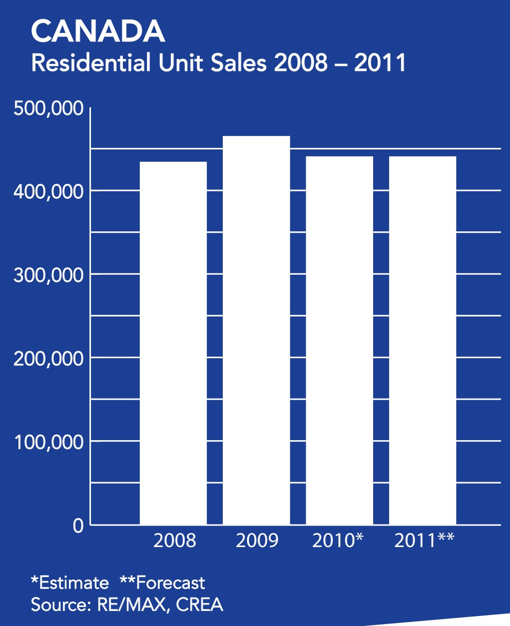
RE/MAX® HOUSING MARKET OUTLOOK 2011

Canadian Overview



Canada's housing market roared into 2010 like a lion but left like a lamb.

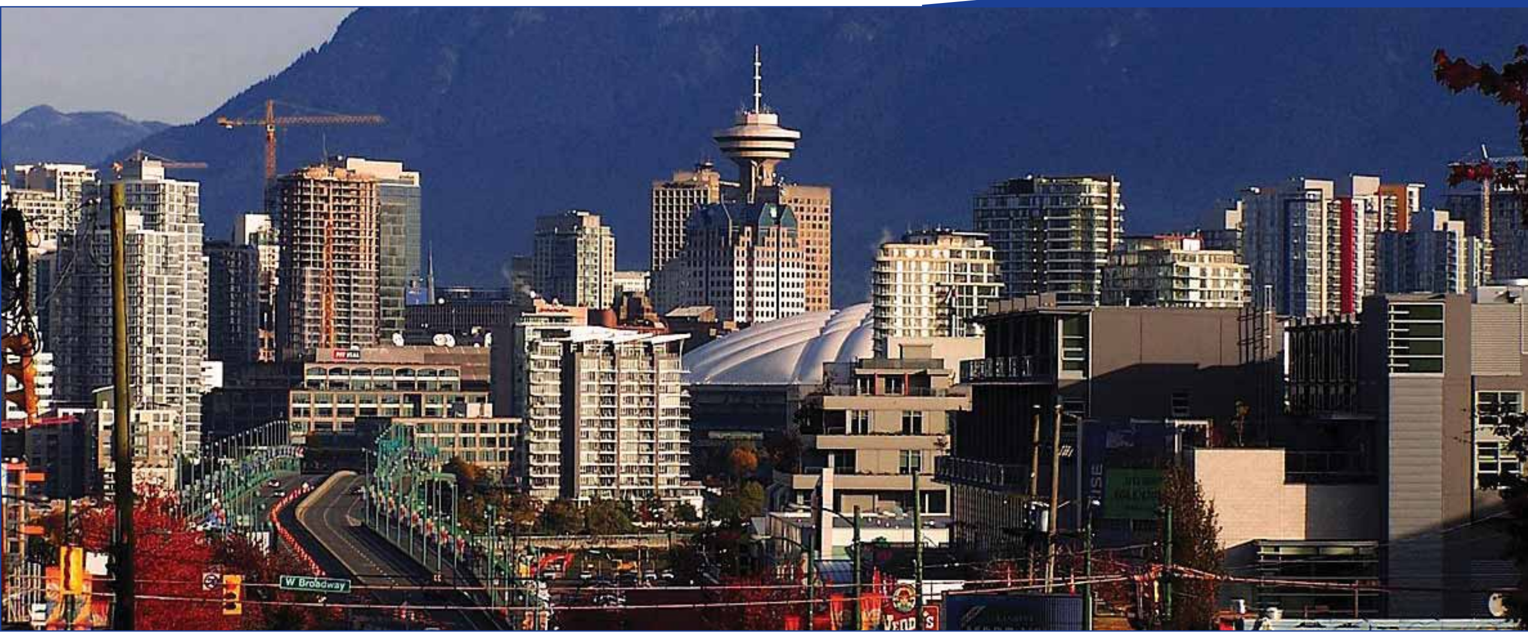
After a record first quarter, residential sales volumes slowed in much of the country, and while momentum picked up in the final quarter, most major centres are expected to fall short of 2009 levels at year-end. Yet despite softer home-buying activity, average price continued to climb in virtually all markets, with year-over-year gains ranging from just under one per cent to 15 per cent in Kitchener-Waterloo, Québec City and St. John's.

Economic uncertainty plagued housing market performance during the latter half of the year, with concerns over double-dips, European bail-outs, and overheated economies top of mind. Canada's slowing economy also gave reason for pause, as the strong GDP growth in the first quarter gave way to more tepid progress in the latter half of the year.

There were some bright spots throughout the year—including the country's robust condominium and luxury housing markets. Both segments reported strong percentage increases in sales—in many instances, outpacing residential activity by year-end. However, all boats rise and fall with the tide, and rock bottom interest rates alone—with five-year closed terms falling to 3.5 per cent—were not enough to entice potential purchasers.

As a result, approximately 441,000 homes are expected to change hands nationally in 2010, a five per cent decline from the 465,251 sales reported in 2009. Housing values are forecast to continue to climb, up an estimated seven per cent to $340,000, compared with $320,333 one year earlier.

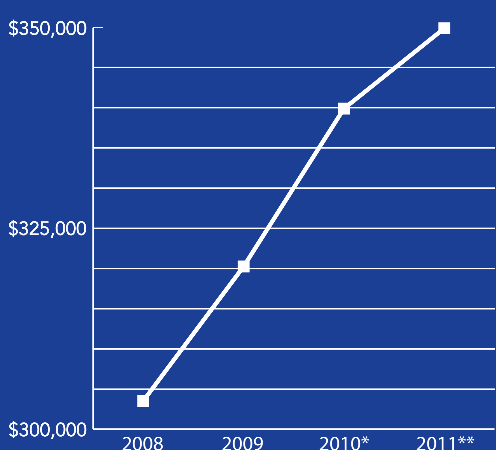
Moving forward, improved economic fundamentals are expected to buoy consumer confidence as well as residential real estate activity in Canada. Each province is set for significant improvement in the new year, with all but two recovered from losses experienced during the recession. GDP growth is expected to hover at three per cent in Canada, with only Saskatchewan, Alberta, Manitoba and Newfoundland-Labrador set to outperform the national average in 2011. The employment picture



continues to improve, thanks to both federal and provincial infrastructure projects. Unemployment levels continue to fall, dropping to 7.9 per cent by year-end 2010, and are expected to continue their descent in 2011.

