



TOP-TIER REPORT

2018 YEAR END REAL ESTATE REPORT

Sotheby's | Canada
INTERNATIONAL REALTY



CONTENTS

INTRODUCTION	3
NATIONAL SUMMARY	4
VANCOUVER	8
CALGARY	17
GREATER TORONTO AREA	25
MONTREAL	35

INTRODUCTION

Sotheby's International Realty Canada's Top-Tier Real Estate Report is a bi-annual study highlighting market trends for residential properties with values over \$1 million in Canada's largest urban centres.¹

It is the only Canadian report to compare data for sales volume, and percentage of properties sold over asking price for condominiums, attached homes and single family homes sold between \$1–2 million, \$2–4 million and over \$4 million on MLS.

As the benchmark price for conventional housing is above \$1 million in several metropolitan markets across the country, the report also provides insight into the price and market performance of luxury real estate in a sampling of premier Canadian neighbourhoods.

This report analyzes year-over-year data and key market variables for 2018, offering insight into trends in the market for real estate over \$1 million in Vancouver, Calgary, the Greater Toronto Area (GTA) and Montreal.

A database of active and sold listings is also available on the Sotheby's International Realty Canada website at sothebysrealty.ca.



¹ The information contained in this report references market data from MLS boards across Canada. Sotheby's International Realty Canada cautions that MLS market data can be useful in establishing trends over time, but does not indicate actual prices in widely divergent neighborhoods or account for price differentials within local markets. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information and analysis presented in this report, no responsibility or liability whatsoever can be accepted by Sotheby's International Realty Canada or Sotheby's International Realty Affiliates for any loss or damage resultant from any use of, reliance on or reference to the contents of this document.

NATIONAL SUMMARY

Eastern Canada's major metropolitan areas led the nation in top-tier real estate performance in 2018, as Western Canadian markets buckled under pressure from rising interest rates, tightened mortgage guidelines and local stressors ranging from taxation and regulatory constraints in Vancouver, to strained economic conditions in Calgary. Buoyed by population gains and steady economies, sales over \$1 million in the Greater Toronto Area (GTA) strengthened over the course of 2018, while Montreal's luxury real estate market posted new records. Vancouver and Calgary's top-tier real estate markets retreated further into buyers' market territory, as excess supply overtook consumer demand.

Despite transient market disruptions in the months following the April 2017 implementation of the Ontario Fair Housing Plan, and again in the first quarter of 2018 with the introduction of tighter mortgage lending rules, the GTA's top-tier real estate market was restored to healthy levels by the end of 2018. Market progress is not reflected in year-over-year comparisons of 2018 and 2017 sales figures, which incorporate contrasts between uncharacteristically soft sales in the first quarter of 2018, and record-setting performance in the first quarter of 2017. Instead, recent trends are better reflected in market performance in the last half of 2018.

Annual GTA residential real estate sales over \$1 million (condominiums, attached and single family homes) reflected a 31% decline from 2017 levels in 2018, while sales over \$4 million decreased 40%. 2018 sales over \$1 million in the City of Toronto declined 19% from 2017, as sales over \$4 million fell 39%.

However, GTA top-tier performance gained traction in the latter half of 2018. \$1 million-plus sales in the last half of 2018 increased 4% from the same period in 2017, while sales over \$4 million were

down a modest 20%. In the City of Toronto, \$1 million-plus and \$4 million-plus sales in the last half of 2018 were up 5% and down 10% compared to the last half of 2017 respectively. 21% of GTA real estate sold in the last half of 2018 over \$1 million did so at above list price, while a significant 35% did so in the City of Toronto.

The City of Montreal's top-tier real estate market continued its multi-year upswing, surpassing sales records set in 2017, but reflecting plateauing momentum. 2018 residential real estate sales over \$1 million (condominiums, attached and single family homes) increased 20% year-over-year. \$4 million-plus luxury sales held steady from a record 12 properties sold in 2017, to 11 units sold over \$4 million in 2018. In a city that boasted a growing population as well as Canada's fastest growing metropolitan economy,¹ top-tier real estate activity continued to be driven by local housing demand rather than speculative activity.

In the City of Vancouver, a barrage of government and regulatory interventions compounded by gradual mortgage rate hikes took their toll on top-tier real estate sales. While \$1 million-plus residential real estate sales had previously contracted a nominal 5% in 2017 from 2016 levels, activity fell sharply across all residential housing types in 2018. Overall, \$1 million-plus real estate sales (condominiums, attached and single family homes) decreased 26% in 2018 from 2017, while luxury sales over \$4 million fell 49% year-over-year. Slowing momentum was reflected in deeper year-over-year declines in the latter half of 2018, when sales over \$1 million and \$4 million dropped 36% and 51% respectively. A climate of uncertainty thwarted the absorption of rising top-tier housing supply as homebuyers withdrew from the market in hopes of a deeper correction, while de-motivated sellers hesitated to price listings appropriately for market conditions.

Calgary's uneven economic recovery stalled in the last quarter of the year as crude oil prices plunged to record lows, setting back

¹ Conference Board of Canada Metropolitan Outlook, Autumn 2018

incremental progress made in the city's top-tier real estate market. While residential real estate sales (condominiums, attached and single family homes) over \$1 million had recovered 11% in 2017 over 2016, \$1 million-plus real estate sales fell 10% in 2018 from 2017 levels.

Top-tier real estate performance in 2018 reflected the following trends:

TOP-TIER SINGLE FAMILY HOME SUPPLY FLOODS VANCOUVER AND CALGARY, DISSIPATES FROM TORONTO AND MONTREAL

A flood of top-tier single family home inventory languished on the market in Western Canada's major metropolitan real estate markets in 2018. Increased borrowing costs, along with policy headwinds in Vancouver and economic uncertainty in Calgary, discouraged real estate consumers from market participation.

The City of Vancouver posted a third consecutive year of sales decline. 2018 single family home sales over \$1 million fell 35% from 2017 levels, while sales over \$4 million decreased 55% year-over-year. Single family home sales over \$1 million in the City of Calgary experienced a 9% contraction in sales volume. Prices in both markets declined with diminishing consumer capacity to buy.

In contrast, top-tier single family home sales in the Greater Toronto Area and Montreal were restricted by an insufficient supply of listings over \$1 million, in spite of steady consumer demand. As a result, Montreal's top-tier single family home market experienced an 8% increase in sales over \$1 million in 2018 from 2017.

Within the Greater Toronto Area, positive gains in the top-tier single family home market are distorted by annual comparisons that include 2018's weakened first quarter sales, and record high activity in the first quarter of 2017. Recent trends are better reflected

between July 1 and December 31, 2018, when \$1 million-plus single family home sales increased a modest 2% from 2017 levels. In the City of Toronto single family home sales over \$1 million also rose 2% in the last half of 2018 compared to the last half of 2017, with a significant 28% of homes selling above asking price.

AFFORDABILITY, DEMOGRAPHIC PRESSURES SUSTAIN \$1 MILLION-PLUS TORONTO, VANCOUVER CONDOMINIUM DEMAND

Mounting costs of home ownership relegated more Toronto and Vancouver homebuyers into the top-tier condominium market in 2018. While demand for condominiums over \$1 million has been lifted by the needs and lifestyle preferences of "rightsizing" urban baby boomers, a growing cohort of buyers has also been elevating market demand: young families squeezed out of the single family home market and into high-density housing.

In 2018, a survey of young family homeowners in Canada's largest metropolitan areas by Mustel Group and Sotheby's International Realty Canada revealed that affordability pressure, rather than preference, has been driving condominium and attached home ownership. In Toronto, 82% of young family home owners reported that they would prefer a single family home if finances were not a consideration, but only 50% achieved this goal. In Vancouver, 78% of young family homeowners would prefer buying a single family home, but only 46% were able to do so. Notably, only 19% and 22% of young families in Toronto and Vancouver reported a preference for buying a condominium or attached home if finances were not a consideration.²

Given the diversity and urgency of demand, Toronto and Vancouver's top-tier condominium market outperformed lower density residential housing options, particularly in the market for housing between \$1–2 million. Following 2017, when GTA and City of Toronto condo

² Mustel Group and Sotheby's International Realty Canada, Modern Family Home Ownership Trends Report, 2018. Based on findings from a survey of 1,743 families in the Vancouver, Calgary, Toronto and Montreal Census Metropolitan Areas, with a focus on families where the adults are between the ages of 20 and 45.

sales over \$1 million soared 59% and 35% year-over year, 2018 top-tier sales maintained ground with a mild contraction of 3% in the GTA and with a nominal change occurring in City of Toronto, 1,129 units sold in 2018 compared to 1,128 units sold in 2017. Condominium sales over \$1 million in the City of Vancouver, which had increased 27% in 2017 from 2016 levels, pulled back from historic heights by a slight 14%.

