Alberta | | | | | | | |
| Edmonton | 17,652 | 18,634 | 21,984 | 20,350 | -7.5 | 20,350 | n/c |
| Calgary | 26,511 | 31,569 | 33,027 | 33,580 | 2 | 31,500 | -6 |
| Saskatchewan | | | | | | | |
| Regina | 2,785 | 2,730 | 2,953 | 4,000 | 35 | 3,600 | -10 |
| Saskatoon | 2,999 | 3,246 | 3,430 | 4,400 | 28 | 4,400 | n/c |
| Manitoba | | | | | | | |
| Winnipeg*** | 11,447 | 12,087 | 12,304 | 12,940 | 5 | 13,070 | 1 |
| Ontario | | | | | | | |
| Hamilton-Burlington | 13,176 | 13,565 | 13,059 | 13,760 | 5 | 14,450 | 5 |
| Kitchener-Waterloo | 5,931 | 6,147 | 6,115 | 6,910 | 13 | 7,400 | 7 |
| London-St. Thomas | 9,238 | 9,133 | 9,234 | 9,780 | 6 | 10,350 | 6 |
| Ottawa | 13,457 | 13,300 | 14,003 | 14,750 | 5 | 15,340 | 4 |
| Sudbury | 2,500 | 2,593 | 2,615 | 2,770 | 6 | 2,910 | 5 |
| Greater Toronto Area | 83,501 | 84,145 | 83,084 | 91,370 | 10 | 91,370 | n/c |
| New Brunswick | | | | | | | |
| Saint John | 1,612 | 1,901 | 1,852 | 2,210 | 19 | 2,300 | 4 |
| Nova Scotia | | | | | | | |
| Halifax-Dartmouth | 5,516 | 6,698 | 6,462 | 7,215 | 12 | 7,580 | 5 |
| PEI | | | | | | | |
| Charlottetown | 1,500 | 1,449 | 1,492 | 1,620 | 8.5 | 1,620 | n/c |
| Newfoundland and Labrador | | | | | | | |
| St. John's | 3,203 | 3,211 | 3,537 | 3,930 | 11 | 4,000 | 2 |
| NATIONAL | 460,790 | 483,789 | 483,770 | 545,400 | 13 | 500,000 | -8 |
| * Estimate **Forecast ***Total MLS | | | | | | | |
| Source: CREA, OMREB, TREB, WREB, RE/MAX | | | | | | | |

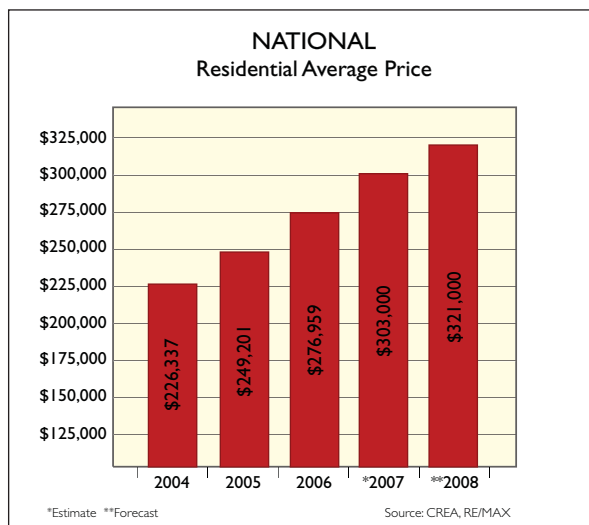
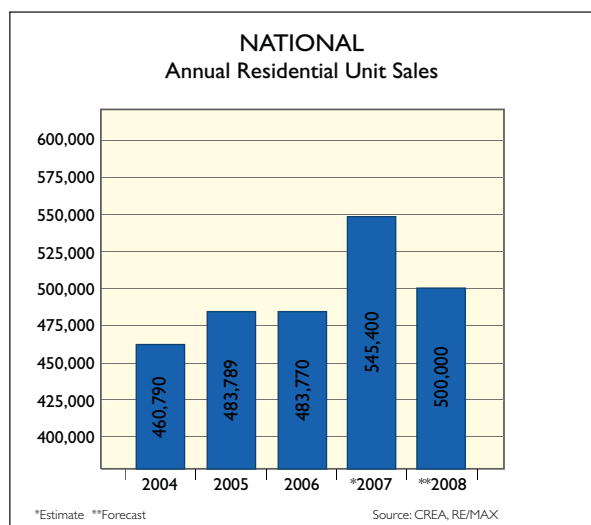
RE/MAX

HOUSING MARKET OUTLOOK 2008

Canadian Overview

Despite fears of a recession south of the border, Canada's economic performance was strong and steady for much of 2007. GDP growth, originally forecast to come in at under three per cent, posted higher than expected gains, sending the Canadian dollar soaring. Rising interest rates—and a substantial increase in listing inventory—predicted last year for housing markets across the country failed to materialize in most major centres, making 2007 a record year for Canadian real estate activity. By year-end, the number of homes sold is expected to break through the half million threshold, climbing 13 per cent to an estimated 545,400 units, up from 483,770 units one year ago. Average price is expected to appreciate nine per cent to \$303,000, up about \$25,000 over 2006 levels.

Western Canadian markets led the charge early in the year, bolstered by unprecedented economic prosperity.



Characterized by solid demand, in-migration, and record low inventory levels, residential sales in Calgary, Edmonton, Vancouver, Saskatoon, Regina and Winnipeg were fast and furious out of the gate. Bidding wars erupted on virtually all properties listed for sale during the heated Spring market. Although Eastern Canadian centres were also off to a good start, percentage increases year-over-year were nowhere close to those reported in the West.

By mid-year, the supply of homes listed for sale had doubled, and in some cases, tripled in two housing markets—Edmonton and Calgary. Average price appreciation in both markets maintained double-digit levels throughout the year, although upward pressure on housing values had seriously subsided by the latter half of 2007.

Markets in Eastern Canada continued to make headway, posting healthy increases on unit sales

and average prices in spite of manufacturing woes. By year-end, some of the greatest percentage increases in unit sales will be reported in Ontario-Atlantic Canada markets like Kitchener-Waterloo (+13), Toronto (+10), St. John's (+11), Halifax-Dartmouth (+12), and Saint John (+19).

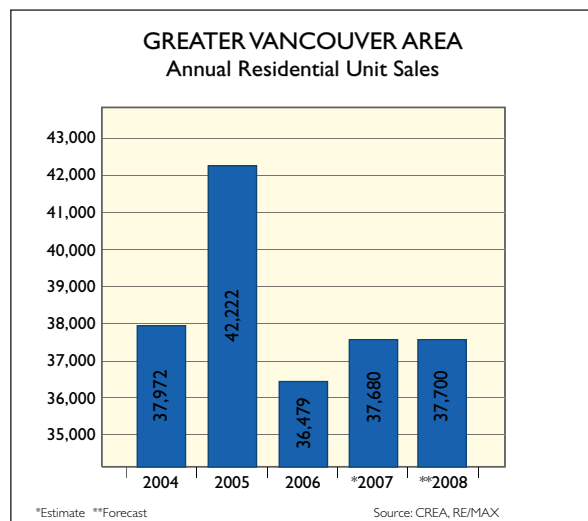
Overall, Regina led the country in terms of percentage increase in unit sales in 2007—up a substantial 35 per cent over one year ago—while neighbouring Saskatoon experienced a 28 per cent increase in the number of homes sold.

With economic prospects expected to further improve in 2008, residential housing markets are ideally positioned. Although few major centres will exceed record levels set in 2007, healthy gains in average price are predicted across the board. Nationally, sales are expected to retreat to 500,000 units in 2008, while average housing values are forecast to continue their ascent, rising six per cent to \$321,000 by year-end.

British Columbia

Greater Vancouver Area

Strong economic fundamentals have once again served to bolster residential real estate activity in the Greater Vancouver Area. By year-end, home sales are expected to rise three per cent to an estimated 37,680 units, up from 36,479 one year ago. Average price, already the highest in the country, is forecast to



appreciate 10 per cent to \$560,000, up approximately \$50,000 over 2006 levels. Solid consumer confidence and unemployment levels under four per cent prompted many first-time and move-up buyers to enter the housing market this year. Low interest rates and new mortgage products, offering longer amortization periods, made it possible for many to realize homeownership. Affordability continues to be an issue in Vancouver, especially for inexperienced buyers who have to compete with builders and investors for choice product in older, established neighbourhoods. Single-detached homes now start at \$700,000 in Vancouver East. Resale condominiums remain most affordable, with entry-level prices starting from \$200,000 to \$300,000. Increased inventory levels in the downtown core should keep condominium prices in check for the remainder of the year. At the other end of the spectrum, luxury home sales, starting at \$2 million, have been incredibly robust. Although overall inventory levels have improved, premium properties are still hard to come by in coveted areas such as West Vancouver, Vancouver Westside, and Vancouver East. As such, purchasers are more than willing to ante-up, as illustrated by a recent sale of a \$2.32 million property originally listed at \$1.698 million and bid up by 17 offers. Local buyers are leading the charge for real estate in Vancouver, followed by purchasers from Mainland China and other countries, as well as Alberta. The strength of the Canadian dollar has deterred American buyers traditionally active in area. New home construction has also had its challenges over the past year, as a civic strike has held up building permits. Rising costs due to labour and land shortages have also contributed to the decline in building activity.