Against this backdrop, the prognosis for Canada's real estate markets in 2011 is good. Nationally, housing sales are expected to mirror 2010 levels, hovering at 441,000 next year, while average price is forecast to escalate three per cent to $350,000 by year-end 2011.

CANADA
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

Markets in British Columbia are forecast to lead the country in terms of percentage increases in sales activity next year, with Greater Vancouver expected to climb 10 per cent, followed by Victoria at eight per cent and Kelowna at six per cent. After a prolonged period of economic hardship, Windsor is once again on track for growth, with residential home sales predicted to climb five per cent.

Almost all markets are reporting an anticipated increase in housing values next year, with St. John's in front with an estimated eight per cent hike in average price in 2011. The value of homes in Greater Vancouver, Kelowna, Regina, Saskatoon, London-St. Thomas, Ottawa, Sudbury and Greater Montréal is also predicted to climb five per cent.

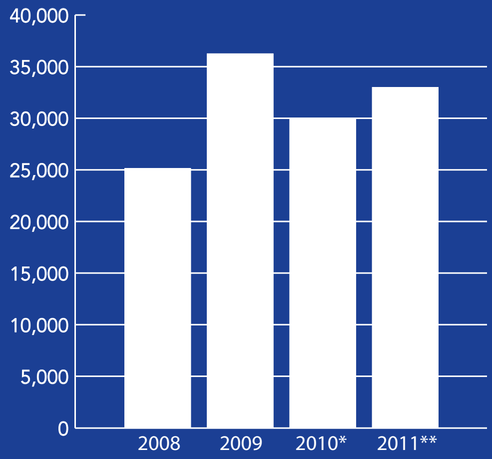
Balanced market conditions are expected to prevail in most major centres next year, although buyers may have a slight edge. Low interest rates and improving consumer confidence levels should stimulate home-buying activity at all price points.

British Columbia

Greater Vancouver

The resale housing market in Greater Vancouver remains quite active, despite moderation from exceptional sales levels recorded earlier this year. Rising values and record low interest rates continue to be a serious impetus driving homebuyers, particularly in the entry-level. While affordability remains a challenge, there has been a growing trend toward central core living. Buyers are downsizing expectations in favour of location, location, location. As a result, condominium product is the foremost choice among first-time buyers and a growing share of move-up purchasers as well. This segment is forecast to represent a greater share of the market moving forward, with October year-to-date condominium sales (apartment and townhomes) comprising a substantial 60 per cent of all activity. Yet, when it comes to prices, land continues to post strong double-digit gains—slightly stronger than the overall market. There has been considerable appetite among new immigrants—especially from mainland China—for building lots. As a result, infill remains on the upswing and is a factor that should help drive Greater Vancouver's average price further ahead in 2011. Balanced market conditions exist, and should remain in place in the new year, which will prevent values from escalating too sharply or too quickly going forward. As 2010 wraps up, sales are expected to reach 30,000 units, a 17 per cent decline over the 2009 figure—a decrease that can be tied to economic uncertainty, waning consumer confidence, and the implementation of the HST, which put the brakes on activity and limited demand throughout the summer. Average price appreciation, already showing signs of cooling, is expected to close the year up 12 per cent—a hefty gain, but down from stronger increases earlier in the year—bringing the average price to $665,000.

GREATER VANCOUVER AREA
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

2011 is poised to be another vibrant year for real estate in the city, propped up by a strengthening economy. Provincially, GDP is forecast to rise by as much as three per cent. Major infrastructure and transportation projects, along with a modest rise in new construction, will serve to boost employment levels in Vancouver. Immigration will also continue to be a considerable boon to housing demand, as 40,000 people—mainly from the Asia Pacific Region—are expected to settle in Greater Vancouver next year. Household formation is occurring sooner, with ownership among immigrants increasing at all price points.

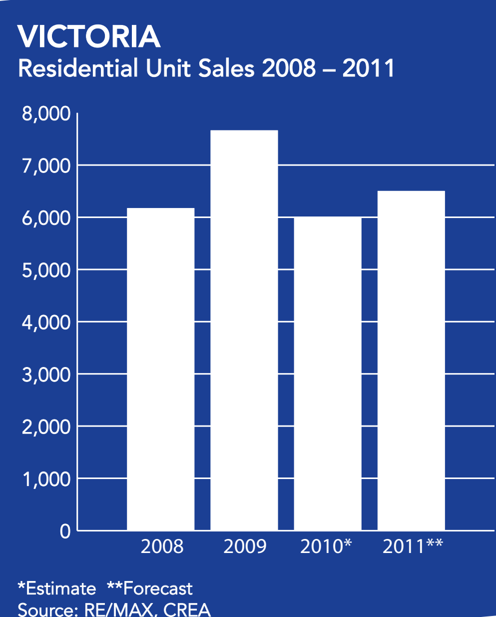
Historically low interest rates will remain a significant factor supporting real estate demand across the board in 2011. The upper-end will remain a bright spot, with some luxury product prompting bidding wars. Investors will return to the market stronger than last year—already evident in late 2010. Although HST prompted serious opposition, it will prove a non-issue to the resale residential market in 2011, as buyers move forward, realizing existing home sales are exempt. A temporary boost in new construction can be expected if/when the tax is repealed. Overall, a restoration of consumer confidence will translate into solid market activity, bringing sales in 2011 to 33,000 units, while average price rises five per cent to $698,250.

Victoria

While the strong momentum characteristic of 2009 and the first half of 2010 has moderated, Victoria's resale housing market remains healthy. Six thousand homes are expected to change hands by year-end, while average price, forecast to post a solid six per cent gain, will rise to a record high of $505,000. Appreciation has started to level out and should hold steady in 2011, as long as inventory remains balanced. Demand continues to be stable across all segments, but remains strongest at the most affordable price points—under $300,000 for condominiums and under $550,000 for freehold homes. Record low interest rates will continue to attract individuals to the buyer pool and entice existing homeowners to trade up to larger homes, although the much-publicized HST debacle may keep some new home buyers on the sidelines during the first half of the new year. Yet, there will be little impact to the resale market, as HST does not apply to existing homes. Consumer education to that effect has already started to reverse any misconception, and purchasers are once again moving forward.

A more vibrant economic outlook, with British Columbia forecast to record solid GDP growth in 2011, will also provide greater impetus. With continued government stimulus spending, greater demand for B.C. resources and a rebound in tourism, the city is likely to maintain one of the lowest unemployment rates in the country—a fact that will boost consumer confidence levels and once again spur demand for housing.