While Montreal's favourable housing prices have enabled greater accessibility to single family home ownership than in other urban centres, local demand continued to drive the top-tier condominium market in 2018. Following a 49% year-over-year surge in \$1 million-plus condominium sales that set a record in 2017, Montreal's top-tier condominium market hit new highs in 2018 with a 29% year-over-year gain.

With 9.1 million of Canadian Millennials now entering the partnership, marriage and parenting stages of the family life cycle, affordability pressures will continue to drive purchases of top-tier condominiums in Canada's most expensive housing markets.

POPULATION GAINS IN CANADA'S MAJOR METROPOLITAN CENTRES REINFORCE TOP-TIER HOUSING MARKET

Positive population growth is a fundamental driver of homeownership, sales activity and price escalation across the conventional and luxury real estate markets. In 2018, this seldom cited but significant factor reinforced top-tier sales across Canada's four key metropolitan areas.

According to Statistics Canada, the country's population expanded 1.4% year-over-year, the fastest pace since 1990³. Annual population gains in the Toronto, Vancouver and Calgary Census Metropolitan

Areas (CMAs) exceeded this national average, lifting demand for conventional and top-tier real housing, despite rising inventory in the latter two regions. The population of Toronto rose a significant 2.5% year-over-year, while Vancouver's population expanded by 1.6%. In spite of economic instability and unemployment challenges, the population grew 2.1% in Calgary, sustaining the need for housing within the region. Meanwhile, the Montreal CMA experienced a 1.3% year-over-year population increase, at a pace only slightly below the national average⁴.

International migratory increase has remained the key driver behind Canada's population growth, with gains in the last quarter of 2018 largely due to an increase in the number of immigrants and permanent residents. As Canada's leading three gateway destinations for new Canadians, Toronto, Montreal and Vancouver continued to experience inflows of population with a need for both conventional and top-tier housing⁵.

STOCK MARKET TURMOIL SHAKES LUXURY REAL ESTATE CONSUMER CONFIDENCE

Financial market volatility, including dramatic slumps and inconsistent recoveries of global stocks in the last quarter of the year, shook luxury real estate consumer confidence in 2018. This anxiety poses risks to the real estate market in the year ahead.

In recent months, the Dow Jones Industrial Average, S&P 500 Index, NASDAQ Composite Index and key stock indexes and markets worldwide have experienced sudden, steep declines and upside reversals. At the surface, erratic stock market sell-offs were sparked by flare-ups in the escalating U.S. – China trade war, fears of a chaotic separation between the UK and the European Union with Brexit, interest rate upticks, and signals of increasing U.S. geopolitical friction.

³ Statistics Canada, November 2018

⁴ Statistics Canada, November 2018

⁵ Government of Canada, Annual Report to Parliament on Immigration, 2018

However, these symptoms amplified underlying anxiety over the deterioration of global economic prospects. The International Monetary Fund (IMF) downgraded its global growth projection to 3.7% for 2018 and 2019, a lowering of 0.2 percentage points for both years from its earlier forecast given increased downside risks. This encompassed a markdown in the 2019 growth projection for the U.S. in light of its new trade measures, such as the tariffs imposed on \$200 billion of imports from China.⁶

Although top-tier real estate is often utilized as a hedge during equity bear markets, consumer psychology is crucial to real estate market engagement and sales activity. The volatility of financial markets introduces real and perceived headline risks that may shock the market and stall consumer action. In 2019, ongoing stock market volatility will shadow top-tier housing performance as unsettled local and global real estate consumers hesitate from making key financial decisions, including those related to purchasing and selling a home.



⁶ International Monetary Fund, World Economic Outlook, October 2018



VANCOUVER TOP-TIER REPORT

2018 YEAR END REAL ESTATE REPORT

VANCOUVER MARKET SUMMARY¹

A battery of government and regulatory interventions, as well as incremental mortgage rate hikes, took their toll on consumer activity in the City of Vancouver's top-tier real estate market in 2018. While 2017 \$1 million-plus home sales had contracted a nominal 5% from 2016 levels, top-tier sales fell across all housing types in 2018. Homebuyers retreated from the market in anticipation of a deeper correction, while sellers delayed decisions to list.

Overall, \$1 million-plus real estate sales in Vancouver (condominiums, attached and single family homes) decreased 26% to 3,151 units sold in 2018, from 4,282 units sold in 2017. The \$4 million-plus luxury market experienced the most significant downturn, with sales falling 49% to 195 units sold in 2018, compared to 382 units sold in 2017. Sales activity in the latter half of 2018 experienced a deeper year-over-year decline: sales over \$1 million and over \$4 million contracted 36% and 51% respectively.

The \$1 million-plus single family home market became deeply entrenched in buyers' market territory, as sales over \$1 million decreased 35% from 2017. Vancouver's attached and condominium markets, which had remained robust in 2016 and 2017, also gave in to market stressors as 2018 progressed. While top-tier condo sales outperformed both attached and single family home sales in year-over-year sales gains, sales over \$1 million decelerated 14% to 1,107 units sold in 2018, compared to 1,285 units sold in 2017. In spite of robust market demand, attached home sales over \$1 million suffered from lack of inventory. As a result, sales of \$1 million-plus attached

homes fell 22% in 2018 to 539 homes sold compared to 690 sold in 2017.

The underlying cause for lackluster top-tier market performance was rising consumer anxiety over the implementation of multiple housing taxes, and concerns about the unintended outcomes of ongoing government intervention. In particular, the increased Foreign Buyers Tax to 20%, newly implemented Empty Homes Tax, increased annual school taxes for the portion of assessed home values above \$3 million, and the introduction of a new 0.5% speculation tax for the 2018 tax year² dampened confidence in the Vancouver housing market.

In spite of the barrage of taxes and policies introduced in 2018 and years previous, housing affordability remained a grave concern. While the composite benchmark price for all residential properties in Vancouver West and Vancouver East dipped to \$1,280,000 and \$1,056,000 in November 2018,³ housing prices remained out of reach for many. Along with this, the January 2018 introduction of stricter mortgage lending rules and rising mortgage rates negatively impacted buying power and continued to restrict the dream of homeownership in the city. Although a slowdown of activity by international purchasers was noted in the \$4 million-plus luxury market with the introduction of new taxes aimed at deterring speculation and foreign investment, the overall effect on housing affordability was negligible.

In the preliminary months of 2019, an abundant supply of real estate over \$1 million is anticipated to place downward pressure on top-tier Vancouver real estate prices, particularly in the luxury single family home market. However, while top-tier activity is expected to lag previous years, pent up demand from buyers and sellers

¹ The information contained in this report references market data from MLS boards across Canada. Sotheby's International Realty Canada cautions that MLS market data can be useful in establishing trends over time, but does not indicate actual prices in widely divergent neighborhoods or account for price differentials within local markets. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information and analysis presented in this report, no responsibility or liability whatsoever can be accepted by Sotheby's International Realty Canada or Sotheby's International Realty Affiliates for any loss or damage resultant from any use of, reliance on or reference to the contents of this document.

² Government of BC, "Homes for B.C.: A 30-point plan for housing affordability in British Columbia", 2018

³ Real Estate Board of Greater Vancouver, November 2018

who refrained from participating in 2017 and 2018 will flow into the market in the spring.

CONDOMINIUMS

Vancouver's top-tier condominium market remained resilient in 2018 as the city's housing affordability challenges, combined with demand from a cross-section of generational demographics, continued to drive purchases. Buyers newly priced out of the attached and detached home markets as a consequence of tighter mortgage lending regulations and rising interest rates were forced into buying condos out of necessity, while the ongoing shift of baby boomers from urban and suburban single family homes into condo living continued to support demand.

In spite of these factors, Vancouver's top-tier condo market began to show signs of strain from culminating governmental policies and taxes. Following 2017, which saw \$1 million-plus condominium sales lead the top-tier market with a 27% year-over-year increase, the market contracted in 2018. 1,107 condos over \$1 million sold in 2018, a 14% year-over-year decrease from the historic high of 1,285 condos sold in 2017. Sales in the last half of 2018 fell 37% from record highs achieved in the last half of the previous year. A modest 7% of condos sold over \$1 million in the last half of 2018 did so above list price.