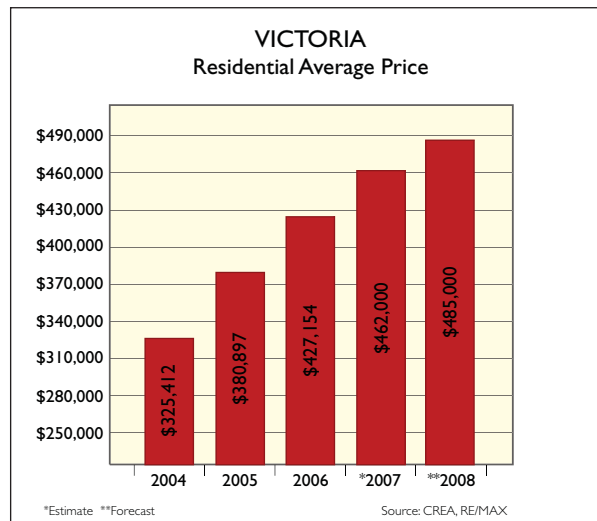
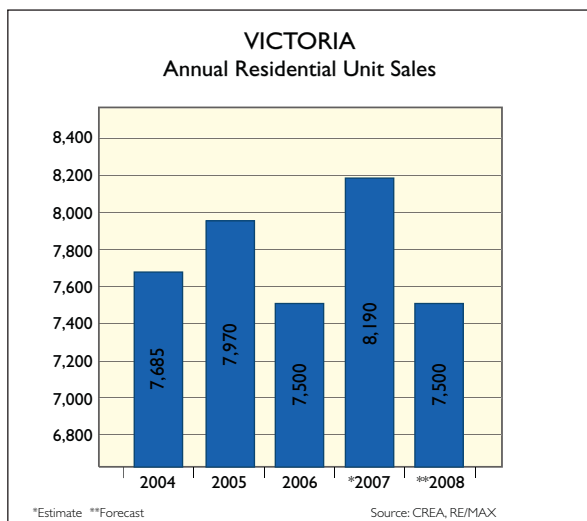
In an effort to recoup costs, the False Creek South condominium development is selling units at future prices—a move that will protect them from any increases in the future.

The Greater Vancouver Area's diverse economic make-up has contributed to solid GDP growth in 2007. The city has strong biotechnology, environmental, film/TV, new media, telecom, and wireless sectors. A solid employment outlook, increased disposable income, and greater retail spending is expected to take real GDP growth to 3.4 per cent in 2008 and beyond.

Concerns over the housing meltdown in the U.S. may have some impact on residential housing in the Greater Vancouver Area in 2008. Sales activity is expected to moderate somewhat, with unit sales matching 2007 levels. Average price will continue to climb, breaking through the \$600,000 price point by year-end 2008.

Victoria

Low interest rates and longer amortization periods have helped boost homebuying activity in Victoria in 2007. Year-end sales are expected to climb nine per cent to 8,190 units, breaking through the 8,000 threshold, while residential average price (including condominiums) is forecast to jump eight per cent to \$462,000 in 2007, an increase of \$35,000 over 2006. Spurred by a robust economy and soaring consumer confidence levels, first-time buyers are taking advantage of all means necessary to enter the



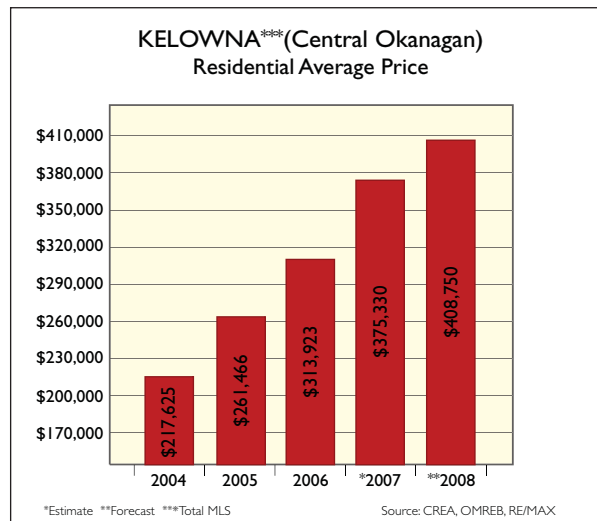
residential housing market this year. Affordability is key, with demand greatest for resale condominiums under \$250,000 and new developments priced from \$250,000 to \$300,000. Single-family homes under the \$500,000 price point are also sought-after—although a limited supply of inventory exists for all product in the lower-end of the market. Despite the need for more affordable housing, many of the condominium projects now underway target empty nesters and young retirees. Priced from \$500,000, there is an abundance of multi-unit residential units coming on-stream. Luxury home sales—priced at \$1 million-plus—continue to flourish, with waterfront properties particularly coveted. Equity gains in recent years have provided the impetus for many. Out-of-province purchasers, as well as international buyers, have also been a factor in the top end of the market. Alberta residents, flush with stock options, for example, have been buying upscale real estate with an eye to future retirement. Although inventory levels are down slightly from one year ago, multiple offers are rare in the market. The sales-to-listings ratio was 64 per cent for much of the year, compared to 59 per cent in 2006. Days on market hovered at 58, up from 49 days last year.

Victoria's strong economic performance this year has been bolstered by growth in both construction and tourism. The city's unemployment rate, at three and a half per cent, is the second lowest in the country. Building activity has been solid throughout 2007, with both residential and non-residential permits up 57 and 42 per cent respectively. Housing starts have been up as high as 116 per cent this year.

2007 was one of the strongest years on record for real estate in Victoria. Although the same economic factors will remain in play in 2008, increasing inventory levels may take some of the steam out of the market. Residential unit sales are expected to fall nine per cent to 7,500 units—more in line with levels reported in 2006. Housing values are forecast to appreciate, with average price climbing five per cent to \$485,000 by year-end 2008.

Kelowna

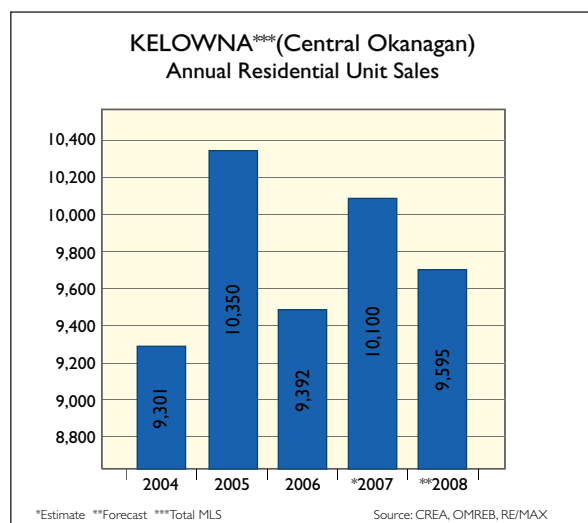
Solid economic fundamentals and low inventory levels at desired price points served to further strengthen Kelowna's residential real estate market. Average price is expected to rise an extraordinary 19.5 per cent to \$375,300 by year-end 2007, while unit sales are forecast to increase eight per cent to 10,100. Unparalleled demand and tight entry-level supply have buyers competing to enter the market. A shortage of single-detached homes exists under the \$400,000 price point and multiple offers are frequent, whereas adequate inventory exists above \$400,000. Unique upper-end residences can spur multiple offers, though they are not as common at this level. Homes priced at fair market value tend to move quickly, while those that are overpriced stagnate. First-time and move-up buyers, as well as investors from Alberta are the driving force, keeping all segments of the market active. Affordability has become an issue in the city prompting more and more first-time buyers to look towards condominiums



priced around \$225,000 to realize homeownership. The upper-end of the market continues to flourish, with strong sales reported over the \$1 million price point. The slight hike in interest rates has done little to deter purchasers. In effect, the historically low rates have prompted many first-time buyers to achieve homeownership.

The economic outlook for Kelowna remains vibrant, with job gains continuing in tourism, forestry, fishing mining, agricultural, oil and gas, business and building and support services. The city's businesses continue to show high confidence through strong capital expenditures. Over \$5.275 billion in major capital projects have started in Kelowna since 2006, while another \$1.435 billion were proposed. The population of Kelowna is expected to increase by another 85,000 people by 2030. Retail spending remains strong, in large part due to solid consumer confidence levels—retail sales were up 22 per cent in the Central Okanagan last year, compared to the provincial average of six per cent.

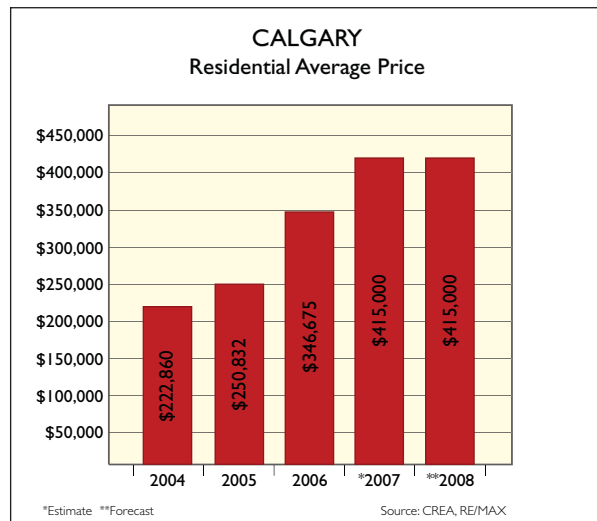
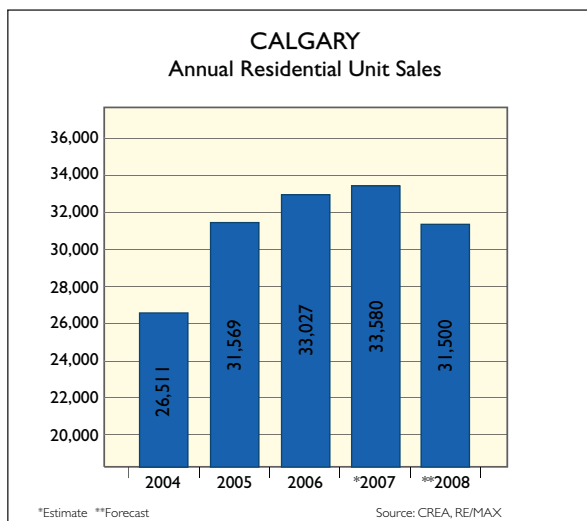
In 2008, residential unit sales will soften from record levels reported in 2007. Sales will taper to a more sustainable 9,595 units, a decrease of five per cent. Average price will continue to climb, posting another nine per cent increase to \$408,750 by year-end.