Currently, days on market hover between 58 and 60, and that is expected to hold—an indication of healthy, stable conditions. Bucking the more moderate trend, however, is the upper-end. Sales of homes priced over $1 million continue to be robust—experiencing double-digit increases over year-ago levels. All indications suggest that momentum

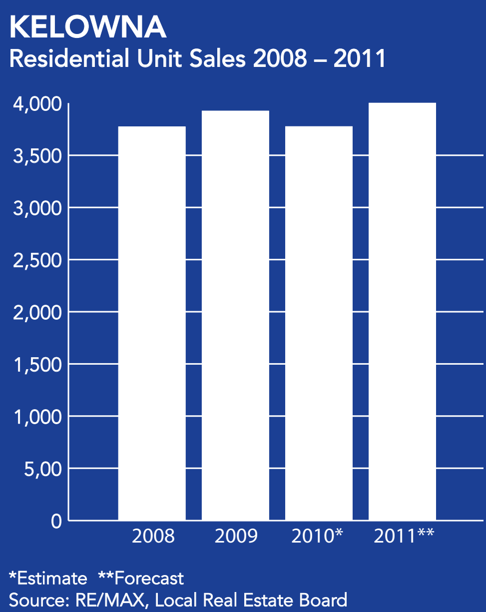


will carry forward—a point best underscored by a recent $6 million sale in Central Saanich (a rarity in any market climate). Foreign investment—propped up by the positive provincial picture and the stability of the Canadian financial system—should remain a factor, with demand (especially for waterfront properties) further buoyed by China granting British Columbia approved destination status. Overall, Victoria's resale real estate sector should continue at a healthy clip, finally picking up steam in the second half of 2011, as the economy ramps up and as current uncertainties resolve. An improved performance is predicted, with sales expected to reach 6,500 units next year—a solid eight per cent rebound—while prices hold the line at $505,000.

Kelowna

Consumer confidence will be the key factor in the transition of Kelowna's real estate market in 2011. With softer sales conditions and flat home prices, savvy buyers have been keen to take advantage of opportunities that exist in the market, with most realizing that prices will not hold the line much longer. The upper-end has been especially active, and that will carry forward as the market firms up next year. Buyers' market conditions are expected to persist through year-end, although inventory has started to decline. Affordable, entry-level product remains most sought-after, while demand from empty nesters and baby boomers continues to prop up the mid-to-upper price points, given Kelowna's status as a desirable retirement and recreation destination. With spotty signs of recovery following the lacklustre summer months, resale activity is expected to finish the year at 3,775 units, four per cent off 2009 levels. Average price will close the year at $425,000, an increase of six per cent over 2009, a bounce back that brings values virtually in line with the 2008 peak. On the front lines, actual values are still in recovery mode, but are poised for upward momentum in the months ahead.

Strong fundamentals will support the market in 2011. GDP growth in British Columbia is forecast at approximately three to 3.5 per cent. Rebounding commodity prices will bode well for trade, while public infrastructure spending boosts non-residential construction and creates jobs. A ramp up of the Alberta economy—particularly the oil and resource-based sector—is also expected to have some positive spin off in B.C. Locally, the expansion of Kelowna International Airport, UBC Okanagan and Kelowna General Hospital will buoy employment levels and draw a greater number of people to the city. The combined effects of the recharged economic engine should serve to bolster consumer confidence and the demand for housing.



As absorption rates rise and inventory falls in 2011, the climate will shift back to balanced territory. Watch for price growth to gain greater traction next year, with the average moving ahead five per cent to $446,250. Climbing values will once again prompt strong demand for affordable product. As a result, the condominium sector will benefit, with price appreciation moving in line with the overall residential average. Investor activity will also pick up in the new year, particularly among Europeans, who have demonstrated a strong penchant for Kelowna real estate. The airport expansion, allowing for larger international flights, will support this trend. Greater global recognition and on-going development geared toward the retirement segment will position Kelowna's market for increased housing activity among baby boomers and empty nesters going forward, and the outlook is even more optimistic for the years ahead. A continuation of favourable interest rates will remain a solid impetus. As a result, the city should round out 2011 at 4,000 sales—a solid six per cent gain over the 2010 year-end figure.

Alberta

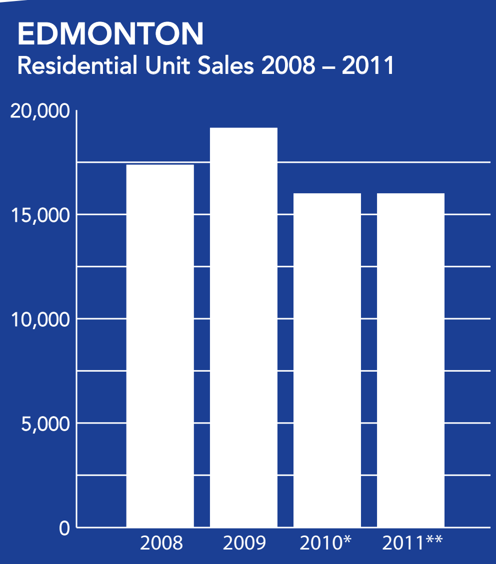
Edmonton

While renewed concerns over economic stability have hampered home-buying activity in Edmonton, residential real estate has demonstrated considerable resilience in 2010. The market, initially strong out of the gate, fell back in the summer months and failed to regain momentum. Housing sales are expected to reach an estimated 16,000 unit sales at year-end as a result, down significantly from the 19,139 sales posted one year earlier. Yet, despite the softer sales and rising inventory levels, the average price remains steadfast at $330,000—an increase of three per cent over 2009 levels.

Positive GDP growth in Alberta, which is forecast to hover between three and four per cent in 2011, is largely contingent on the strength of the turnaround in the oil and gas sector, which in turn will bolster economic performance and support residential real estate activity moving forward. Infrastructure spending topped $450 million in Edmonton in 2010 and will continue with neighbourhood renewal and arterial road rehabilitation projects in 2011. The provincial capital health plan, valued at $1.25 billion, should kick into place next year, adding much-needed health care facilities in both Edmonton and Calgary. Modest employment gains are expected in Edmonton in 2011, while unemployment levels are expected to continue to decline from the 6.3 per cent reported at the close of 2010.

Balanced conditions will characterize Edmonton's housing market in 2011. Inventory levels are expected to continue to trend upward, but should remain under peak levels reported in 2007 and 2008. First-time buyers will once again have a significant presence in the marketplace, driven by low interest rates and stable housing values. Affordability will be top of mind, with condominiums gaining even greater market share in the year ahead. Entry-level purchases under the $330,000 price point will represent the lion's share of activity. Strong demand is expected at the top end of the market next year as affluent move-up buyers boost sales of luxury product priced in excess of $750,000. Investors are also forecast to make an appearance in 2011, taking advantage of low interest rates to buy up residential real estate in Edmonton as a long-term hold. The number of homes changing hands in Edmonton is expected to mirror 2010 levels next year, while average price is predicted to continue on its upward trajectory, rising three per cent to $339,000 by year-end 2011.