The \$1 – 2 million segment comprised the majority of top-tier condominium transactions in 2018 due to greater price accessibility, but fell 11% to 931 units sold in 2018 compared to 1,044 sold in 2017. Condo sales between \$2 – 4 million experienced a 33% decrease in sales compared to 2017, due in part to diminishing supply on the market. In total, 137 units sold. Sales in the luxury \$4 million-plus segment of the market held ground in 2018, with a nominal 3% increase to 39 units sold in 2018 compared to 38 units in 2017.

While Vancouver's top-tier condo market remains healthy, it has retreated from unprecedented levels in 2017 and 2016. As of January 2, 2019, there were 502 \$1 million-plus active listings on the MLS® in the City of Vancouver, a roughly estimated eight months of supply. This suggests market conditions that are on the cusp of favouring buyers.⁴ In contrast to recent years, sellers in 2019 will be required to negotiate the interests of potential purchasers in order to ensure a sale.

ATTACHED HOMES

The city's chronic shortfall of top-tier attached home supply limited sales activity in 2018, in spite of continued consumer demand. Sales of \$1 million-plus attached homes decreased 22% to 539 homes sold in 2018, compared to 690 homes sold in 2017. In the latter half of 2017, the market segued into more balanced conditions as sales fell 42% from the last half of 2018 with a nominal 5% of attached homes over \$1 million selling above list price. This follows several consecutive years of significant gains in sales volume, which saw attached home sales over \$1 million increase 95% from 2014 to 2015, 38% from 2015 to 2016 and another 13% from 2016 to 2017.

In 2018, attached home sales between \$1 – 2 million decreased 20% to 490 homes sold, compared to 609 homes sold in 2017. Sales of \$2 – 4 million attached homes in Vancouver experienced a significant slowdown with a 38% reduction in sales to 45 homes sold, compared to 73 homes sold in 2017. Vancouver's luxury attached home market saw the most significant year-over-year reduction with a 50% decrease in sales over \$4 million to four homes sold.

Despite a decline in sales, prices of attached homes have not seen the same retraction; conversely, Metro Vancouver attached home prices increased 2.6% year-over-year in November 2018.⁵

⁴ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a seller's market, 4–6 indicates a balanced market and 6 or more months of supply indicates a buyer's market.

⁵ Real Estate Board of Greater Vancouver, November 2018

Overall, declines in top-tier attached home sales reflect a transition to a more balanced market in 2019. There were 201 active attached home listings over \$1 million on the MLS® in the City of Vancouver on January 2, 2019, an estimated six months of supply. This is a rough indication that the top-tier attached home market is edging into market conditions that skew in slight favour of buyers.⁶

SINGLE FAMILY HOMES

Vancouver's top-tier single family home market registered a third consecutive year of declining sales activity. Following a 16% reduction in single family home sales over \$1 million in 2016 from 2015 levels, and another 20% decrease in sales in 2017 from 2016, sales tumbled 35% to 1,505 homes sold in 2018. In the last half of 2018, sales volume fell 33% from the same period in 2017, a consequence of sharply rising inventory, faltering demand, escalating interest rates, as well as diminished motivation for home buyers to take action.

Over the course of 2018, additional power was transferred into the hands of buyers. As a result, Vancouver's top-tier single family home market saw new norms emerge. Aggressive offers significantly below sellers' asking prices, and the expiration or termination of listings followed by re-listings of the same properties at lower prices became more common. According to Sotheby's International Realty Canada, there has also been an increase in cases of potential buyers abandoning offers prior to the completion of sales transactions.

While sales between \$1 – 2 million and \$2 – 4 million declined 35% and 27% from 2017 levels to 751 and 602 homes sold in 2018 respectively, the most significant adjustment was seen in the \$4 million-plus luxury single family home market. 152 homes sold over \$4 million in 2018 compared to 336 sold in 2017, representing a 55% decrease. Overall, this segment of Vancouver's real estate

market has absorbed the greatest impact from governmental intervention; most notably the Empty Homes Tax and school taxes levelled at homes over \$3 million, as well as fading engagement from foreign buyers.

Despite the deceleration of Vancouver's single family home market in 2018, prices remain elevated beyond the reach of typical home buyers. The benchmark price of a single family home reached \$3,205,500 in Vancouver West and \$1,470,800 in Vancouver East in November 2018,⁷ a 10.3% and 6.5% year-over decline.

As of January 2, 2019, there were 1,036 \$1 million-plus active listings on the MLS® in the City of Vancouver, or a roughly estimated 10 months of supply, a strong indicator of buyers' market conditions.⁸ With home sellers gradually coming to terms with this new reality, top-tier single family home prices are expected to adjust downwards in the months leading into the spring market.

⁶ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a seller's market, 4 – 6 indicates a balanced market and 6 or more months of supply indicates a buyer's market.

⁷ Real Estate Board of Greater Vancouver, November 2018

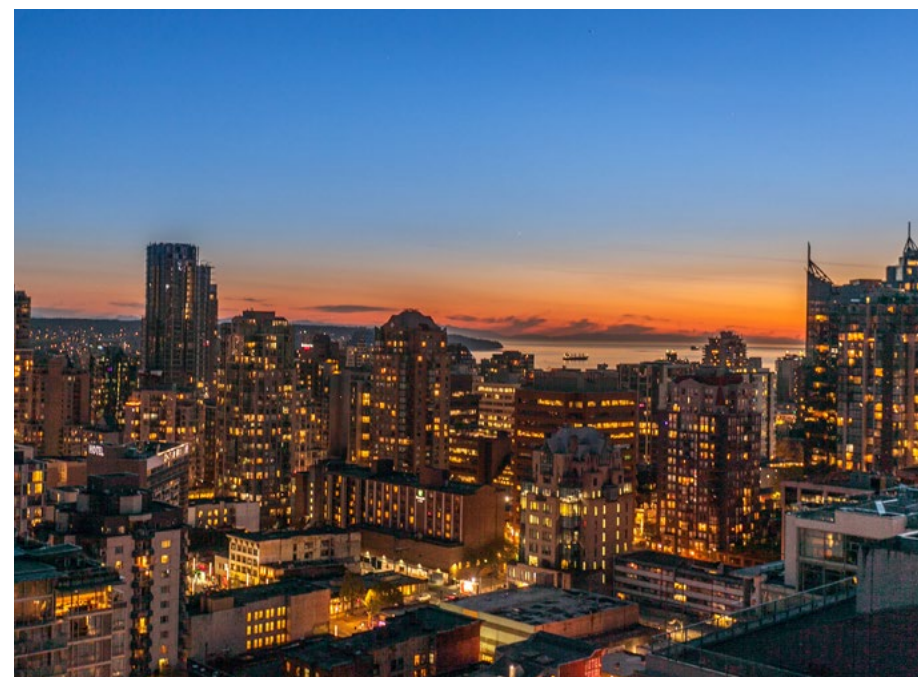
⁸ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a seller's market, 4 – 6 indicates a balanced market and 6 or more months of supply indicates a buyer's market.

VANCOUVER OVERALL MARKET

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	2,172	784	195
Jul 1- Dec 31 2018	820	308	84
Jan 1 - Jun 30 2018	1,352	476	111
Total 2017	2,803	1,097	382
Jul 1- Dec 31 2017	1,296	430	171
Jan 1 - Jun 30 2017	1,507	667	211

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	10%	10%	2%
Jan 1 - Jun 30 2018	26%	16%	8%
Jul 1 - Dec 31 2017	29%	18%	10%
Jan 1 - Jun 30 2017	37%	27%	14%

Est. Months of Supply Indicators	\$1M+
Active Listings (Jan 2 2019)	1,739
Estimated Months of Supply ⁹	9



⁹ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a sellers' market, 4-6 indicates a balanced market and 6 or more months of supply indicates a buyers' market.

VANCOUVER CONDOMINIUMS

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	931	137	39
Jul 1- Dec 31 2018	328	55	16
Jan 1 - Jun 30 2018	603	82	23
Total 2017	1,044	203	38
Jul 1- Dec 31 2017	530	86	21
Jan 1 - Jun 30 2017	514	117	17

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	8%	7%	0%
Jan 1 - Jun 30 2018	30%	18%	22%
Jul 1- Dec 31 2017	31%	17%	14%
Jan 1 - Jun 30 2017	31%	13%	24%

Est. Months of Supply Indicators	\$1M+
Active Listings (Jan 2 2019)	502
Estimated Months of Supply ¹⁰	8



¹⁰ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a sellers' market, 4-6 indicates a balanced market and 6 or more months of supply indicates a buyers' market.