Alberta

Calgary

Despite a strong start to the year, potential purchasers pulled back as housing inventory hit peak levels in Calgary. The number of homes available for sale exceeded 11,000 in September—the highest point in the past three years—up significantly from the record lows set in 2006. Days on market increased, rising from an average of 23 in 2006 to 34 days in 2007. Speculation has been a factor in the marketplace, with less experienced investors anxious to cash-out at the crest. Demand still exists for properties across the board, but many purchasers are now approaching homeownership with caution. Properties located within the coveted inner city continue to encounter solid demand and the occasional multiple offer, given the limited amount of product available for sale in the area. Condominiums are also holding their own, a phenomenon best illustrated by the recent opening of a development in Eau Claire that saw virtually all 150 units, priced between \$450,000 to \$500,000, sold within a day. Condo conversions starting at \$250,000 are also a popular choice, particularly with first-time buyers. The upper-end of the market is reporting brisk sales—as much as 50 per cent ahead of last year’s levels. Year-end sales are expected to reach 33,580 units, a two per cent increase over 2006 levels. Average price, up an estimated 20 per cent to \$415,000 in 2007, is forecast to remain stagnant in the year ahead.



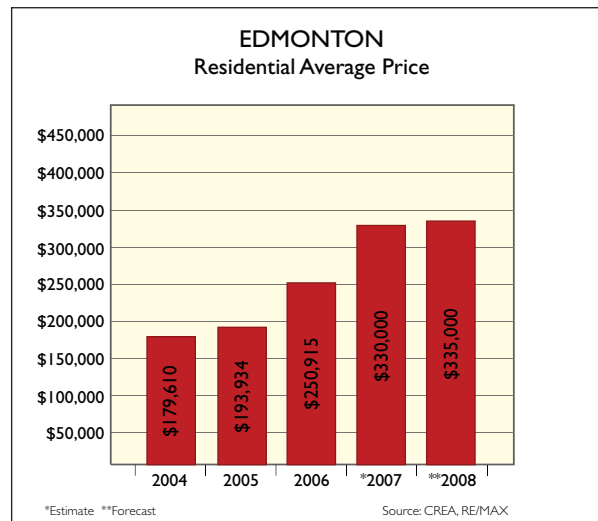
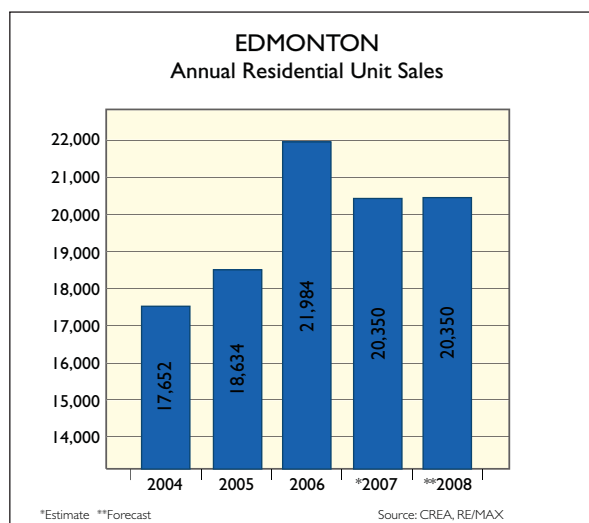
Calgary’s economic performance has been super-charged in recent years. Unemployment levels are the lowest in the country at 3.1 per cent. The job growth rate is three times the national rate, hovering at between six and seven per cent for much of the year. Residential and non-residential permits have posted exceptional gains. The construction of two new office towers in the downtown core is further evidence of economic prosperity. Real GDP growth has been exceptional at 4.5 per cent in 2007.

With all the economic fundamentals in place, Calgary’s housing market should be ideally positioned for further growth. Yet, growth has been a challenge in this rapidly expanding marketplace and the prospect of some economic slowdown is welcome to some extent. GDP is expected to fall to 3.5 per cent in 2008. Inflation is forecast to moderate. The residential housing market will reflect a changing economy. Residential unit sales are expected to fall six per cent to 31,500 units in 2008—on par with healthy levels reported in 2005. Housing values are expected to remain constant throughout the year, with average price sitting at \$415,000. Realization of sales targets will hinge on the first-time buyer. An active entry-level will stimulate home-buying activity in virtually all price ranges in Calgary next year.

Edmonton

Despite a provincial economy that is the envy of the nation, demand for residential real estate in Edmonton has slowed from peak levels reported earlier this year. A dramatic increase in inventory—almost 10,000 homes were listed for sale in September—has shifted market focus from sellers to buyers for the first time in years. Vendors have come to the realization that conditions have changed and are adjusting expectations accordingly. Sales activity continues, albeit at a more leisurely pace. The sales-to-listings ratio now hovers at 52 per cent. By year-end, the number of homes sold in Edmonton is expected to reach 20,350 units, down 7.5 per cent from 2006, but well ahead of levels posted in 2004 and 2005. Average price, after hitting its highest point in July, is forecast to hover at \$330,000, an increase of 31.5 per cent over one year ago.

The economic impact of a thriving oil and gas sector has been nothing short of remarkable—with Alberta boasting its 14th consecutive budget surplus. Real GDP growth hovered at 6.8 per cent last year, twice the national average, and marked the third year as a provincial leader. In 2008, real GDP growth is expected to cool to four per cent, yet Alberta will remain a frontrunner. The energy sector continues to spur investment in the province, with strong job and wage growth, record housing activity, and incredible consumer spending. However, a recent royalty review recommending Alberta increase its take to 20 per cent or \$2 billion annually has created some serious uncertainty in the province.

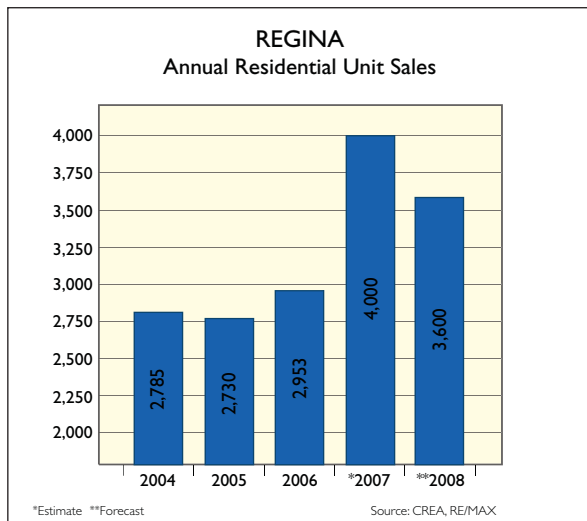


The correction now underway should serve to create more balanced market conditions in Edmonton in 2008. Solid economic fundamentals, including one of the lowest unemployment levels in the country at 4.1 per cent, are expected bolster home sales. Wild inventory fluctuations characteristic of 2007 are forecast to come to an end. The supply of homes listed for sale should hover at a healthy 5,000 units next year. First-time buyers are expected to re-enter the market as price appreciation moderates. The number of homes changing hands is forecast to match 2007 levels, while it's anticipated that average price will climb just over one per cent to \$335,000 in 2008.

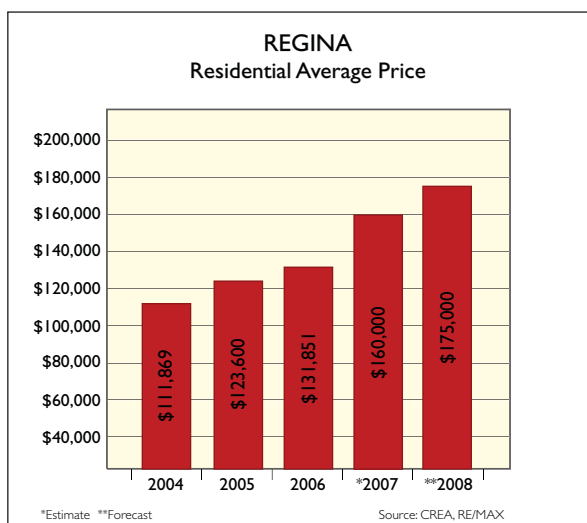
Saskatchewan

Regina

With real GDP growth forecast to post its best performance in more than a decade, consumer confidence is running at an all-time high in Regina. Nowhere is the impact of that optimism more evident than in residential real estate, where unit sales are expected to climb 35 per cent to 4,000 by year-end 2007—the highest percentage gain in the country and a new benchmark for the local market. Average price is also expected to escalate, rising 21 per cent to \$160,000 in 2007, up close to \$30,000 over one year ago. Tight inventory levels have propped



up prices across the board, prompting bidding wars from Normanview West to University Park. Days on market hover at 11, a 50 per cent reduction from one year ago. Demand for all types of housing continues unabated—with first-time and move-up buyers stimulating heated activity. In-migration from Alberta has also contributed to the mix. Investors, a new phenomenon representing approximately 10 per cent of total sales, have served to bolster home sales in 2007. Condominiums remain a popular choice with both first-time buyers and empty nesters, although product is limited in the upper-end. A serious shortage of luxury free-standing, bungalow-style condominiums exists, yet developers have no plans in place to accommodate this growing segment of the market. Most are scrambling to simply meet closing dates on single-family homes, in large part due to the severe shortage of skilled labour.