*Estimate **Forecast
Source: RE/MAX, CREA



*Estimate **Forecast
Source: RE/MAX, CREA

Calgary

Activity remains soft in Calgary's real estate market, which continues to be weighed down by concerns over global economic uncertainty. Consumer confidence has also been slow to battle back from downturn, but tentative signs of improvement have become evident in recent weeks. Despite a slight uptick in demand, and the fact that the market has now settled into a stable pace, it won't be enough to close the gap in year-over-year sales. Overall, the city is on track to finish the year down 22 per cent at 19,200 units, while average price climbs three per cent to $402,000—up from the $391,058 reported in 2009. The city's median price (Calgary Metro) for single-family homes hovered at $409,000 in October, while the median for condominiums (Calgary Metro) was at $268,000.

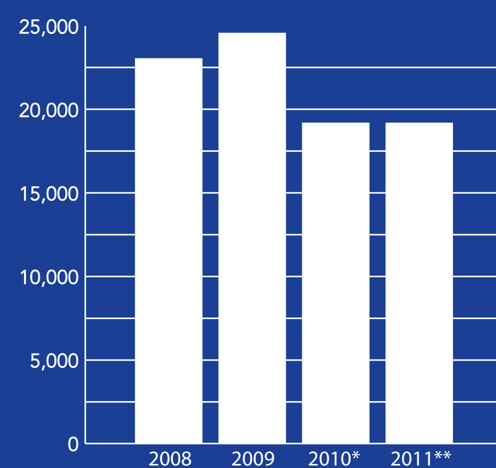
Buyer's market conditions and low interest rates will continue to drive demand into 2011, with first-time buyers leading the charge. Demand for affordable product remains very strong, particularly in the single-family homes category. An oversupply of condominiums will be good news for entry-level purchasers in 2011, a factor that will translate into increased selection and will hold price appreciation in check. In fact, fewer new projects are getting underway, as builders concentrate on finishing what's already been started. Savvy investors have been snapping up single-family homes and small multi-family properties. While this activity has been limited, investors are expected to head back into the market in greater numbers next year, as in-migration picks up once again in tandem with the upswing of the oil and gas sector. The upper-end continues to prove very resilient, and that should carry forward. The supply in the overall market is expected to ease into the new year, which could transition Calgary back to balanced territory.

An up-and-coming area expected to see a ramp up in sales in 2011 is Balzac/Airdrie, just 20 minutes north of Calgary. An influx of big box retailers, the opening of the large Wal-mart Distribution Centre, as well as proximity to the Cross Iron Mills Mall and the Airport has appealed to purchasers. The suburb represents great value—offering more home for lower prices—with properties priced from the high $200,000s to $350,000 in great demand. Construction and development continue unabated in northcentral, with more amenities and services constantly being added. With Calgary also expanding, the two areas will meet in the near future, which may see Balzac/Airdrie emerge as a hot pocket, particularly given its affordability. The Auburn Bay/Seton area in the southeast—future home to the South Health Campus, new hospital, and proposed C-Train extension—is also poised for an upswing in demand. Given its potential for the future, a growing number of buyers are making their moves now, before completion drives up prices. Homes in Auburn Bay/Seton currently start from the $200,000s for a condominium and from $300,000 for a single-family home. Prices can reach as high as the $800,000s on the neighbourhood's 43-acre, man-made lake.

A considerable improvement in Calgary's oil and gas sector is expected to have the greatest impact on the demand for housing in the city in 2011. Infrastructure spending, as well as residential and non-residential construction will help support a better employment picture. Investment and production is once again on the rise in the oil sands. The south end has seen significant demand for retail space and larger commercial and light industrial properties—an indication that confidence is building among businesses as well. The agricultural sector has also benefited, fetching greater prices for product. With GDP growth forecasts ranging from three to 4.5 per cent, cautious optimism will characterize the real estate market next year. Move-up purchasers, active in the mid-range, will play a greater role in 2011, which will help push up resale value. Average price is expected to reach $410,000, a modest two per cent gain, while sales remain on par with 2010.

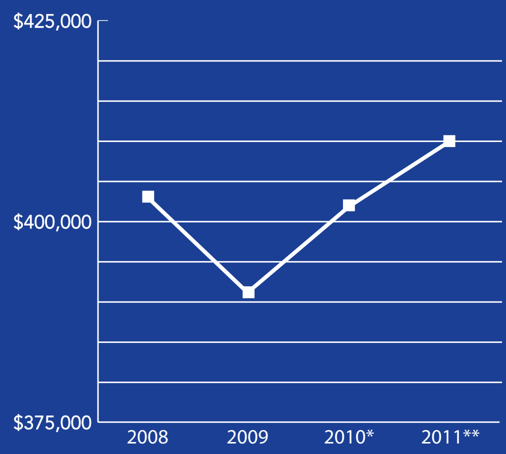
CALGARY

Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

CALGARY
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

Saskatchewan

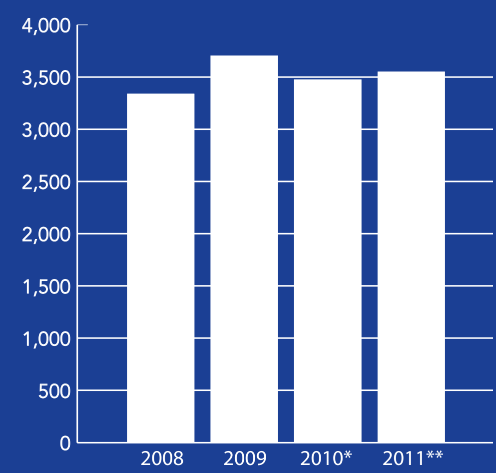
Regina

Solid economic performance in Regina is expected to seriously bolster residential real estate activity in 2011. The market is ideally positioned for growth, despite some softening in housing sales in 2010 (year-end figures were down an estimated six per cent to 3,475 units). Three thousand, five hundred and fifty homes are expected to change hands next year, up two per cent over 2010 levels. Housing values continue to rise, with average price predicted to climb 8.5 per cent to $265,000 by year-end, and forecast to further appreciate in 2011 by another five per cent to $278,000.