VANCOUVER ATTACHED HOMES

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	490	45	4
Jul 1- Dec 31 2018	176	15	2
Jan 1 - Jun 30 2018	314	30	2
Total 2017	609	73	8
Jul 1- Dec 31 2017	288	39	5
Jan 1 - Jun 30 2017	321	34	3

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	6%	0%	0%
Jan 1 - Jun 30 2018	31%	17%	50%
Jul 1- Dec 31 2017	34%	23%	40%
Jan 1 - Jun 30 2017	44%	41%	33%

Est. Months of Supply Indicators	\$1M+
Active Listings (Jan 2 2019)	201
Estimated Months of Supply ¹¹	6



¹¹ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a sellers' market, 4 - 6 indicates a balanced market and 6 or more months of supply indicates a buyers' market.

VANCOUVER SINGLE FAMILY HOMES

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	751	602	152
Jul 1- Dec 31 2018	316	238	66
Jan 1 - Jun 30 2018	435	364	86
Total 2017	1,150	821	336
Jul 1- Dec 31 2017	478	305	145
Jan 1 - Jun 30 2017	672	516	191

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	14%	12%	3%
Jan 1 - Jun 30 2018	17%	15%	3%
Jul 1- Dec 31 2017	24%	17%	8%
Jan 1 - Jun 30 2017	37%	29%	13%

Est. Months of Supply Indicators	\$1M+
Active Listings (Jan 2 2019)	1,036
Estimated Months of Supply ¹²	10



¹² This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a sellers' market, 4 -6 indicates a balanced market and 6 or more months of supply indicates a buyers' market.

VANCOUVER SAMPLE NEIGHBOURHOODS

JUL 1- DEC 31 2018

Condominiums	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Coal Harbour	55	\$1,837,068	42
Kerrisdale	17	\$1,096,588	30
Point Grey / UBC	10	\$786,950	29
Shaughnessy	3	\$1,019,000	44
Yaletown	170	\$1,169,948	30
Attached Homes	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Coal Harbour	5	\$1,825,600	36
Kerrisdale	5	\$1,359,800	18
Point Grey / UBC	0	N/A	N/A
Shaughnessy	5	\$2,404,200	55
Yaletown	13	\$1,688,376	36
Single Family Homes	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Coal Harbour	0	N/A	N/A
Kerrisdale	18	\$3,740,388	96
Point Grey / UBC	33	\$3,720,121	40
Shaughnessy	13	\$4,279,253	62
Yaletown	0	N/A	N/A



CALGARY TOP-TIER REPORT

2018 YEAR END REAL ESTATE REPORT

CALGARY MARKET SUMMARY¹

Sales activity and housing prices in the City of Calgary's top-tier real estate market trended downward throughout 2018, as consumer confidence faltered with the province's uneven economic recovery. While Alberta's economy expanded in line with provincial budget targets through the first three quarters of the year, economic conditions deteriorated sharply and rapidly in the fourth quarter as Alberta crude oil prices plummeted to record lows. As a result, after nation-leading growth of 4.5% in 2017, real GDP increased 2.5% in 2018.²

Within Calgary, an above- national average unemployment rate of 7.9%³, enduring job insecurity, and rising barriers to home ownership brought on by stricter mortgage regulations and rising interest rates weighed on conventional and luxury real estate market performance. Following the outcome of the non-binding plebiscite against the bid for the 2026 Winter Olympic and Paralympic Games, business and community morale further diminished, contributing to a sombre outlook for Calgary's economy and real estate market.

Overall, Calgary's \$1 million-plus residential real estate market saw a 10% decrease in sales with 611 homes (condominiums, attached and single family homes) sold in 2018, compared to 677 homes sold in 2017. Top-tier inventory increased significantly as homeowners looked to exit the market, but slackening consumer demand set back progress made in 2017 when residential real estate sales rose 11% over 2016.

Real estate sales between \$1 – 2 million decreased 13% to 540 properties sold in 2018, compared to 621 in 2017. The \$2 – 4 million segment of the market exhibited the strongest performance, with a 30% increase in sales to 70 properties sold in 2018, compared to 54 sold in 2017. One home sold over \$4 million compared to two in 2017.

According to the Calgary Real Estate Board, the average price for a home continued to decline in 2018. The benchmark price fell to \$422,600 in November, nearly one per cent lower than the month prior, and over three per cent below 2017 levels⁴. The Teranet-National Bank House Price Index decreased 2.7% year-over-year.⁵

In spite of price deceleration within the top-tier market, signs of gridlock between buyers and sellers remained. A stronghold of sellers opted not to bring their properties to market, holding out for economic recovery, while emboldened buyers awaited further price reductions.

As Calgary enters into its third year of economic recovery in 2019,⁶ weaker oil prices, persistent access issues to global oil markets, and downgraded forecasts for investments, exports and GDP continue to challenge the top-tier real estate market. Sustained buyers' market conditions are anticipated as the city enters the first quarter of 2019.

CONDOMINIUMS⁷

Calgary's top-tier condominium market strengthened in 2018 but remained oversupplied. Following a 37% year-over-year decline in sales over \$1 million in 2017, 2018 saw an uptick in sales activity. Overall, 29 \$1 million-plus condos sold in Calgary in 2018, a 142% increase compared to 12 units sold in 2017. Condos in the

¹ The information contained in this report references market data from MLS boards across Canada. Sotheby's International Realty Canada cautions that MLS market data can be useful in establishing trends over time, but does not indicate actual prices in widely divergent neighborhoods or account for price differentials within local markets. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information and analysis presented in this report, no responsibility or liability whatsoever can be accepted by Sotheby's International Realty Canada or Sotheby's International Realty Affiliates for any loss or damage resultant from any use of, reliance on or reference to the contents of this document.

² Government of Alberta, Second Quarter Fiscal Update and Economic Statement, November 2018

³ Statistics Canada, November 2018

⁴ Calgary Real Estate Board, November 2018

⁵ Teranet-National Bank House Price Index, November 2018

⁶ Government of Alberta, Second Quarter Fiscal Update and Economic Statement, November 2018

⁷ Condominiums - CREB Property Type: Apartment; Condo Type: Conventional; Building Type: Lowrise Apartment, High Rise Apartment, Multi Unit

\$1 – 2 million price category exhibited the strongest activity, with a 189% increase in sales to 26 units sold in 2018, compared to nine sold in 2017.

Increased activity in the top-tier condominium market was due in part to increasingly motivated sellers eager to exit this housing segment to invest in more lucrative opportunities. Falling prices have also facilitated more activity.

While Calgary's top-tier condominium market is expected to continue to see demand from those seeking the benefits of an urban, lock-and-leave lifestyle, the market remains firmly entrenched in buyers' territory leading into 2019. The \$1 million-plus condominium market offers an abundance of inventory and opportunity for end-users and investors.

ATTACHED HOMES⁸

While top-tier attached home sales rose year-over-year in 2017, this segment of the market experienced a decline in 2018. Sales of homes over \$1 million fell 39% to 43 homes sold, compared to 71 homes sold in 2017. The highest level of activity took place in the \$1 – 2 million segment of the market where 42 homes sold in 2018, compared to 71 homes sold in 2017, a 41% decrease. In the \$2 – 4 million segment of the market, one home was sold in 2018, compared to none in 2017.

SINGLE FAMILY HOMES⁹

Although the single family home market was Calgary's most active market in 2018, \$1 million-plus homes saw a 9% decrease in sales volume to 539 homes sold, compared to 594 homes sold in 2017. The highest level of activity was in the \$1 – 2 million segment, yet the year closed with a 13% decrease in sales volume to 472 homes sold, compared to 541 homes sold in 2017. Sales between \$2 – 4 million exhibited the strongest gains in year-over-year sales volume, with a

⁸ Attached Homes - CREB Property Type: Attached; Condo Type: Bare Land, Conventional, Not a Condo
⁹ Single Family Homes - CREB Property Type: Detached; Condo Type: Bare Land, Conventional, Not a Condo

27% increase to 66 homes sold in 2018, compared to 52 homes sold in 2017. As in the case of 2017, one luxury home over \$4 million sold in 2018.

Top-tier single family home demand has stemmed from local buyers looking to upgrade and first-time purchasers entering the market under favourable conditions. While long-term investment opportunities exist, many remain wary of the city's current market conditions. Speculative activity will remain limited into 2019.



