



For immediate release

Rising housing values and lack of inventory challenge first-time buyers, says RE/MAX

“Homeownership continues to be primary objective”

Mississauga, ON (April 22, 2008) -- While higher housing values and tight inventory levels have hampered home-buying activity so far this year, longer amortization periods and alternative housing types have offset the impact on most major markets across the country, according to a report released today by RE/MAX.

Despite a higher degree of frustration in the marketplace than in previous years, the RE/MAX Affordability Report found that first-time buyers, in particular, remain steadfast in their determination to purchase a home. In fact, entry-level purchasers are adjusting their expectations by sacrificing size, location, and even long-term financial freedom, to overcome challenges such as rising prices and serious supply issues. Innovative financing has become key to homeownership in today’s environment – with longer amortization periods gaining favour in 62 per cent of the major centres surveyed. Low or no down payments were popular with first-time buyers in 38 per cent of markets.

“Doom and gloom reports coming from south of the border have yet to hinder overall momentum,” says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. “First-time buyers are still leading the charge, taking advantage of every resource available to achieve homeownership. They’re determined to get into the market sooner rather than later. If suburban locations, smaller condominiums and town homes, or a little sweat equity is what it takes to get into the market, these purchasers are game.”

Inventory levels, however, remain one of the foremost concerns facing purchasers across the country. A shortage of available entry-level product was identified as a major obstacle impeding buyer intentions in three-quarters of markets surveyed in the report, including St. John’s, Moncton, Fredericton, Halifax-Dartmouth, Ottawa, Greater Toronto Area, Hamilton-Burlington, Niagara Falls, Winnipeg, Regina, Saskatoon, Greater Vancouver, Victoria and Kelowna.

- more -

“First-time purchasers continue to play a pivotal role at both a local and national level,” says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “The impact they have on the housing market is significant, as they are the impetus for sales in the mid-to-upper price ranges. As long as this segment of the market remains healthy, the real estate outlook will continue to be favourable.”

Although average price is the barometer for housing values in most major centres, first-time buyers looking to achieve homeownership consider starting prices a more meaningful gauge of affordability. Starting prices can be substantially lower than the market average. For example, average price now approaches \$400,000 in the Greater Toronto Area, while the starting price for a detached home can be as low as \$300,000 in areas east and west of the city.

The best value for the dollar continues to be found in the suburbs. For those unwilling to sacrifice on location, small condominium units in new developments and condominium conversions of rental buildings offer up the next best alternative. Condominium conversions in some of the country’s major centres can be picked up as low as \$150,000 to \$175,000.

RE/MAX is Canada's leading real estate organization with over 17,600 sales associates in more than 650 independently-owned and operated offices. The RE/MAX franchise network is a global real estate system operating in over 65 countries. More than 7,000 independently-owned offices engage over 100,000 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.

###

For more information:

Christine Martysiewicz
RE/MAX Ontario-Atlantic Canada
905.542.2400

Eva Blay/CharleneMcAdam
Point Blank Communications
416.781.3911