The positive real estate outlook is supported by strong economic fundamentals in Regina and Saskatchewan as a whole. Consumer confidence continues to surge in this "have" province, as GDP growth hits 3.5 per cent this year (one of the highest in the country). Similarly impressive gains are expected in 2011 and 2012. Net migration into the province remains steady, with an estimated 15,000 new residents settling annually—many of whom will choose to live in Regina. Unemployment levels, at between four and five per cent, are amongst the lowest in Canada. Virtually all sectors are reporting growth including construction—which saw housing starts fall in 2009, but bounce back this year. Momentum is expected to build in following years as demand for housing in the province and the city swells. Non-residential construction is also on the upswing, with the Capital Pointe project now adding a 26-storey hotel, slated to be the tallest building in Regina. The Grasslands Regional Shopping centre, a one million square foot retail facility on 90 acres of land, is also moving forward, while the Hill Centre Tower has broken ground in the downtown core and is set for completion in 2012.

Inventory has been slowly falling from peak levels reported in 2008. Balanced market conditions are expected to prevail through much of 2011 as a result, with the supply of homes available for sale meeting demand in Regina. Look to move-up buyers—especially those from out-of-province—and ex-pats to lead the charge for housing next year. Affordability will continue to be a major draw for those moving into Regina from other parts of the country—with sales of product priced over $400,000 expected to be brisk. Condominiums are also forecast to experience steady demand in 2011, as first-time buyers, empty nesters, and retirees flock to the lifestyle. Single-detached condominium bungalows, ranging in price from $400,000 to $550,000 in Regina's

REGINA
Residential Unit Sales 2008 – 2011

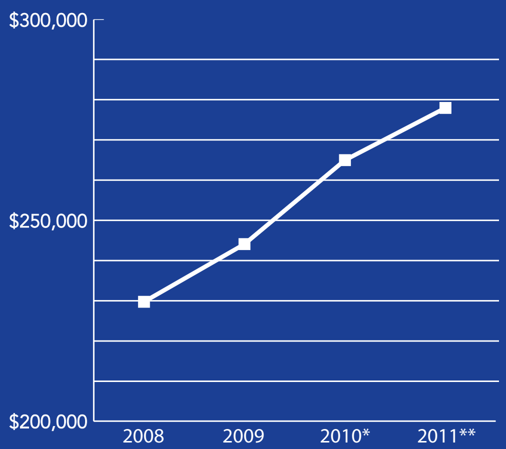


*Estimate **Forecast
Source: RE/MAX, CREA

blue-chip neighbourhoods, will be most sought-after in 2011. Gone from the housing mix are investors and speculators—with end-users buying up most of the housing stock in the city at a healthy pace.

While concerns still exist over economic performance south of the border, provincial realities continue to buoy consumer confidence. With no storm clouds on the horizon, it's smooth and steady sailing ahead for Regina's residential real estate market.

REGINA
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

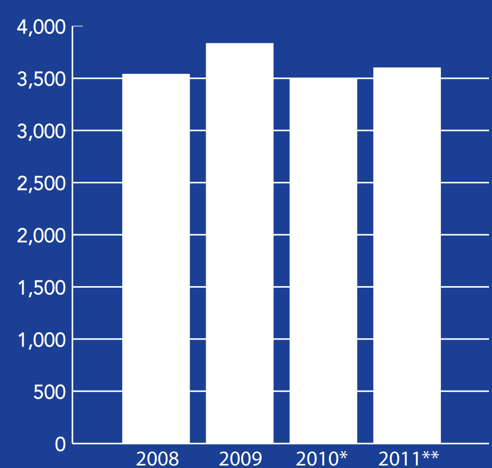
Saskatoon

Saskatoon's residential real estate market mirrored the pattern evident in 2008, and as such, is poised for a virtual repeat of that year's performance. The market is set to finish 2010 with 3,500 units sold, down nine per cent from levels posted in 2009 when 3,834 homes changed hands. Yet, despite the slowdown, prices continued on an upward track, propped-up by a greater number of sales in the mid-to-upper price points throughout the year. The upper-end, in particular, posted solid growth, and the momentum is forecast to continue with luxury sales remaining on par with 2010 levels next year.

Seller's conditions characterized the market at the outset of 2010, but rising inventory levels saw Saskatoon transition toward balanced territory mid-year, slightly favouring the buyer by year-end. Interest rates remained a solid factor influencing purchasers in 2010—particularly among those who decided to cash in equity to trade up to larger or better-located properties. First-time buyers continue to be drawn to homeownership, given carrying costs that remain comparable to monthly rents in many instances. Purchasers who waited it out on the sidelines in 2010, exercising caution in light of the tentative economic recovery, will make their way back into the buyer pool, as consumer confidence improves next year.

A stronger economic performance is expected to factor into a gradual increase in demand for housing in 2011. The province will continue to benefit from increased potash production, rising commodity prices, and an upswing in activity in the oil and gas sector. Positive growth has returned to the manufacturing and wholesale sectors. The construction sector is also forecast to ramp up, particularly in terms of non-residential activity. Government spending on new and on-going capital projects related to health, education, transportation and infrastructure will support continued economic growth in Saskatoon.

SASKATOON
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

Manufacturing and industry investment will also bode well for the jobs outlook. Employment levels will grow, while the unemployment rate—already among the lowest in the country—is expected to experience a modest contraction. Saskatchewan could lead GDP growth in 2011, with the forecasts predicting an advance ranging from three per cent to as much as 4.8 per cent.

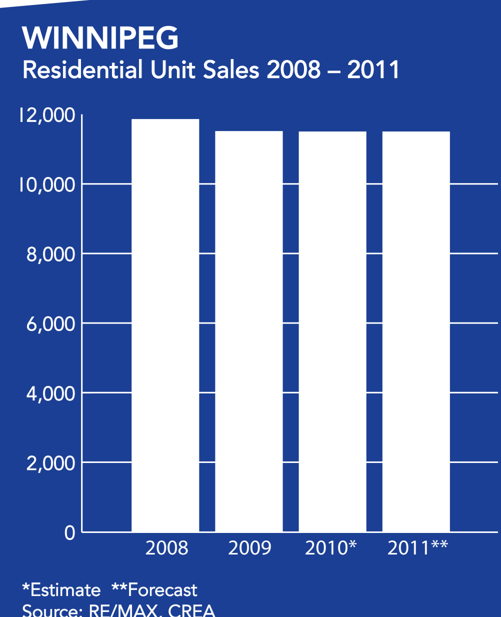
Given the outlook, in-migration to Saskatoon is set to pick up once again, which will further bolster housing demand. A more diversified local economy will continue to support population growth, as cutting-edge projects like the Canadian Light Source Synchatron attract some of the best and brightest minds from Canada and abroad. Strong growth in new residential construction in 2010, and healthy starts predicted for 2011, will also support a rise in sales. First-time buyers are expected to drive demand for product priced from $250,000 to $350,000, while move-up buyers dominate the over $350,000 threshold. Investors should return to the market in increasing numbers next year, snapping up well-priced condominium and single-family properties, prompted by a vacancy rate that continues to hover near two per cent. Home sales are forecast to climb three per cent to 3,600 units by year-end, while average price posts a five per cent gain to $310,000 by year-end 2011.