CALGARY OVERALL MARKET

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	540	70	1
Jul 1- Dec 31 2018	227	33	1
Jan 1 - Jun 30 2018	313	37	0
Total 2017	621	54	2
Jul 1- Dec 31 2017	258	24	0
Jan 1 - Jun 30 2017	363	30	2

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	5%	3%	0%
Jan 1 - Jun 30 2018	9%	8%	N/A
Jul 1- Dec 31 2017	7%	8%	N/A
Jan 1 - Jun 30 2017	9%	17%	0%



CALGARY CONDOMINIUMS

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	26	3	0
Jul 1- Dec 31 2018	11	1	0
Jan 1 - Jun 30 2018	15	2	0
Total 2017	9	2	1
Jul 1- Dec 31 2017	5	1	0
Jan 1 - Jun 30 2017	4	1	1

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	9%	100%	N/A
Jan 1 - Jun 30 2018	0%	0%	N/A
Jul 1- Dec 31 2017	0%	0%	N/A
Jan 1 - Jun 30 2017	0%	0%	0%



CALGARY ATTACHED HOMES

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	42	1	0
Jul 1- Dec 31 2018	14	0	0
Jan 1 - Jun 30 2018	28	1	0
Total 2017	71	0	0
Jul 1- Dec 31 2017	33	0	0
Jan 1 - Jun 30 2017	38	0	0

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	14%	N/A	N/A
Jan 1 - Jun 30 2018	0%	0%	N/A
Jul 1- Dec 31 2017	6%	N/A	N/A
Jan 1 - Jun 30 2017	3%	N/A	N/A



CALGARY SINGLE FAMILY HOMES

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	472	66	1
Jul 1- Dec 31 2018	202	32	1
Jan 1 - Jun 30 2018	270	34	0
Total 2017	541	52	1
Jul 1- Dec 31 2017	220	23	0
Jan 1 - Jun 30 2017	321	29	1

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	4%	0%	0%
Jan 1 - Jun 30 2018	10%	9%	N/A
Jul 1- Dec 31 2017	7%	9%	N/A
Jan 1 - Jun 30 2017	10%	17%	0%



CALGARY SAMPLE NEIGHBOURHOODS

JUL 1- DEC 31 2018

Condominiums	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Altadore	6	\$285,850	68
Aspen Woods	2	\$316,000	56
Elbow Park	0	N/A	N/A
Lower Mount Royal	20	\$326,095	54
Upper Mount Royal	3	\$258,167	84
Attached Homes	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Altadore	31	\$732,602	57
Aspen Woods	11	\$474,045	75
Elbow Park	0	N/A	N/A
Lower Mount Royal	2	\$550,750	43
Upper Mount Royal	0	N/A	N/A
Single Family Homes	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Altadore	33	\$983,409	54
Aspen Woods	46	\$1,034,128	58
Elbow Park	19	\$1,624,547	57
Lower Mount Royal	0	N/A	N/A
Upper Mount Royal	16	\$1,745,938	83



GREATER TORONTO AREA TOP-TIER REPORT

2018 YEAR END REAL ESTATE REPORT

GREATER TORONTO AREA¹

MARKET SUMMARY²

The ascent of the Greater Toronto Area (Durham, Halton, Peel, Toronto and York) top-tier real estate market was dramatic and unprecedented in the three years leading up to 2018. \$1 million-plus residential real estate sales (condominiums, attached and single family homes) surged 48% in 2015 over 2014, 77% in 2016 over 2015, then crested at historic highs with an additional uptick of 5% from 2016 to 2017.

Even with disruptions to market activity following the April 2017 implementation of the Ontario Fair Housing Plan, and again in January 2018 with the introduction of tighter mortgage lending rules, the Greater Toronto Area top-tier real estate market has consistently and swiftly rebounded. Activity steadied to healthy levels across the GTA by fall 2018, particularly within the City of Toronto and across the region's condominium market.

2018's top-tier market renewal is not reflected in year-over-year comparisons of 2018 and 2017 sales volume, which incorporate contrasts between faltering 2018 first quarter sales in the wake of new mortgage requirements, and peak sales volume recorded in the first quarter of 2017 prior to the impact of the Ontario Fair Housing Plan. As a result, 2018 top-tier market trends are better reflected in sales volume trends in the latter half of the year.

While GTA residential real estate sales over \$1 million (condominiums, attached and single family homes) were down 31% from 2017 levels to 14,255 properties sold in 2018, \$1 million-plus sales in the last half of the year increased 4% from the last half of

2017. Consumer confidence and activity in the City of Toronto's top-tier market reflected even greater resilience. In total, 6,562 properties (condominiums, attached and single family homes) over \$1 million sold in the City of Toronto in 2018, down 19% from the previous year; however, \$1 million-plus sales in the last half of 2018 increased 5% year-over-year.

While demand for limited top-tier inventory sparked multiple offer scenarios, subject-free deals and sales above list price in prime neighbourhoods within the City of Toronto, the heated bidding wars endemic in past years calmed. In 2018, as the GTA market balanced to healthy levels, fatigued buyers were more likely to withdraw from overpriced listings or unnecessary competition.

Across the GTA, \$1 – 2 million real estate experienced the greatest sales activity, with 12,139 units sold in 2018, down 29% from 2017. Real estate sales between \$2–4 million fell 39% to 1,882 properties sold in 2018, and sales over \$4 million fell 40% to 234 properties sold. In the last half of 2018, sales between \$1–2 million and \$2–4 million increased a modest 4% and 7% respectively, although sales over \$4 million decreased 20% from 2017 levels. The City of Toronto reflected similar trends. Annual residential sales volume between \$1–2 million, \$2–4 million and over \$4 million were down 16%, 26% and 39% to 5,132, 1,261 and 169 properties sold in 2018. However, in the last half of 2018, sales increased 4%, 14% and fell 10% in these same price categories compared to the last half of 2017.

Strong demand continued to erode affordability. The average sale price in the GTA for all home types combined rose 3.5% year-over-year in November 2018 to \$788,345; at the same time the average price in the City of Toronto rose to \$842,483.³ During the same

¹ Durham, Halton, Peel, Toronto & York

² The information contained in this report references market data from MLS boards across Canada. Sotheby's International Realty Canada cautions that MLS market data can be useful in establishing trends over time, but does not indicate actual prices in widely divergent neighborhoods or account for price differentials within local markets. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information and analysis presented in this report, no responsibility or liability whatsoever can be accepted by Sotheby's International Realty Canada or Sotheby's International Realty Affiliates for any loss or damage resultant from any use of, reliance on or reference to the contents of this document.

³ Toronto Real Estate Board, November 2018

month, the Teranet-National Bank House Price Index for Toronto increased 3.25% year-over-year.⁴

A steady economy and growing population continued to reinforce the Greater Toronto Area's conventional and top-tier real estate markets. Following a 3.4% gain in real GDP output last year, Toronto's economy continued to expand at a pace of 2.3% in 2018.⁵ The metropolitan area's unemployment rate fell to 6.2%,⁶ and its population expanded by 2.5% over 2017, significantly surpassing the national average rate of 1.4%.⁷ Positive population growth is one of the driving forces behind real estate market activity and price elevation. This under-reported but significant factor continued to ensure supply absorption in 2018.

With Toronto's real GDP growth projected to remain steady at 2.4% in 2019,⁸ demand for \$1 million-plus real estate will continue to outpace inventory and drive property values up in both the conventional and top-tier real estate markets through the first quarter of 2019.

CONDOMINIUMS⁹

Toronto's top-tier condominium market maintained strength through the course of 2018, however, annual sales comparisons are skewed by the influence of first quarter figures that contrasted 2018 sales volume against the highs of 2017.

Overall, top-tier condo sales in the GTA fell 3% in 2018, with 1,259 units sold between January 1 –December 31, 2018. The market for condominiums between \$1 – 2 million experienced the most activity with sales slipping a nominal 4% to 1,084 units sold in 2018 compared to 1,134 units sold in 2017. Condominium sales between \$2 – 4 million increased 12% to 158 units sold in 2018 compared to

141 units sold in 2017. Luxury condos priced over \$4 million saw sales decrease 19% to 17 units sold in 2018 compared to 21 units sold in 2017. In the City of Toronto, 1,129 condos over \$1 million sold in 2018, on par with 2017's record highs. Sales between \$1 – \$2 million comprised the greatest share of top-tier sales volume with 970 units sold, on par with 2017 levels. Sales of \$2 – 4 million condominiums increased 4% year-over-year to 142 units, while luxury condo sales over \$4 million fell 19% to 17 units.