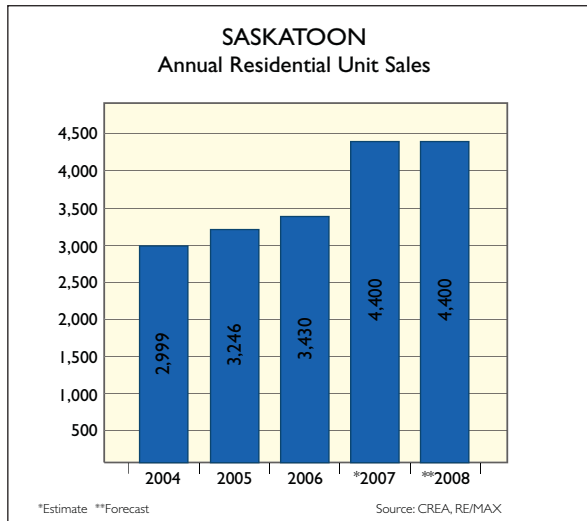


Regina's economic performance has been stellar in recent years. The construction sector has lead the charge, with building permits in the non-residential sector up a significant 127 per cent—making Regina the national frontrunner—while housing starts increased 46 per cent. A GDP growth rate of 3.5 per cent in 2007 is the highest on record in a 10-year period. The overall health of the provincial economy has also contributed to rising consumer confidence levels. Saskatchewan continues to fire on all cylinders, with record employment levels reported in 2007. More jobs, higher population growth, lower taxes and a booming economy with a GDP growth rate of about four per cent should bode well for the province this year. Although GDP growth is expected to dip slightly to 3.6 per cent in 2008, Saskatchewan is forecast to be one of the top performing provinces.

Given a continuation of current economic fundamentals, residential real estate activity in Regina will continue to flourish. Average price is forecast to climb nine per cent to \$175,000 by year-end 2008, while unit sales fall marginally from record levels reported last year. Higher housing values are in large part responsible for the decline as investors step back in Regina. First-time and move-up buyers will fuel activity, while limited inventory levels once again characterize the market. Luxury homes sales are expected to climb next year as Regina's growing prosperity is reflected in its residents' housing choices.

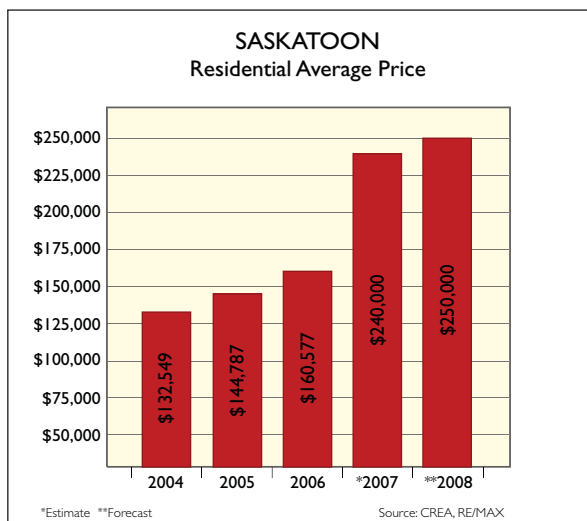
Saskatoon

Residential real estate in Saskatoon is expected to enjoy another year of record growth in 2007. The number of homes sold is forecast to climb 28 per cent to 4,400 units by year-end, while average price is predicted to rise a substantial 49 per cent to \$240,000. Although a 40 per cent increase in inventory levels has provided buyers with a good selection of homes from which to choose, there are some shortages reported in areas like Lawson Heights, as well as in the \$120,000 and \$250,000 price range. Multiple offers are still occurring on well-priced product. In areas such as University Heights and Nutana, the sale-to-list price ratio is over 100. Days on market currently hover between 20 and 25. First-time and move-up purchasers are working in tandem, stimulating home-buying activity in Saskatoon this year. The condominium



market has been active, particularly favoured by first-time buyers. Move-up purchasers are taking advantage of equity gains, especially in the top-end of the market. Sales of luxury homes priced over \$800,000 are brisk. Despite a projected slowdown in new home starts, a number of new condominium and housing developments are on the board.

Saskatoon has moved ahead of Calgary to become Canada's fastest-growing metropolitan economy in 2007. With a forecasted real GDP increase of 4.7 per cent this year, fueled by a diverse economy and a growing population, The Conference Board of Canada has pegged the city a frontrunner in its autumn Metropolitan Outlook Report. Last year, the Saskatoon CMA, an area with about 240,000 people, ranked seventh out of 13 large Canadian cities covered in the report. Job creation in the city's various economic sectors, such as construction and manufacturing, and



in traditional industries such as agriculture, are drawing people to the province. Newly created, well-paying jobs and increased spending continue to be a boon to the economy. Housing starts in the Saskatoon CMA are forecast to reach their highest level since 1983.

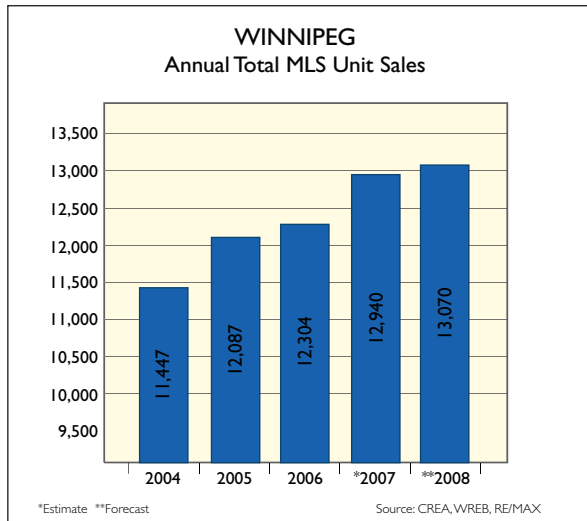
In 2008, the residential real estate market in Saskatoon is expected to remain stable with unit sales on par with those forecast for year-end 2007, while average price continues to climb another four per cent to \$250,000.

Manitoba

Winnipeg

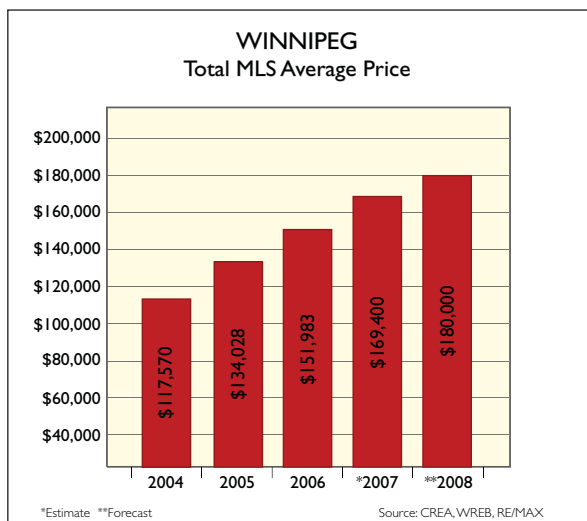
Winnipeg's residential real estate market continues to benefit from an economic engine firing on all cylinders. Both total MLS sales and average price are expected to shatter existing records in 2007, with units sold closing in on an estimated 13,000 by year-end, an increase of five per cent over one year ago, and housing values hovering at almost \$170,000, up 11 per cent from 2006. Tight inventory levels characterized housing market conditions for much of the year, prompting multiple offers across the board. The sales-to-listings ratio for residential properties sat at 82 per cent while condominiums hovered at 86 per cent. The average listing was on the market a total of 23 days. Sales were strongest between \$130,000—\$200,000—representing 38 per cent of all activity. Most vendors, priced at fair market value, realized full list price and more in some instances. Those that chose to push the envelope and ask for above and beyond stagnated. Purchasers in Winnipeg's robust marketplace also experienced some frustration in terms of bidding wars, but most attained homeownership in 2007.

Manitoba moved at a steady rate throughout 2007, spurred by relative strength in its metal mining and utilities industries. Real GDP growth for the province will hover at three per cent by year-end and edge higher in 2008. The robust Canadian dollar—achieving parity with the U.S. greenback—continued to create softness in the province's manufacturing sector. However, improved agricultural growth and a rebound



in manufacturing are expected to further prop-up economic performance in 2008. The outlook for Winnipeg is even more positive, with the economy bolstered by a rising population and a strong construction industry—the latter due in large part to major infrastructure spending and solid housing starts.

The pace of total housing sales is expected to rise nominally next year—by approximately one per cent to over 13,000 units. Average price is forecast to continue its ascent. By year-end 2008, housing values are expected to reach \$180,000, up six per cent over the 2007 estimate. Demand for housing in Winnipeg will ease slightly in the new year, and it's anticipated that inventory levels will rise. Affordability continues to be a non-issue, with sales under \$200,000 accounting for the vast majority of activity. The upper-end of the market is poised for continued growth, as more and more homes push

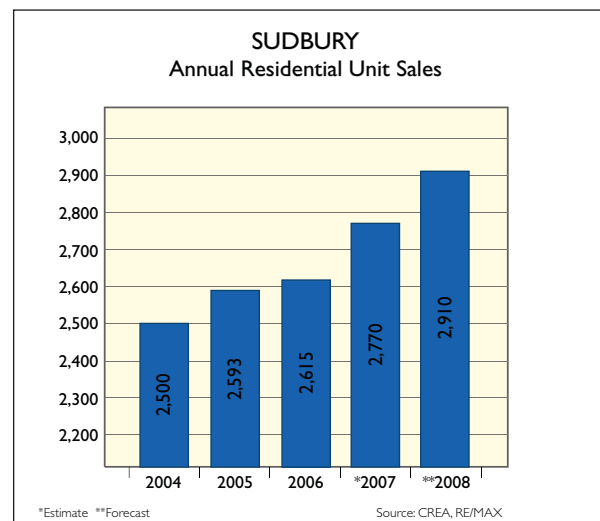


over the \$400,000 price point. The market for luxury homes has experienced remarkable growth in the last three to four years and shows no signs of abating. New home construction should also continue at a breakneck pace, with purchasers barely blinking at starting prices of \$280,000 to \$300,000. Condominium values will climb in the coming year, but sales are expected to moderate. Given current economic realities, the stage is set for another healthy year of real estate activity in Winnipeg.