Manitoba

Winnipeg

Winnipeg's real estate market remained brisk in 2010, despite a fall back in the pace of economic recovery and a less-than-stellar year for agriculture. Seller's conditions characterized the market for much of the year, but with inventory levels on the rise, more balanced conditions are forecast to prevail in 2011—welcome news for purchasers who vied unsuccessfully for properties in multiple-offer situations. While the momentum of the first half moderated in the final months of 2010, Winnipeg is expected to see sales performance match 2009 levels at 11,500 units by year-end. Average price will climb to an estimated $228,000, a 10 per cent increase over the $207,342 reported in 2009.

First-time buyers will continue to be the driving force out of the gate in 2011, leading the charge for properties priced between $150,000 and $250,000. Affordability will be a significant factor buoying sales in Winnipeg. Yet, steadily increasing values over the past decade have helped give traction to the growing condominium trend. Sixty per cent of condominiums continue to sell under the $200,000 price point. Demand remains solid, while supply



continues to be tight. As a result, price appreciation in this segment should maintain a slight advantage compared with the overall residential market. Condominium sales and prices are forecast to move ahead by four to five per cent next year, supported by limited inventory, an aging population, the downsizing phenomenon among empty nesters and retirees, and the product's increasing popularity among younger people both in terms of value and lifestyle. Condominiums are also expected to account for a greater share of residential activity in Winnipeg going forward.

Move-up purchasers have been affected by economic uncertainty and an erosion of consumer confidence, but they are expected to move off the fence and into the market in growing numbers next year, in tandem with a slightly more positive outlook. However, a significant surge in demand is not expected, given that the mood remains cautious. Positive prognostications have done little to buoy intentions, given the consumers' 'wait-and-see' approach. Despite this, the upper-end is expected to maintain strong momentum, with sales slightly off 2010 levels. Purchasers will continue to take advantage of equity gains to move up within the market, especially while interest rates remain favourable.

Some concerns remain top of mind—softer demand for manufacturing exports, continued U.S. debt, a high Canadian dollar stifling trade, and the potential for another lacklustre year for agriculture, given high ground moisture levels that could contribute to spring flooding. Still, there are many positive economic developments on the horizon both provincially and locally. The election year is expected to prompt a short-term increase in government spending. Public sector infrastructure investment should continue, albeit at a reduced level in 2011. The mining, oil and gas sectors are on the upswing amid higher global demand. Commodity prices are on the rise. Solid growth continues in the service sector, and manufacturing is expected to return to a modest growth trajectory next year. Immigration continues to be a bright spot for Manitoba, with the New York Times recently citing the province as a model for North America—positive population growth is forecast to continue. New housing starts have posted a serious rebound in 2010, returning to pre-recession levels. While there will be a slight pull-back next year, starts will remain strong. The fundamentals should translate to employment gains and GDP growth predictions falling between the high two per cent range to just under four per cent. As a result, the demand for housing should remain steady, with sales holding at 11,500 units in 2011. Average price is forecast to appreciate three per cent, rising to $235,000 by year-end 2011.

Ontario

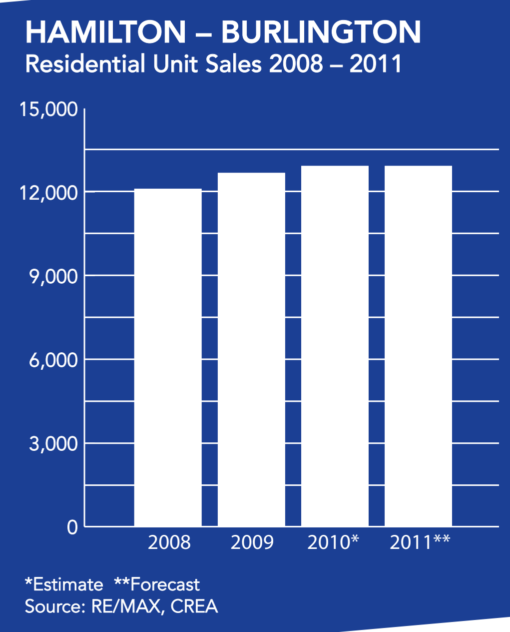
Hamilton – Burlington

With balanced conditions now characterizing the market and consumer confidence expected to gain strength as a result of continued economic recovery in Ontario, housing sales in Hamilton-Burlington are forecast to exceed 2009 levels by year-end. An estimated 12,930 units are expected to change hands, with the pace remaining stable into 2011.

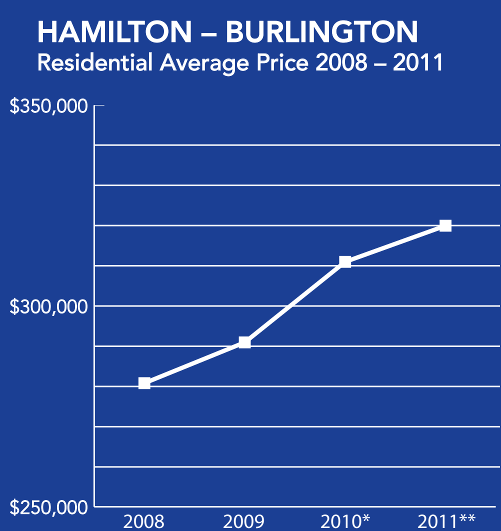
First-time buyers have been leading the charge. Affordability remains a considerable factor attracting purchasers to homeownership, with the price of a single-family home starting from $200,000 in Hamilton, $240,000 on the East or West Mountain, and $250,000 in the most sought-after locations, close to major transportation routes. Hamilton continues to draw a significant share of purchasers from across the Golden Horseshoe, particularly the Greater Toronto Area, thanks to its attractive price point and selection of housing product. However, an air of caution continues to exist, with many buyers still remaining on the fence.

Realtors are reporting that confusion persists with regard to HST and resale housing. Improved education efforts are needed from within the industry to help move more potential purchasers off the sidelines in 2011.

Demand remains solid from local investors, who are snapping-up homes that require renovation or condominium product. The condominium market continues to account for a growing share of purchasers in the city. It remains an attractive alternative to renting and a good investment option, especially for the parents of university-bound students. Indications are that appreciation in the city's condo market will outpace that of the overall resale residential sector next year. Absorption rates remain stable, and as such, building activity continues at a steady pace, particularly in Burlington. While the upper-end of the market was quite vibrant in 2010, sales are expected to slow in 2011, but will remain strong from a historical perspective. Entrepreneurs and corporate transfers to the area will continue to buoy demand. Overall, days on market in the segment have been increasing as listing inventory rises.