Top-tier performance in the second half of 2018 better reflected the strengthening market. GTA condominium sales over \$1 million were up 12% from 2017 levels to 601 units sold, while \$4 million-plus sales increased 33% from six units sold the year prior to eight. Overall, 24% of GTA condos sold over \$1 million and 13% of condos sold over \$4 million did so at above list price. Between July 1 and December 31, 2018, sales of condominiums over \$1 million in the City of Toronto were up 11% with 530 units sold compared to the last six months of 2017, while luxury condo sales over \$4 million were up 60% year-over-year to eight units sold.

As of January 2, 2019, there were approximately 289 listings over \$1 million on the MLS® in the GTA and 232 listings in the City of Toronto. This translated to an estimated three months of supply in both the City of Toronto and the GTA, and pointed to a market favouring sellers.

With persistent demand for urban, low-maintenance condo living from a significant demographic of "rightsizing" baby boomers, plus affordability pressures coercing solo buyers and young families into condominiums due to cost barriers, top-tier condominium demand is expected to remain elevated well into 2019.

⁴ Teranet-National Bank House Price Index, November 2018

⁵ Conference Board of Canada, November 2018

⁶ Statistics Canada, November 2018

⁷ Statistics Canada, November 2018

⁸ Conference Board of Canada, November 2018

⁹ Condominiums - All Condo Types (Residential Condo & Other): Common Element Condo, Condo Apt, Condo Townhouse, Co-op Apt, Co-Ownership Apt, Detached Condo, Leasehold Condo, Locker, Other, Parking Space, Phased Condo, Semi-detached Condo, Time Share, Vacant Land Condo

ATTACHED HOMES¹⁰

The attached home market remained one of the most heated top-tier real estate segments in the GTA. In the last half of 2018, overwhelming demand resulted in rapid sales velocity and a significant 54% of \$1 million-plus attached homes and 25% of \$4 million-plus luxury attached homes selling above list price. Within the City of Toronto, strong demand resulted in 61% of \$1 million-plus attached homes and 25% of \$4 million-plus luxury homes selling above list price.

As in the case of other top-tier housing types, 2018 year-over-year sales volume comparisons misrepresent actual market performance given the inclusion of first quarter figures. Sales of attached homes over \$1 million in the GTA decreased 26% in 2018 when compared to 2017, dipping to 1,513 units sold. Sales between \$1–2 million and \$2–4 million fell 27% and 4% to 1,391 and 116 properties sold respectively. In contrast, luxury attached home sales in the GTA over \$4 million increased to six units sold in 2018, compared to five sold in 2017. In the City of Toronto, attached home sales over \$1 million fell 12% from 2017 levels to 1,301 units sold in 2018. Sales between \$1–2 million decreased 13% year-over-year to 1,182 homes sold, while \$2–4 million sales fell 6% to 113 properties sold. Meanwhile, six luxury attached homes sold over \$4 million, on par with 2017.

Comparisons of sales volume from July 1 to December 31, 2018 to the same months in 2017 more accurately reflect recent trends. GTA sales of attached homes over \$1 million increased 8% to 707 units sold, while luxury attached home sales over \$4 million doubled to four sold in the last half of 2018. \$1 million-plus attached home sales in the City of Toronto were up 10% to 614 units sold, and luxury

\$4 million-plus sales increased from three homes sold in 2017 to four sold in 2018.

Significant and persistent shortfalls of top-tier attached home inventory continue to limit sales. As of January 2, 2019, the GTA had 191 attached home listings over \$1 million, translating into roughly two months of supply, while the City of Toronto had 79 listings and roughly one month of supply. Both figures strongly suggest sellers' market conditions.¹¹ Positioned as attractive and affordable alternatives to single family homes, top-tier attached home sales are expected to remain strong into the first quarter of 2019, with demand outstripping supply.

SINGLE FAMILY HOMES¹²

Despite a temporary slowdown in the first quarter of the year, the Greater Toronto Area top-tier single family home market steadily regained momentum. By fall, sales activity, consumer confidence and market engagement had resumed to healthy levels. While recovery was uneven in areas outside the City of Toronto, a shortfall of inventory within the city resulted in rapid absorption of available stock.

The top-tier market's positive trajectory is masked by year-over-year comparisons of sales volume, which contrast 2018's lacklustre first quarter sales results, against record high sales volume in the first quarter of 2017. Overall top-tier single family home sales over \$1 million were down 34% to 11,483 units sold in the GTA in 2018, compared to 17,286 in 2017. Luxury \$4 million-plus sales contracted 42% in 2018 with 211 units sold compared to 365 units sold in 2017.

A more precise and timely indication of market trends is revealed in a comparison of sales activity in the last half of 2018 against the last half of 2017. Between July 1 and December 31, 2018, \$1 million-plus single family home sales held steady with a modest 2% gain in the

¹⁰ Attached Homes - Attached/Row/Townhouse, Semi-Detached, Duplex (Residential Freehold)

¹¹ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a seller's market, 4–6 indicates a balanced market and 6 or more months of supply indicates a buyer's market.

¹² Single Family Homes - Detached, Detached with Common Elements, Links (Residential Freehold)

GTA compared to 2017 levels. Furthermore, 17% of homes sold over \$1 million did so above list price. During this time, sales of homes between \$1 – 2 million and \$2 – 4 million both increased 3%. Luxury home sales over \$4 million were down a more significant 24% in the last half of the year to 95 units sold, due in part to a shortage of supply in prime City of Toronto neighbourhoods.

Top-tier sales in the City of Toronto reflected similar data skews and performance trends. 2018 annual comparisons reflect \$1 million-plus single family home sales falling to 4,132 units in 2018, a decrease of 25% compared to 2017, while \$4 million-plus luxury home sales fell 42% year-over-year to 146 homes sold in 2018 when compared to 2017. However, in the last half of 2018, single family sales over \$1 million increased a modest 2% compared to the last half of 2017, with a significant 28% of homes selling above asking price. Luxury single family home sales over \$4 million however, were down 16% in the last half of 2018 compared to the same months in the year previous, with 6% of homes selling above list price.

Strong consumer demand continued to place upward pressure on single family home prices. According to the Toronto Real Estate Board, the average price of a detached single family home rose 1.4% year-over-year in November 2018 to \$1,301,382 in the City of Toronto.¹³

As of January 2, 2019, there were 3,352 active single family home listings over \$1 million on the MLS® in the GTA, or a roughly estimated four months of supply. At the same, there were approximately three months of single family supply over \$1 million within the City of Toronto.¹⁴ In a region buoyed by a growing population, strengthening consumer demand and solid economic fundamentals, these figures suggest positive momentum for the top-tier single family home market into 2019.



¹³ Toronto Real Estate Board, November 2018

¹⁴ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a seller's market, 4–6 indicates a balanced market and 6 or more months of supply indicates a buyer's market.

GREATER TORONTO AREA OVERALL MARKET

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	12,139	1,882	234
Jul 1- Dec 31 2018	5,551	913	107
Jan 1 - Jun 30 2018	6,588	969	127
Total 2017	17,129	3,103	391
Jul 1- Dec 31 2017	5,341	857	133
Jan 1 - Jun 30 2017	11,788	2,246	258

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	22%	16%	7%
Jan 1 - Jun 30 2018	25%	24%	17%
Jul 1- Dec 31 2017	22%	17%	12%
Jan 1 - Jun 30 2017	68%	51%	28%

Est. Months of Supply Indicators	\$1M+
Active Listings (Jan 2 2019)	3,832
Estimated Months of Supply ¹⁵	3