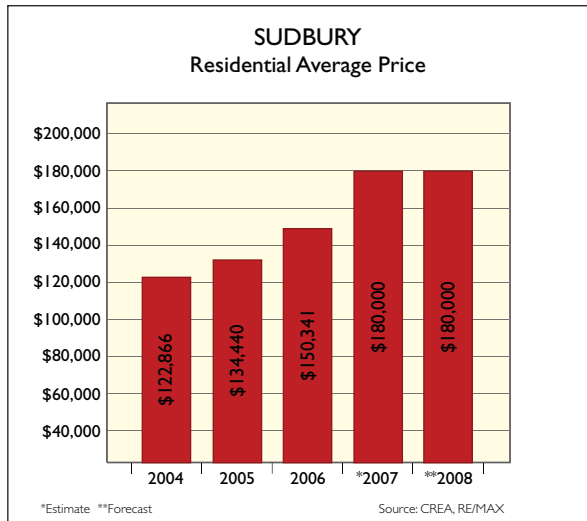
Ontario

Sudbury

Sudbury's residential real estate market continues to flourish, in large part due to a thriving Mining Service and Supply (MS&S) sector, a booming construction industry and in-migration. By year-end, the number of homes sold is forecast to climb six per cent to 2,770 units, while average price is expected to jump an unprecedented 20 per cent to \$180,000. Low interest rates and 30-year amortization periods have first-time buyers leading the charge, with most looking for reasonably-priced product ranging from \$130,000 to \$150,000. Those looking for a better price point can purchase a tired bungalow in an older area below \$100,000. Inventory levels are rising as more and more product comes on-stream in new subdivisions. A shortage exists for well-priced



Ottawa



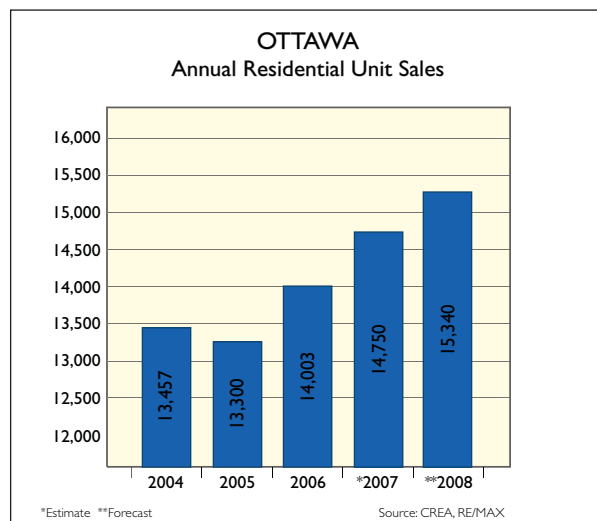
single-detached homes in the \$200,000 range, as well as entry-level condominiums. Move-up buyers are active, cashing in on equity gains realized in recent years, to purchase newly-built homes. The upper-end of the market is thriving and has experienced substantial sales gains over the past few years. Currently, the sales-to-listing ratio is 75 per cent and the average days on market sits at 30.

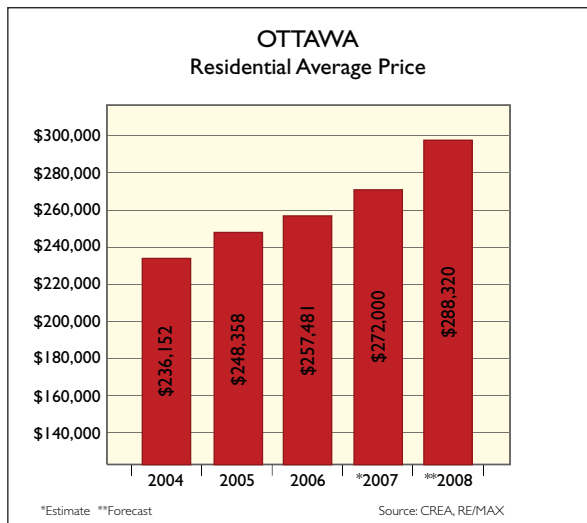
Greater Sudbury is benefiting from nickel price hikes that have prompted an increase in local mining production and exploration. Overall economic output is expected to rise by two per cent this year. Demand for mineral resources from this northern city is set to grow over the next few decades. Sudbury has spurred Canada's growth as a world leader in underground mining. This has been cited by many economists as vital to the city's future wealth creation, attracting foreign investment and boosting competitiveness. Today, more people are employed in the MS&S sector than in primary mining, smelting and refining. The area is experiencing additional stability from the medical school and new hospital. A healthy economy in Greater Sudbury will allow real GDP growth to stay fairly steady in 2007.

In 2008, Sudbury is expected to return to more balanced market conditions. Stable residential real estate activity is forecast for next year, with prices on par with 2007 levels and sales up a modest five per cent to 2,910 units.

Solid consumer confidence levels, supported by strong economic growth and low interest rates, stimulated home sales across Ottawa in 2007. By year-end, housing values are expected to escalate six per cent to \$272,000, while sales volume is forecast to climb five per cent to 14,750 units. A slight rise in inventory levels has provided buyers with the luxury of time when choosing a home, but has not affected average market time which now sits at 41 days. Multiple offers only occur on properties that are in top condition and properly priced. First-time buyers, as well as out-of-town purchasers, such as those relocating for a new job or retirement, are major factors in the marketplace. Move-up buyers are also active, taking advantage of recent equity gains to purchase larger homes in more desirable, established neighbourhoods such as Barrhaven, Beaverbrook/Kanata Lakes, Qualicum, Beacon Hill, Alta Vista, the Glebe and Skyline. Activity in the upper-end of the market remains consistent with past years. Resale condominiums and townhomes continue to be an affordable alternative for those looking to purchase their first home. Demand is highest for townhomes priced below \$240,000 and for two-bedroom condominiums in the central core under \$280,000. Three-to-four bedroom, suburban homes in the \$300,000 to \$400,000 range are also sought-after. New condominium developments are also underway.

In 2007, Ottawa is expected to experience economic growth of 2.3 per cent, compared to the 2.2 per cent forecast in the spring. The outlook for 2008 and beyond is brighter, with the region's economic growth





expected to accelerate to 2.9 per cent, and then to 3.1 per cent in 2009. The high-tech sector looks promising, despite the strong loonie. New housing starts are projected to fall by 8.2 per cent in 2007 and 8.6 per cent in 2008. Picking up some of the slack has been the non-residential sector, thanks to big provincial investments in area hospitals and new office developments such as Constitution Square Phase III and Minto's "green" build. The termination of the city's light-rail project will do little to slow down the construction sector outlook.

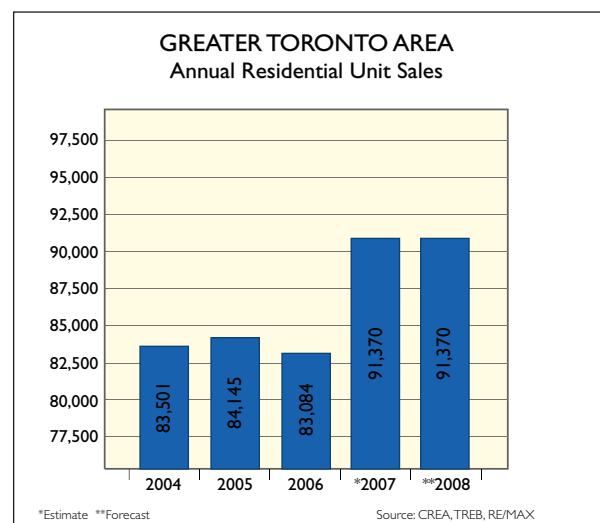
With consumer confidence levels expected to remain strong in 2008, the residential housing market is forecast to experience yet another year of healthy activity. Inventory levels are projected to climb slightly, causing a mild slowdown in the upward momentum in average price. Balanced market conditions will continue to prevail in 2008, with the number of homes sold rising a modest four per cent to 15,340 units. Average price will post a six per cent gain over the 2007 figure, reaching \$288,320.

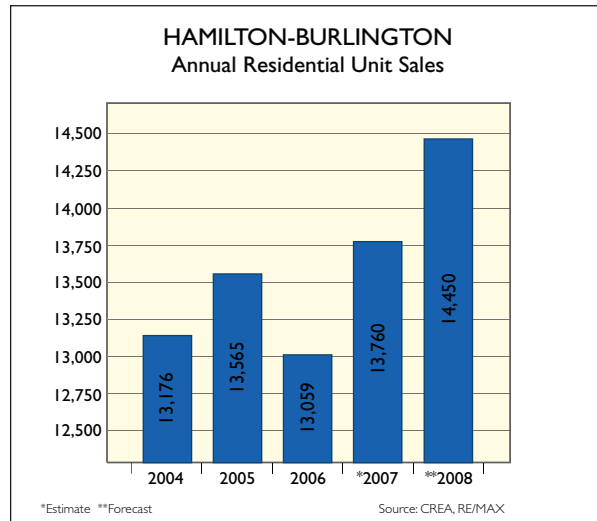
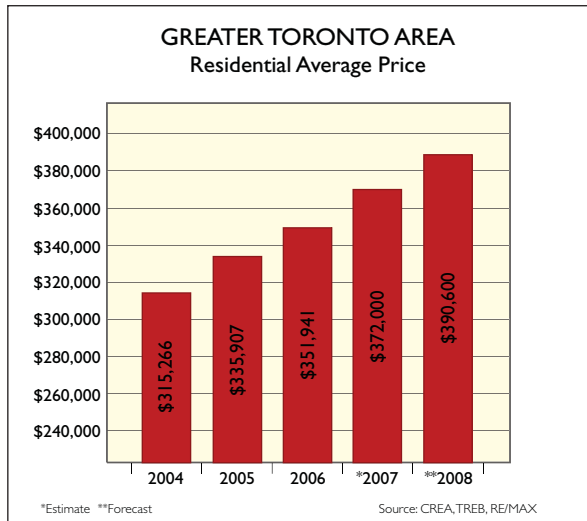
Greater Toronto Area

Growing concerns over parity and its impact on manufacturing and the economy failed to put the brakes on residential housing activity in the Greater Toronto Area this year. Soaring consumer confidence took unit sales to new levels, with year-end estimates hovering at close to 91,400 units—a 10 per cent increase over 2006 and a new record for the city. Housing values continued their slow and steady

ascent, with a six per cent increase to \$372,000 predicted for year-end 2007. Tight inventory levels prevailed for much of the year, with listings down by as much as 20 per cent. Traditional blue-chip areas—Leaside, the Beach, John Ross Robertson, Lytton Park, Cedarvale, High Park, and Bloor West Village—experienced strong upward pressure on values as demand outpaced supply. Multiple offers occurred almost daily as purchasers fought over choice product from Scarborough to Mississauga. Peripheral areas also saw increased demand as first-time buyers looked to maximize their home-buying dollars in urban communities such as Birchcliff Village, Leslieville, Upper Beach, the Junction, Dovercourt Village, and Bickford Park. Demand for executive homes, priced from \$500,000 to \$800,000, was at an all-time high, yet availability was restricted. Condominium ownership proved popular, as baby boomers and the affordability issue advanced sales of both new and resale product. Sales of luxury properties priced over \$1.5 million easily surpassed 2006 levels, rising more than 30 per cent. Rosedale, Forest Hill, Bridle Path, Hogg's Hollow, Lawrence Park, and the Kingway continued to demonstrate the importance of location, location, location.