Hamilton-Burlington continues to diversify, a move that is attracting more residents. As a result, in-migration remains positive, contributing to population growth in the years ahead. On-going expansion at McMaster University in the city's west end has also helped breathe new life into the area. Although the local unemployment rate remains high, the picture is improving. A recently inked deal will bring new ownership to two shuttered steel mills in Hamilton. German company Aicher Group will manufacture steel for auto parts and the mining and construction industries—a move that will immediately bring back 100 jobs to local steel workers, with the potential for as many more in the years ahead. Infrastructure spending will slow in 2011, but remain a factor stimulating employment and economic growth. With the manufacturing sector poi-sed to gain strength in Ontario in 2011, Hamilton-Burlington will also benefit.



*Estimate **Forecast
Source: RE/MAX, CREA

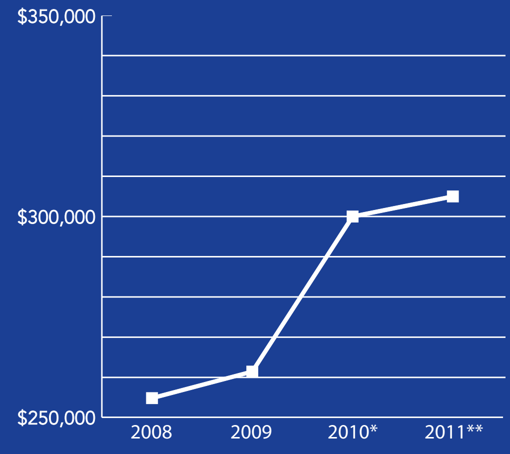
Given the forecast for increased GDP growth, the demand for housing will remain stable—and more evenly spread throughout the year, a reality that could make the first quarter of 2011 look soft by comparison to the vibrant start of 2010. Yet, 2011 will be a year of healthy, steady activity, with sales mirroring 2010 at 12,930 units, while average price climbs three per cent to reach $320,000.

Kitchener – Waterloo

Kitchener-Waterloo's residential housing market has been bolstered by strong economic fundamentals in recent years. The cities—which make up two-thirds of Canada's tech triangle—have one of the fastest growing employment rates in the country. The areas top five employers—Research in Motion, University of Waterloo, Sun Life, Manulife, and Sir Wilfred Laurier University—are seriously committed to job creation. Healthy increases have also been reported in residential and non-residential construction, with a number of projects currently underway, including: The Barrel Yards, a 25-storey residential, commercial and hotel building in Waterloo; a new office/technology building in Waterloo; and a new provincial courthouse. The $26-million-dollar expansion of the Safety Kleen Canada used oil re-refinery further demonstrates the overall economic confidence in the region.

Residential home-buying activity softened somewhat in the Kitchener-Waterloo area after a strong bounce-back in 2009 and early 2010. Year-end sales, as a result, are expected to fall short of 2009 levels, down almost three per cent to an estimated 6,300 units (versus 6,467 last year). Average price, however, is forecast to record an increase of close to 15 per cent, settling in at $300,000 in 2010, up from $261,379 one year earlier. While inventory levels are up over last year, the odd multiple offer continues to occur, especially on product priced under $300,000. Balanced market conditions currently exist, with first-time and move-up buyers driving demand for resale housing. Condominiums continue to attract attention, with first-time buyers and downsizing empty-nesters and retirees fuelling sales. Investors have also jumped into the condo market, buying-up apartments and townhomes and renting them out. The top end of the market continues to perform above expectations, but sales are expected to taper in 2011, as demand softens for luxury product.

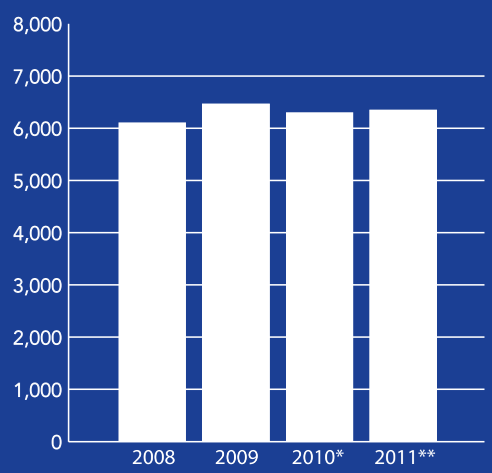
KITCHENER – WATERLOO
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

Low interest rates, healthy job creation, and a diverse economy should serve to prop-up the residential housing market in Kitchener-Waterloo moving forward. Overall housing activity is expected to gain momentum in 2011, with the number of homes changing hands rising one per cent to 6,350 units, up from 6,300 in 2010. An upswing in the supply of homes listed should serve to hold price appreciation in check next year. A modest two per cent increase is forecast for average price in Kitchener-Waterloo, bringing values to $305,000 by year-end 2011. Balanced conditions will prevail throughout much of the year, although buyers may have a slight edge in the marketplace. It's anticipated that first-time buyers will lead the charge, followed by downsizing multi-time purchasers. The bulk of home-buying activity is expected to occur between $250,000 to $400,000.

KITCHENER – WATERLOO
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

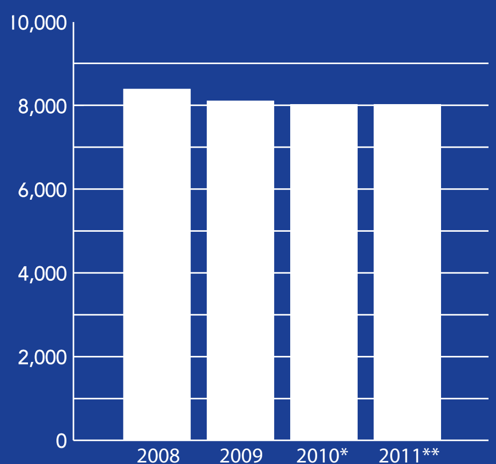
London – St. Thomas

The mainstay of London-St. Thomas's housing market will be its stability in 2011.The city has experienced steady demand throughout much of the year, although sales are expected to remain just below 2009 levels. First time-buyers have been the driving force, fuelling sales of homes priced between $170,000 and $220,000. Given that interest rates are holding at historical lows, entry-level buyers will once again dominate in the new year. New listings haven't materialized as predicted, and as such, balanced market conditions currently exist—a trend expected to spill over into 2011. The city's resale housing sector weathered 2010's economic uncertainty quite well. As such, London-St. Thomas should post a nominal one per cent decline in sales, closing the year at 8,030 units, while average price climbs to $230,000—a solid eight per cent gain over 2009.