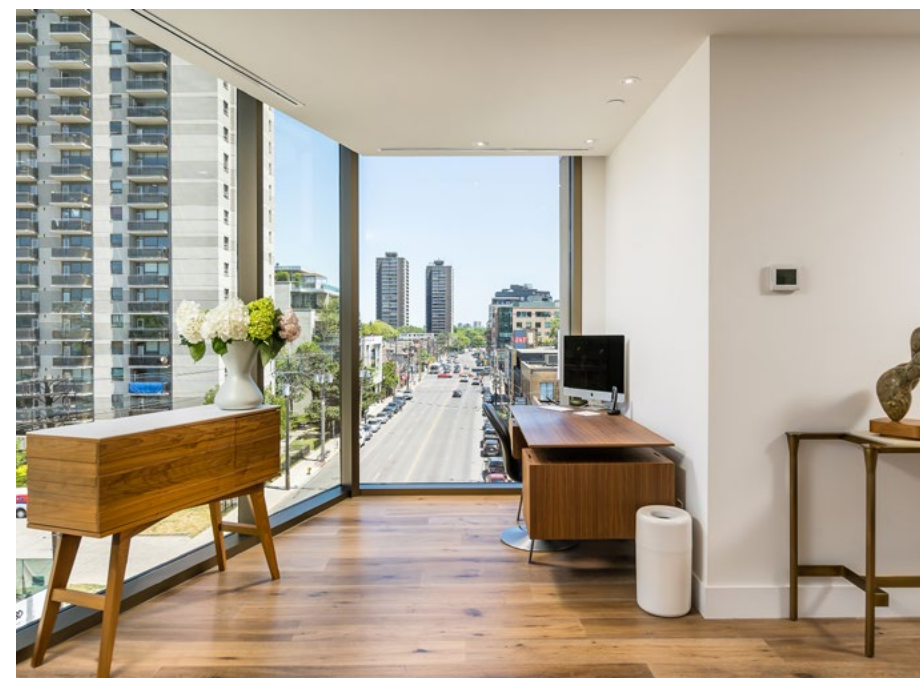
¹⁵ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a sellers' market, 4 –6 indicates a balanced market and 6 or more months of supply indicates a buyers' market.

GREATER TORONTO AREA CONDOMINIUMS

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	1,084	158	17
Jul 1- Dec 31 2018	514	79	8
Jan 1 - Jun 30 2018	570	79	9
Total 2017	1,134	141	21
Jul 1 - Dec 31 2017	464	68	6
Jan 1 - Jun 30 2017	670	73	15

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	25%	18%	13%
Jan 1 - Jun 30 2018	33%	16%	22%
Jul 1 - Dec 31 2017	23%	24%	0%
Jan 1 - Jun 30 2017	51%	30%	19%

Est. Months of Supply Indicators	\$1M+
Active Listings (Jan 2 2019)	289
Estimated Months of Supply ¹⁶	3



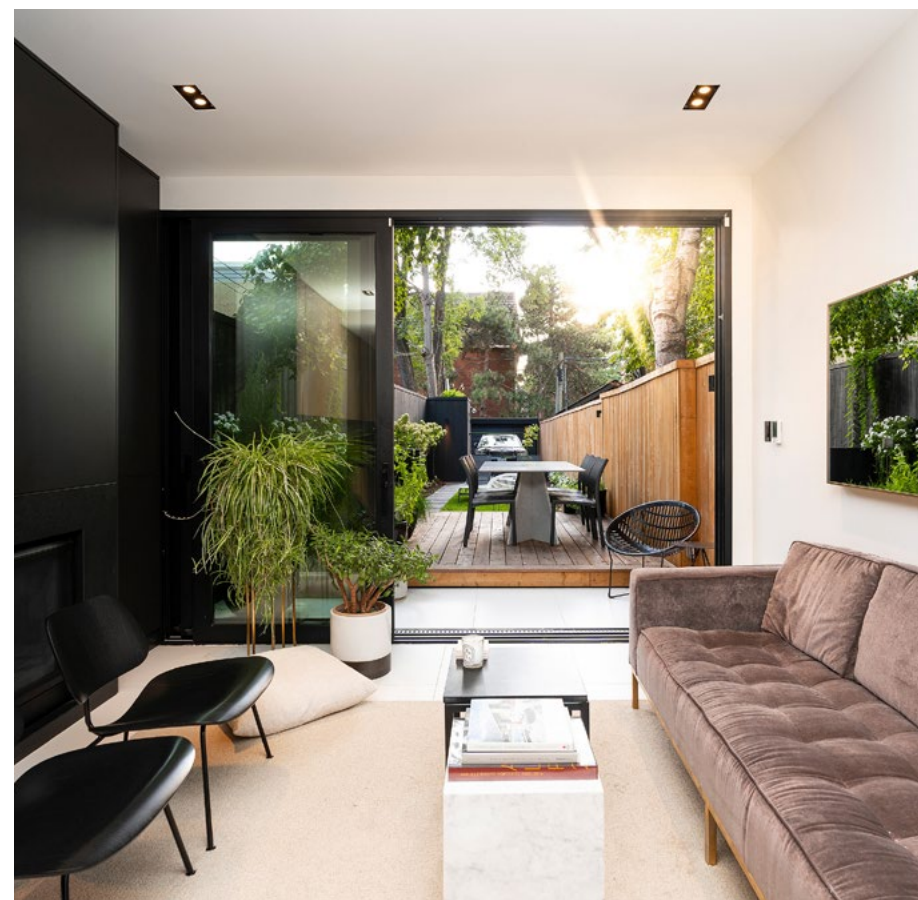
¹⁶ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a sellers' market, 4-6 indicates a balanced market and 6 or more months of supply indicates a buyers' market.

GREATER TORONTO AREA ATTACHED HOMES

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	1,391	116	6
Jul 1- Dec 31 2018	653	50	4
Jan 1 - Jun 30 2018	738	66	2
Total 2017	1,915	121	5
Jul 1- Dec 31 2017	620	31	2
Jan 1 - Jun 30 2017	1,295	90	3

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	55%	40%	25%
Jan 1 - Jun 30 2018	57%	52%	50%
Jul 1- Dec 31 2017	46%	45%	50%
Jan 1 - Jun 30 2017	76%	62%	33%

Est. Months of Supply Indicators	\$1M+
Active Listings (Jan 2 2019)	191
Estimated Months of Supply ¹⁷	2



¹⁷ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a sellers' market, 4 -6 indicates a balanced market and 6 or more months of supply indicates a buyers' market.

GREATER TORONTO AREA SINGLE FAMILY HOMES

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	9,664	1,608	211
Jul 1- Dec 31 2018	4,384	784	95
Jan 1 - Jun 30 2018	5,280	824	116
Total 2017	14,080	2,841	365
Jul 1- Dec 31 2017	4,257	758	125
Jan 1 - Jun 30 2017	9,823	2,083	240

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	17%	14%	6%
Jan 1 - Jun 30 2018	20%	22%	16%
Jul 1- Dec 31 2017	19%	16%	12%
Jan 1 - Jun 30 2017	68%	52%	29%

Est. Months of Supply Indicators	\$1M+
Active Listings (Jan 2 2019)	3,352
Estimated Months of Supply ¹⁸	4



¹⁸ This figure is based on average monthly sales volumes in the latter half of 2018, and serves as a rough indicator and estimation of market conditions only. Typically, 4 months of supply or less indicates a sellers' market, 4-6 indicates a balanced market and 6 or more months of supply indicates a buyers' market.

GREATER TORONTO AREA SAMPLE NEIGHBOURHOODS

JUL 1- DEC 31 2018

Condominiums	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Annex	156	\$1,175,409	27
Bridle Path-Sunnybrook-York Mills	29	\$1,144,034	31
Forest Hill	34	\$894,215	17
Lawrence Park	29	\$907,489	19
Rosedale-Moore Park	9	\$2,240,445	28
Attached Homes	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Annex	38	\$1,931,755	19
Bridle Path-Sunnybrook-York Mills	0	N/A	N/A
Forest Hill	4	\$2,210,000	29
Lawrence Park	24	\$1,325,175	11
Rosedale-Moore Park	4	\$2,269,000	19
Single Family Homes	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Annex	14	\$3,120,857	35
Bridle Path-Sunnybrook-York Mills	29	\$4,053,772	47
Forest Hill	52	\$2,819,468	25
Lawrence Park	105	\$2,149,931	17
Rosedale-Moore Park	33	\$3,239,136	34



MONTREAL TOP-TIER REPORT

2018 YEAR END REAL ESTATE REPORT

MONTREAL MARKET SUMMARY¹

The City of Montreal's top-tier real estate market continued its upswing in 2018, shattering records previously set in 2017. Overall, residential real estate sales over \$1 million (condominiums, attached and single-family homes) increased 20% year-over-year to 883 units sold in 2018, compared to 734 units sold in 2017. Sales between \$1 – 2 million saw an increase of 19% to 726 units sold in 2018, compared to 611 units sold in 2017. The number of properties sold between \$2 – 4 million increased by 32% to 146 units sold in 2018, compared to 111 sold in 2017. In contrast to 2017, when \$4 million-plus luxury sales increased 33% year-over-year to 12 properties sold, \$4 million-plus sales held steady at 11 units in 2018.