While the province continues to face its economic challenges in terms of manufacturing and employment, the Greater Toronto Area quietly gains momentum. The optimism in the marketplace is best illustrated by the robust construction sector. Non-residential construction is thriving with new office towers and hotel projects underway, including the Ritz-Carlton, Shangri La, and the new Four Seasons. Consumer spending continues unabated. In spite of its overall





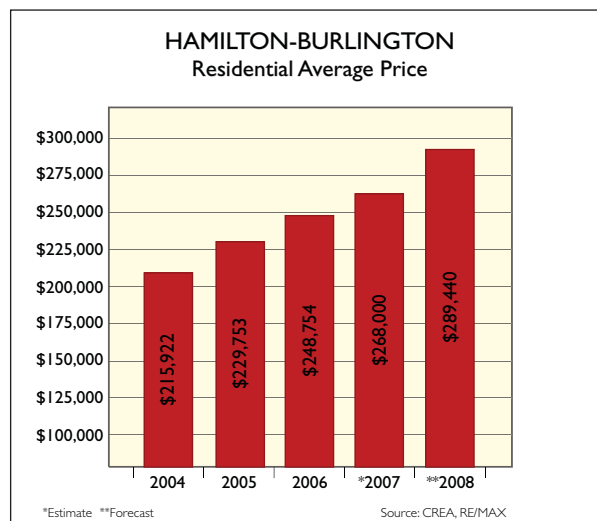
lackluster performance in terms of real GDP growth in 2007, solid fundamentals are in place for the future. Toronto is expected to perform second only to Calgary with GDP growth forecast at 3.9 per cent between 2008 and 2011.

All systems are go for 2008, given a continuation of low interest rates and economic well-being. Residential home sales in the GTA are expected to match 2007's record performance, while average price climbs five per cent to \$390,600 by year-end 2008. Inventory levels are expected to remain relatively tight, especially in high-demand areas, keeping upward pressure on prices. Demand is forecast to remain consistent across the board, from first-time buyers to more experienced move-up purchasers.

Hamilton-Burlington

Low interest rates, increased employment levels and a healthy economy spurred solid residential real estate activity in Hamilton-Burlington in 2007. The number of homes sold is expected to top 13,760 units by year-end, representing a five per cent increase over 2006 levels. Average price is forecast to climb eight per cent to \$268,000, up from \$248,754 one year earlier. First-time buyers remain a force in the residential marketplace, looking for condominiums priced from \$200,000 and detached homes from \$250,000. Also active in the market are move-up buyers in the \$400,000-plus range who are cashing in on substantial equity gains. The upper-end of the market is strong, with recent sales activity characterized as

brisk. Luxury homes now start from \$700,000 and move quickly if priced correctly. The condominium lifestyle, which accounts for approximately 20 per cent of all residential sales in Hamilton-Burlington, will remain popular with purchasers for the remainder of the year and into 2008. Resale condominiums and townhomes continue to be an affordable alternative for buyers looking to purchase their first home. Demand is highest for condominiums in the central core priced near \$200,000. Price increases for new builds have outpaced appreciation in the resale segment. Demand for housing is expected to remain solid as interest rate hikes have done little to deter purchasers from entering the market, especially in popular areas like Burlington, Hamilton Mountain, Ancaster, West Hamilton, Stoney Creek and Dundas. These areas are expected to remain favoured in 2008. The current sales-to-listings ratio now hovers at 63 per cent and



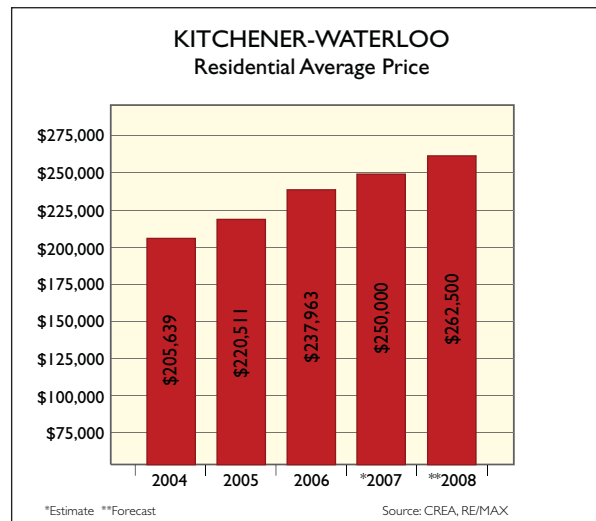
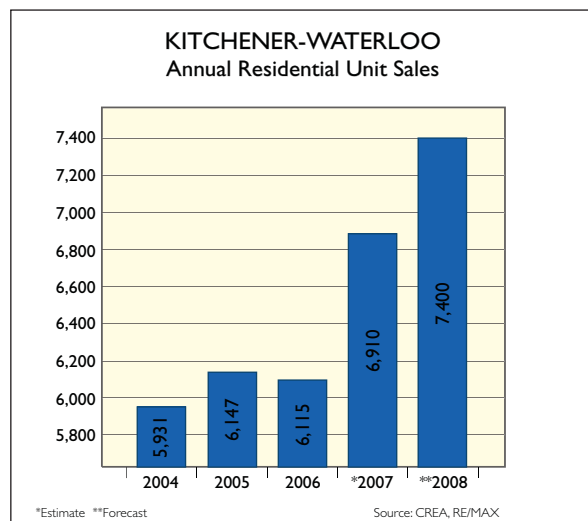
the average days on market sits at 47 for a single-detached home and 48 for a condominium.

Hamilton-Burlington's economy is strong. CIBC's World Markets Metropolitan Activity Index, which measures the economic performance and momentum of Canada's top 25 cities, recently ranked the city in the top ten. The unemployment rate has dropped to 6.4 per cent, which is slightly better than both the Ontario and national average at 6.5 per cent. Along with a number of new industrial and commercial developments, the government has spent millions to lengthen Highway 403, which will serve to enhance highway access for local Hamilton-Burlington residents and support local businesses and families by improving traffic flow and reducing transportation costs.

In 2008, the resale housing market in Hamilton-Burlington is expected to enjoy another year of record growth. The number of homes sold is forecast to climb five per cent to 14,450, while average price will escalate an estimated eight per cent to \$289,440.

Kitchener-Waterloo

A healthy economy, supported by solid job growth and low unemployment levels, has contributed to a significant upswing in the number of homes sold in Kitchener-Waterloo in 2007. By year-end, sales are forecast to increase 13 per cent to 6,910 units, up from 6,115 one year ago. Prices are expected to climb close to five per cent to \$250,000, up from \$237,963 in 2006. Homes listed at fair market value are generally selling within 49 days. A good supply of inventory



currently listed for sale is providing purchasers with the luxury of time when selecting properties. Move-up buyers are a force in today's marketplace, fueling demand for product priced from \$275,000 to \$400,000. The most popular price range is \$200,000 to \$300,000, which will buy a single-family home in a good neighbourhood. New construction is forecast to slow this year and next, especially in areas like Elmira, Heidelberg and St. Agatha where local townships are struggling with subdivision expansion and preserving valuable farmland. Days on market sit at 49, down two per cent from the figure reported 2006.

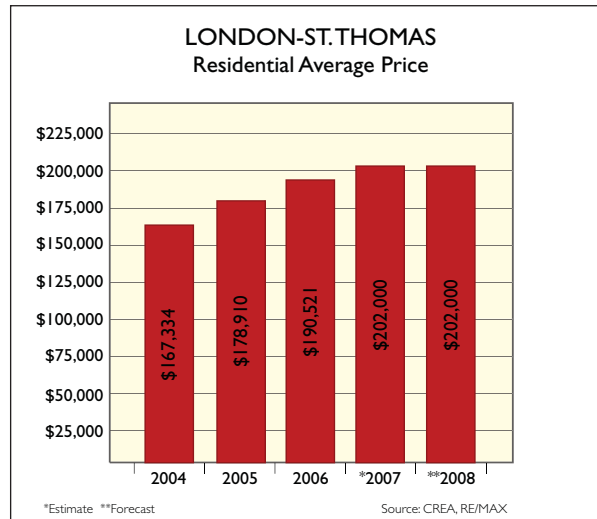
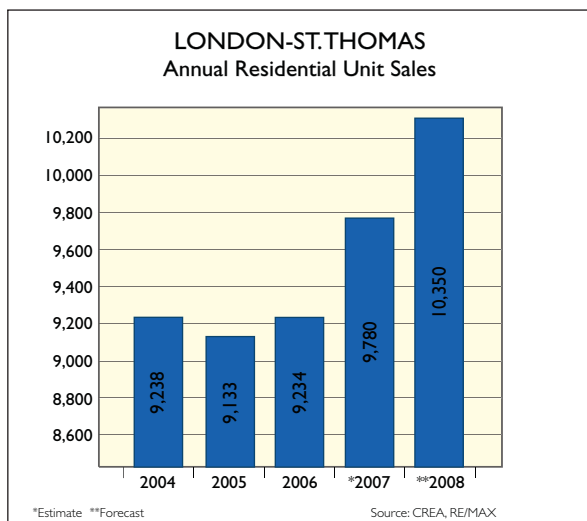
Kitchener-Waterloo's economy continues to chug along in 2007. New jobs and income growth have all played a major role in supporting the local housing market. The area has the lowest unemployment rate in the province, as well as one of the highest population growth rates in the country—growing at more than twice the national rate. Known as Canada's technology triangle, Waterloo is home to 224 technology companies and another 404 companies providing related services. The diverse mix of manufacturing and service companies, a well-educated population and effective economic development collaboration among academia, business and government has made the area a success. Layoffs at BF Goodrich earlier this year had an impact on the local economy, but the new Toyota plant in Woodstock is expected to offset the full effect of the closure.

In 2008, the residential real estate market is expected to return to more balanced levels. Unit sales are projected to rise seven per cent to 7,400, while average price is forecast to climb five per cent to \$262,500.

London-St. Thomas

Increased inventory levels combined with a slowdown in new home construction will bode well for London's residential resale market. By year-end, unit sales are forecast to jump six per cent to 9,780, while average price is predicted to rise six per cent to \$202,000, an increase of more than \$11,000 over one year ago. First-time buyers continue to be the driving force in the market, fueling demand for homes priced between \$150,000 and \$250,000. The upper-end of the market, priced from \$500,000 is active, with move-up buyers cashing in on substantial equity gains in recent years. This trend is expected to continue into 2008. Condominiums remain a popular choice in London. Demand is solid for freehold properties and condominium units. Multiple offers occur on well-priced homes in good condition. The sales-to-listings ratio has been consistent year-over-year, hovering at 63 per cent.

London's economy is stronger and more diversified than ever before. Over the past six years, 26 new companies have opened, while 175 businesses expanded to create more than 7,000 new jobs. The Conference Board of Canada predicts continued benefits from the strong economy in 2007, and Service Canada ranks London second highest in job growth in Southern Ontario over the last five years. New construction continues to challenge economic indicators within the region and across North America. Although manufacturing continues to be a stronghold, it is the knowledge-based economy that holds the key to new and accelerated growth.



With housing starts expected to slow in 2008, additional pressure will be placed on the resale market. Home sales in London are expected to rise a further six per cent to 10,350 units, while average price will match the year-end 2007 prediction.

New Brunswick

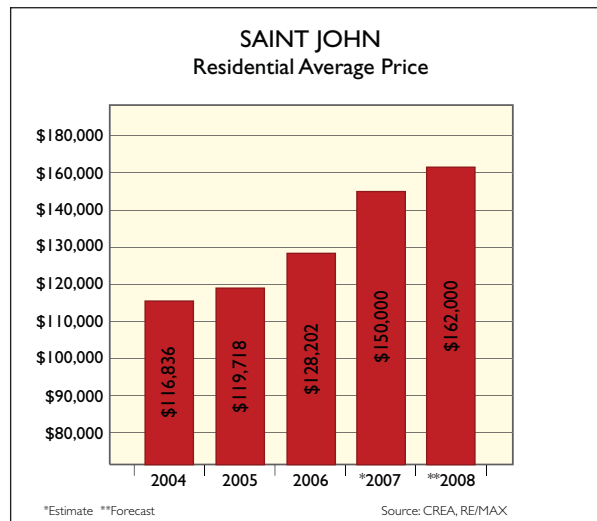
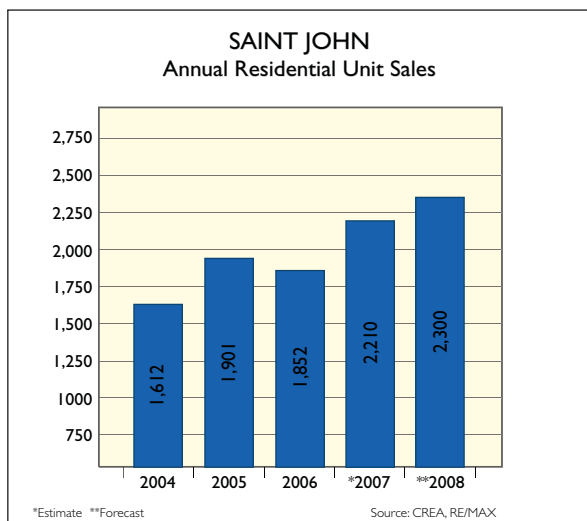
Saint John

A robust economy and low interest rates stimulated strong residential real estate activity in Saint John in 2007. The number of homes sold is expected to climb 19 per cent to 2,210 units by year-end. Average price is forecast to rise 17 per cent to \$150,000. Inventory levels have been trending upward in recent months, a phenomenon that is expected to continue with an increase in new residential construction. Days on market now hover at 91, compared to 100 in 2006. First-time and move-up buyers have been working in tandem, stimulating growth in the housing market. An influx of former residents moving back to Saint John from Alberta and British Columbia has also served to bolster activity. Demand is greatest for bungalows, two-storey and row housing, while the strongest segment of the market continues to be the most affordable—homes priced from \$110,000 to \$200,000. Popular areas continue to be Quispamsis and Millidgeville and the cities eastside. Although condominiums are rare in Saint John, demand exists for

this type of product. Two new developments sold out quickly earlier this year and additional projects are now in the works for 2008 and beyond. The upper-end of the market—priced from \$250,000 to \$350,000—shows no signs of abating with sales up 52 per cent over 2006 levels. Although rising prices are prompting some vendors to test the upper-limit, most sellers are content to list their homes at fair market value.

A solid line-up of projects in New Brunswick has contributed to the province's economic well-being. Refurbishment of the Point LePreau Nuclear Plant and the development of the Canaport LNG facility have prompted a 1,400 per cent increase in employment in the manufacturing sector over the past twelve months. Unemployment levels currently hover at approximately 4.8 per cent, well below the national average. The prospect of a second major oil refinery, combined with the potential for spin-off investment from the terminal, could position the province as a regional energy hub. New Brunswick is Canada's most export-intensive provincial economy, with real GDP hovering at 2.5 per cent in 2007. In 2008, output is expected to climb slightly higher to 2.6 per cent. These developments could help stem the number of workers leaving the province for Alberta.

Given a continuation of current economic fundamentals, Saint John's resale housing market is forecast to remain stable in the coming year. Sales are expected to rise marginally to 2,300 units by year-end 2008, up four per cent from 2007. Price appreciation should hover at eight per cent, bringing the value of an average home in Saint John to \$162,000. New home construction, starting at \$200,000, should also continue at a solid pace.



Nova Scotia

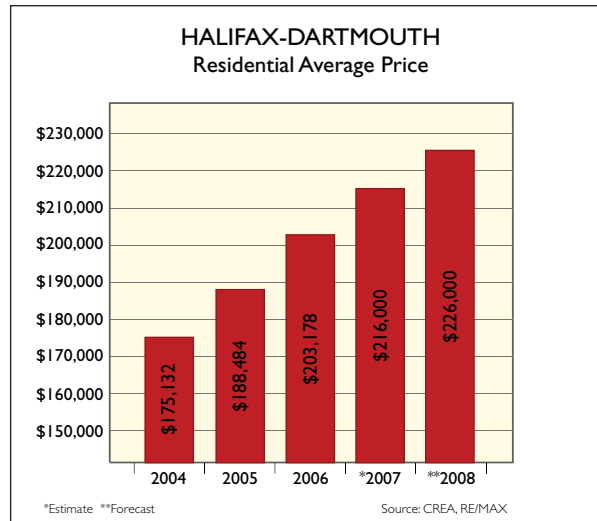
Halifax-Dartmouth

Strong consumer confidence levels buoyed by robust economic performance supported phenomenal growth in Halifax-Dartmouth's residential housing market in 2007. By year-end, home sales in the Atlantic regional centre are expected to top 7,200 units, up 12 per cent from the 6,462 units reported in 2006. Average price is forecast to edge higher as well, settling in at \$216,000, a six per cent increase over last year's figure. First-time buyers have been a driving force throughout much of the year, contributing to record sales activity across the board. Inventory levels, tight earlier in the year, improved in the Fall, making homeownership even more accessible to the entry-level segment. Stable interest rates and good affordability levels continued to sustain momentum, prompting many renters to look at homeownership as a viable alternative. Those feeling squeezed by upward momentum in average price are taking advantage of longer-term mortgage products. Although sales-to-listings ratio typically fluctuated between 75 and 80 per cent, multiple offers were rare in 2007. The single-family detached home, priced between \$200,000 and \$250,000, was most sought-after in the Halifax-Dartmouth area. The trade-up market also experienced steady growth as existing homeowners cashed in on equity gains realized in recent years. The trend

is expected to continue, especially at the \$400,000 price point and beyond, where activity has been particularly brisk. Condominiums are holding their own as the oversupply of listings on the market are quietly absorbed. Resale values—especially on product priced between \$200,000 to \$300,000—have softened somewhat as a result. High condominium fees are starting to see some resistance in the marketplace with empty-nesters and young retirees shifting their attention to the freehold townhome that offers a backyard. New home construction overall has slowed due to higher construction costs, a shortage of skilled trades, and a limited supply of available land.

Against a backdrop of low interest rates and a diverse economy centred on regional business services, medical and high-tech research, government, medical, and education services, military and tourism, consumer confidence in the Halifax-Dartmouth area has soared. Job creation has picked-up—unemployment levels hovered at 6.2 per cent in 2007—and personal income and consumer spending have followed suit. Real GDP growth will hover at 2.5 per cent in 2007 and climb higher in 2008, outperforming provincial output.