Across the conventional and luxury market, the confluence of healthy consumer demand and limited supply ignited bidding wars reminiscent of conditions in Vancouver and Toronto during years of healthy growth. This caused home prices to appreciate. Overall, the median price of single family homes and condominiums reached \$334,000 and \$264,900 respectively towards the end of 2018, a 5% increase from the previous year.² The Teranet-National Bank House Price Index increased 4.39% year-over-year.³ In spite of these gains, Montreal remained one of Canada's most affordable conventional and luxury housing markets, with home buyers better positioned to absorb rising costs associated with tightening mortgage lending guidelines and increasing interest rates.

Healthy economic fundamentals also underpinned the city's top-tier housing market. Montreal boasted the fastest growing metropolitan economy in 2018, with a growth rate of 2.9% due to broad-based gains.⁴ Job creation, income growth and population expansion

bolstered demand, while investment in public infrastructure and urban development projects increased real estate values in emerging communities across the region.

While the city firmed its position as global luxury real estate destination in 2018, top-tier sales in Montreal remained predominantly driven by local residents in search of housing rather than investor, speculator or foreign demand. According to Sotheby's International Realty Canada experts, buyer trends in the top-tier market mirrored findings from a recent Canada Mortgage and Housing Corporation report which indicated that the percentage of housing units bought by non-residents throughout the Montreal CMA in 2018 was 2%, with the proportion rising to 12% in downtown Montreal.⁵

Even as top-tier sales reached new highs in 2018, momentum plateaued to a steady pace. 2018's 20% year-over-year sales gain is roughly on par with the 20% sales increase in 2017 from 2016, as well as the 23% gain in \$1 million-plus sales in 2016 over 2015. Montreal's top-tier market performance is expected to stabilize leading into the first quarter of 2019.

CONDOMINIUMS

After a 49% year-over-year surge in \$1 million-plus condominium sales set a new record in 2017, Montreal's top-tier condominium market achieved new highs in 2018 with a 29% year-over-year gain to 157 units sold. Sales activity over \$1 million steadily rose as an influx of top-tier resale condominium inventory was readily absorbed by consumer demand.

¹ The information contained in this report references market data from MLS boards across Canada. Sotheby's International Realty Canada cautions that MLS market data can be useful in establishing trends over time, but does not indicate actual prices in widely divergent neighborhoods or account for price differentials within local markets. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information and analysis presented in this report, no responsibility or liability whatsoever can be accepted by Sotheby's International Realty Canada or Sotheby's International Realty Affiliates for any loss or damage resultant from any use of, reliance on or reference to the contents of this document.

² Greater Montreal Real Estate Board, November 2018

³ Teranet-National Bank House Price Index, November 2018

⁴ Conference Board of Canada Metropolitan Outlook, Autumn 2018

⁵ Canada Mortgage & Housing Corporation, Housing Market Insight: Montreal CMA, October 2018

Sales of condominiums between \$1 – 2 million saw a 36% year-over-year increase to 135 units sold in 2018. In total, 21 units sold between \$2 – 4 million in 2018, on par with the 21 units sold in 2017. Due to limited supply, the number of condos sold over \$4 million decreased to one property sold in 2018 compared to two in 2017. Overall, 7% of condos sold over \$1 million did so above list price in the last half of 2018. It is expected that strong demand and a quick sales pace will continue in the Montreal condominium market well into the first quarter of 2019.

ATTACHED HOMES

Montreal's top-tier attached home segment experienced a significant surge in consumer demand in 2018, as sales over \$1 million increased 40% over 2017 levels. In fact, 19% of \$1 million-plus attached homes sold above list price, the highest percentage of the housing types and reflective of increased competition for available inventory within this market segment. The majority of attached home sales occurred in the \$1 – 2 million segment of the market, which experienced a 33% year-over-year increase in sales to 270 homes sold in 2018. Attached home sales between \$2 – 4 million saw a significant year-over-year increase in sales: 20 units sold compared to four in 2017.

SINGLE FAMILY HOMES

Following year-over-year sales gains of 21% in 2017 over 2016, Montreal's top-tier single family home market calmed to healthy levels in 2018. Sales over \$1 million increased 8% in 2018 from 2017 to 436 homes sold. The majority of top-tier sales took place in the \$1 – 2 million segment of the market with 321 homes sold, an increase of 4% from 2017. 105 single family homes sold in the \$2 – 4 million range, a 22% year-over-year increase. Meanwhile, sales of \$4 million-plus luxury homes held steady year-over-year at

10 homes sold in 2017 and 2018. In the last half of 2018, 10% of sales over \$1 million took place above the list price.

Although Montreal's prolonged, record setting run-up in top-tier demand is expected to moderate in 2019, the city's robust economic fundamentals and growing population are expected to foster active, healthy market conditions well into the year.



MONTREAL OVERALL MARKET

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	726	146	11
Jul 1- Dec 31 2018	349	66	8
Jan 1 - Jun 30 2018	377	80	3
Total 2017	611	111	12
Jul 1- Dec 31 2017	295	60	7
Jan 1 - Jun 30 2017	316	51	5

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	13%	11%	0%
Jan 1 - Jun 30 2018	16%	14%	0%
Jul 1- Dec 31 2017	12%	8%	0%
Jan 1 - Jun 30 2017	11%	6%	0%



MONTREAL CONDOMINIUMS

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	135	21	1
Jul 1- Dec 31 2018	65	10	1
Jan 1 - Jun 30 2018	70	11	0
Total 2017	99	21	2
Jul 1- Dec 31 2017	44	11	2
Jan 1 - Jun 30 2017	55	10	0

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	8%	0%	0%
Jan 1 - Jun 30 2018	10%	36%	N/A
Jul 1- Dec 31 2017	7%	27%	0%
Jan 1 - Jun 30 2017	11%	30%	N/A



MONTREAL ATTACHED HOMES

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	270	20	0
Jul 1- Dec 31 2018	111	8	0
Jan 1 - Jun 30 2018	159	12	0
Total 2017	203	4	0
Jul 1- Dec 31 2017	98	1	0
Jan 1 - Jun 30 2017	105	3	0

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	20%	13%	N/A
Jan 1 - Jun 30 2018	22%	25%	N/A
Jul 1- Dec 31 2017	14%	0%	N/A
Jan 1 - Jun 30 2017	15%	0%	N/A



MONTREAL SINGLE FAMILY HOMES

# of Units Sold	\$1-2M	\$2-4M	\$4M+
Total 2018	321	105	10
Jul 1- Dec 31 2018	173	48	7
Jan 1 - Jun 30 2018	148	57	3
Total 2017	309	86	10
Jul 1- Dec 31 2017	153	48	5
Jan 1 - Jun 30 2017	156	38	5

% of Homes Sold Over List Price	\$1-2M	\$2-4M	\$4M+
Jul 1- Dec 31 2018	10%	13%	0%
Jan 1 - Jun 30 2018	12%	7%	0%
Jul 1- Dec 31 2017	11%	4%	0%
Jan 1 - Jun 30 2017	8%	0%	0%



MONTREAL SAMPLE NEIGHBOURHOODS

JUL 1- DEC 31 2018

Condominiums	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Côte-Des-Neiges / NDG	520	\$433,642	69
Hampstead	12	\$309,917	87
Outremont	110	\$552,405	67
Town Of Mont Royal	74	\$472,894	61
Westmount	80	\$948,292	78
Attached Homes	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Côte-Des-Neiges / NDG	71	\$830,384	44
Hampstead	4	\$922,500	62
Outremont	14	\$1,363,458	62
Town Of Mont Royal	15	\$978,040	83
Westmount	64	\$1,610,237	68
Single Family Homes	# of Units Sold	Avg. Sold Price	Avg. Days on Market for Solds
Côte-Des-Neiges / NDG	29	\$911,143	54
Hampstead	26	\$1,397,065	76
Outremont	20	\$2,567,200	69
Town Of Mont Royal	52	\$1,663,228	98
Westmount	31	\$3,048,868	91



LIVE INSPIRED

Sotheby's | Canada
INTERNATIONAL REALTY

© MMXVII Sotheby's International Realty Canada. All Rights Reserved. Each Office is Independently Owned and Operated. Sotheby's International Realty and the Sotheby's International Realty logo are registered (or unregistered) service marks licensed to Sotheby's International Realty Canada.