With new home construction slowing in 2008, pressure on the resale housing market will continue to increase. By year-end, the number of homes sold in Halifax-Dartmouth is expected to climb to 7,580 units, up five per cent from the 2007 estimate. Housing values are forecast to appreciate further, with average price climbing five per cent to \$226,000. Despite the upward momentum, homeownership continues to be an attainable goal for those in Halifax-Dartmouth. First-time and move-up buyers

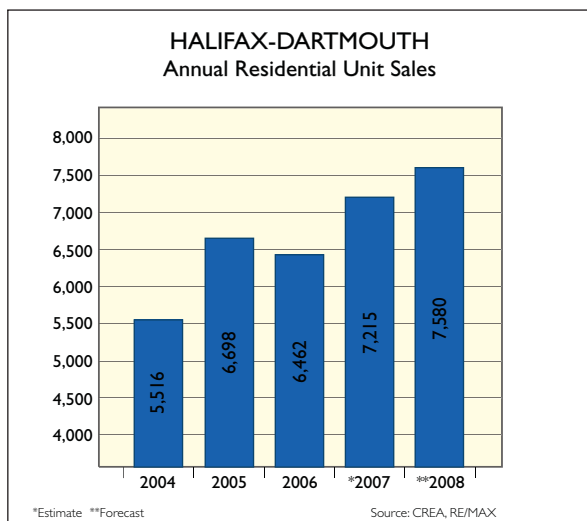


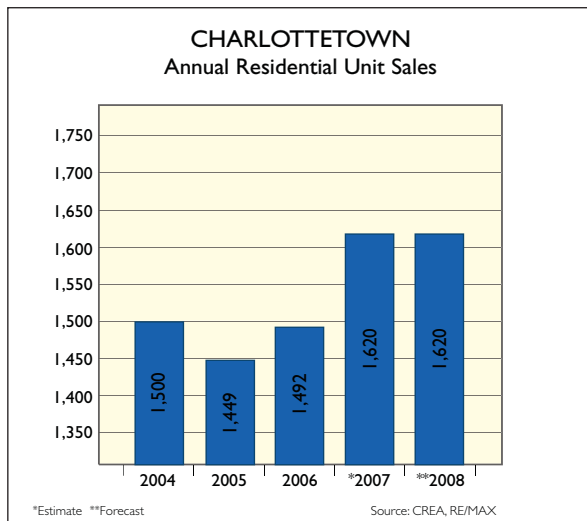
are expected to lead the charge for homes next year. An influx of former residents returning to Nova Scotia should also help prop-up residential sales. All indicators point to more normal inventory levels in 2008, which should create more balanced market conditions. The sales-to-listings ratio is expected to drop to between 66 and 75 per cent next year.

Prince Edward Island

Charlottetown

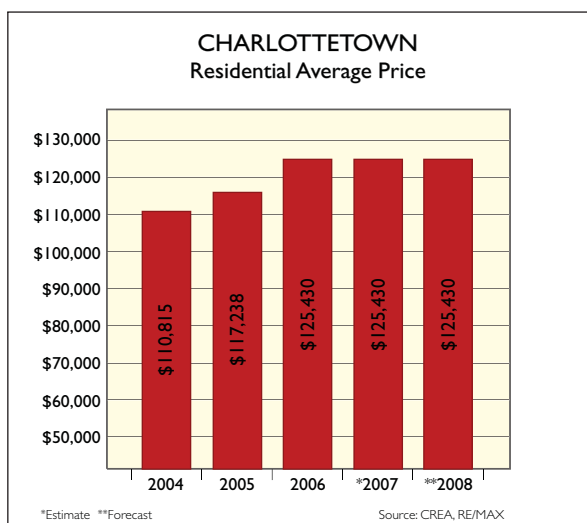
In-migration and affordability continued to fuel resale activity in Charlottetown's residential real estate market in 2007. Close to 1,620 homes are forecast to change hands by year-end, while average price holds steady at \$125,430. Out-of-town purchasers and baby boomers were a major force in the market this year, fueling demand for detached homes priced between \$175,000 to \$275,000. Sixty new families from overseas registered at the high school for the 2007/2008 year. Rising inventory levels provided purchasers with a wider selection of homes from which to choose, although a shortage of single-family and semi-detached homes exists. Equity gains have prompted healthy trade-up movement, although this trend is expected to slow in 2008. Popular areas in close proximity to the city, such as Stratford,





East Royalty, West Royalty and Sherwood, are expected to perform better than average in the next 12 to 18 months. The upper-end of the market, homes priced in excess of \$250,000, is strong. The average days on market hovered at 120 throughout 2007; this number is likely to rise in 2008.

Prince Edward Island's outlook remains healthy, with modest GDP growth of two per cent expected in 2007 and 2008. The economy is holding up well as strong wage gains have supported an increase in retail spending. The most significant economic impact has been the turnaround in the manufacturing sector, where shipments have jumped 17 per cent in the first quarter compared to a year ago. Strength in manufacturing is helping to offset weakness in the construction market. Both non-residential and residential home permits have dropped substantially and more softening is expected for the rest of the year.



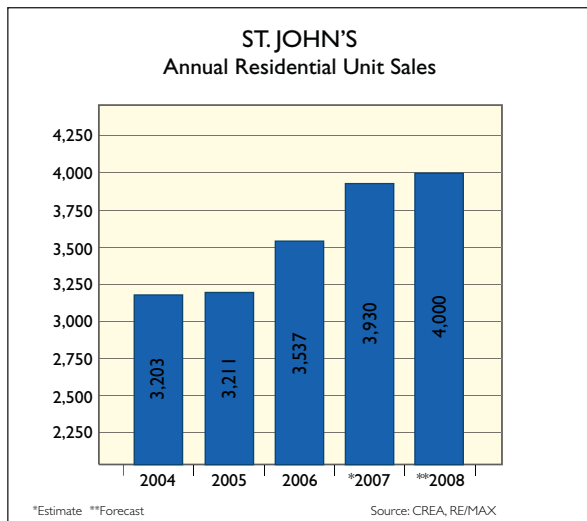
In Charlottetown, there are currently several ongoing federal government-funded projects and initiatives underway such as: the new state-of-the-art federal building, National Research Council's (NRC) Institute of Nutrisciences and Health, Atlantic Veterinary College, Wastewater Treatment Plant, Holland College Centre for Labour Force Innovation, as well as many other federal government investments.

More balanced market conditions are expected in the coming year as purchasers work through existing inventory levels. Stable residential real estate activity is forecast for Charlottetown throughout 2008, with sales and prices on par with levels projected for year-end 2007.

Newfoundland & Labrador

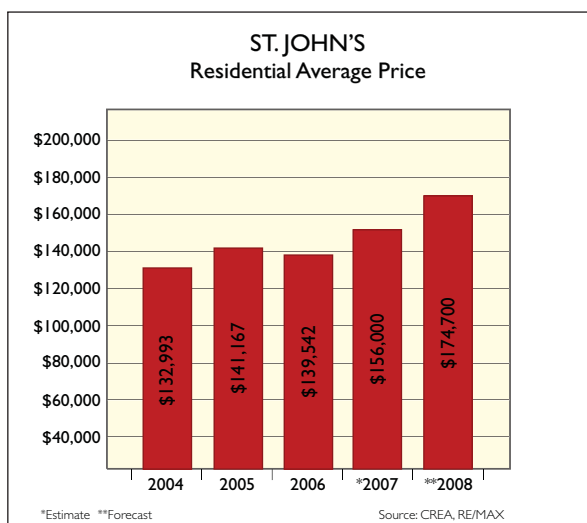
St. John's

With over \$10 billion in capital works projects planned for coming years, economic performance is just starting to heat up in Newfoundland and Labrador. Pressure on residential real estate is already evident in St. John's, with unit sales expected to climb 11 per cent to just over 3,900 units by year-end 2007 and average price appreciating 12 per cent to \$156,000, up from \$139,542 one year ago. The resale market is particularly vibrant, as first-time and move-up purchasers vie for properties across the board. Days on market have dropped substantially from last year's 90 days to between 45 and 60 days. Multiple offers are occurring in choice locations, especially in the higher-end of the market where product is limited. Luxury home sales, priced in excess of \$350,000, have tripled this year. A number of upscale condominium projects are now underway on the waterfront. The King George development, offering an unobstructed view of the ocean, has been particularly successful at \$300 per foot. Purchasers have yet to show resistance to higher housing values. Equity gains have been significant in recent years, prompting more and more purchasers to consider income properties as a future investment strategy. Although overall inventory levels are adequate at present, supply is



tight for properties priced between \$140,000 and \$180,000, especially in the high-demand Memorial University area.

Under the strong leadership of Danny Williams, Newfoundland and Labrador has shifted gears. In 2007, Newfoundland led the country in real GDP, with estimated growth posted at 7.5 per cent. Offshore oil has had a major impact on the provincial economy, moving the government's budget from a deficit to surplus position. The surge in oil production—stemming largely from Terra Nova—will see the company triple its output to 40 million barrels in 2007. White Rose has also been granted approval to increase production by more than 40 per cent. Mineral production continues to be supported by activity at Voisey's Bay and the start-up of the Duck Pond Mine. Manufacturing and wholesale trade have been growing at a healthy clip since the start of 2007.



The provincial capital of St. John's is expected to experience robust economic growth this year and beyond. In addition to offshore oil, the key driver, gains will also come from financial services, real estate, and retail sales. Unemployment has been trending lower since 2005, with rates in the city's metropolitan area dropping to an all-time low of 7.3 per cent in 2007.

While balanced housing market conditions prevailed throughout 2007, the 2008 forecast clearly favours the seller. The number of homes sold in St. John's is forecast to increase by two per cent in 2008, taking unit sales over the 4,000 threshold. Average price is expected to continue its ascent, rising 12 per cent to close to \$175,000. A severe shortage of skilled labour is expected to hamper new home construction, further bolstering the residential resale market. Consumer confidence levels are climbing throughout the city. The excitement is best captured by the provincial government's progressive plan to run a cable 19 miles under the ocean to bring green power to Newfoundland. The project, which will take an estimated eight to ten years to complete, will be the first of its kind in North America. The bold move will position Newfoundland as a Canadian frontrunner on the road to renewable power.

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