London-St. Thomas' diversified economy has helped to prop-up demand and will continue to do so, as economic growth moves into a slow, but gradual pattern. Locally, the outlook is good. There has been considerable development near the airport, which has recently earned duty-free status—a fact that should boost business, as the city becomes a transportation gateway to Toronto and the United States. With a recent change in the mayor's chair, the city has become keen on business development, which will prove beneficial going forward. There has been a considerable upswing in interest from foreign-based businesses and investors. Both industry and knowledge-based sectors have made solid investments in research and development—an area in which London outperforms many Canadian centres. The city is expanding, as residential construction continues at a steady clip on the peripherals and London's first-class educational institutions attract more people to the area. In the months and years ahead, population growth will help buoy demand for homeownership.

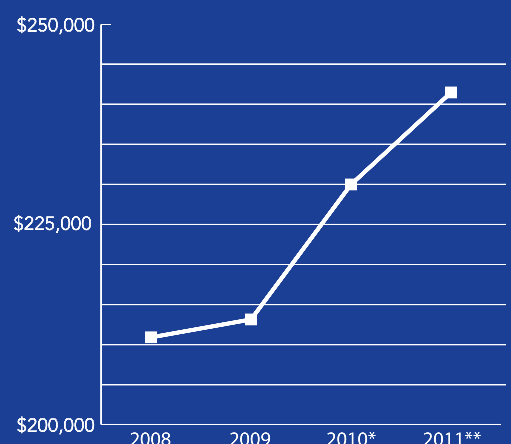
Affordability will remain a strong draw, particularly among those from the Golden Horseshoe. Values continue to be attractive, especially in comparison to other major Ontario housing markets. The condominium market, comprising a growing segment of sales, is forecast to experience solid demand once again in 2011, with prices moving in line with the rest of the market. The upper-end shows no sign of letting up from the exceptional pace established in 2010. As such, luxury sales should remain on par in 2011. There has been an increased presence among international purchasers, and that trend is expected to

LONDON – ST. THOMAS
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

LONDON – ST. THOMAS
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

gain momentum next year. Overall, the mood is cautiously optimistic. Demand is expected to hold stable in 2011, spread more evenly throughout the year, with sales mirroring 2010 at 8,030 units. Average price will move ahead by a healthy five per cent, reaching $241,500 by year-end.

Ottawa

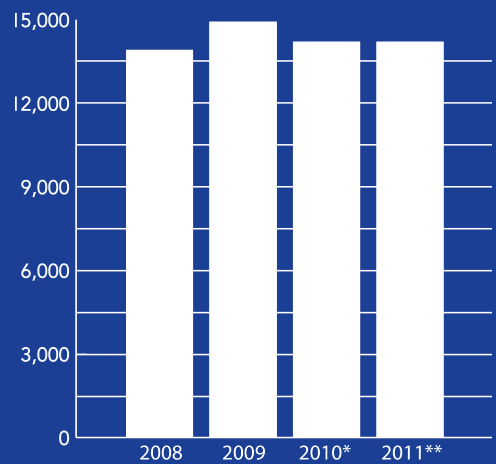
Stability continues to characterize residential real estate activity in the nation's capital, despite an anticipated dip in the number of homes sold in 2010. Approximately 14,200 properties are expected to change hands in Ottawa this year, down from the peak 2009 level of 14,923 units. Yet, housing values continue to climb, up almost seven per cent to $325,000 at year-end 2010, more than $20,000 ahead of last year's figure of $304,801.

First-time buyers were, in large part, behind the push for resale properties throughout 2010, stimulating sales of entry-level product, including condominiums. Condominium sales were up significantly as a result, representing close to one in four properties sold in Ottawa this year. Affordability has been a key factor, with units located in high-rise buildings in the downtown core most sought-after by entry-level purchasers. Empty nesters and retirees have also gravitated to the lifestyle, choosing to downsize to larger units in the city's most coveted neighbourhoods. The upper-end of the market has been robust as well, with sales over $750,000 up about 15 per cent over one year ago. Inventory levels have been on the upswing in the latter half of 2010, rising over 2009 numbers, but lower than in years past.

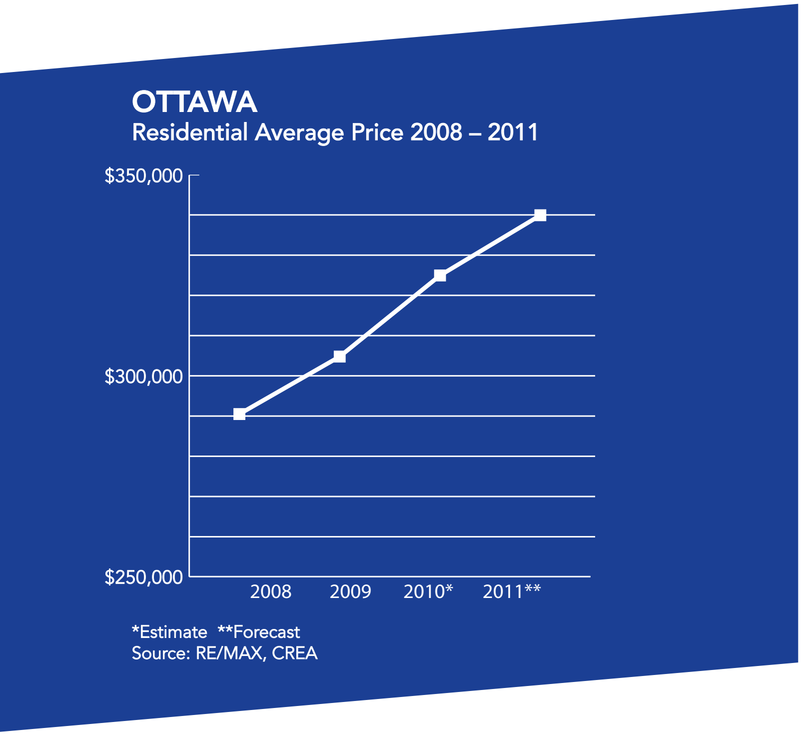
Supporting Ottawa's housing market in 2011 are the same solid economic fundamentals that have buoyed this vibrant city in years past. A stable employment picture, combined with relatively low unemployment levels, and job security have anchored the market, providing home-buyers with the confidence necessary to realize homeownership.

Market conditions will remain static moving into 2011, with the supply of homes listed for sale meeting demand in Ottawa. Housing sales are expected to match 2010 levels, while average price is forecast to appreciate another five per cent to $340,000 by year-end 2011. Upward trending in condominium values will continue to outperform freehold properties in the new year, as demand for affordable housing remains front and centre. First-time buyers will lead the charge once again, spurred by low interest rates and favourable market conditions.

OTTAWA
Residential Unit Sales 2008 – 2011

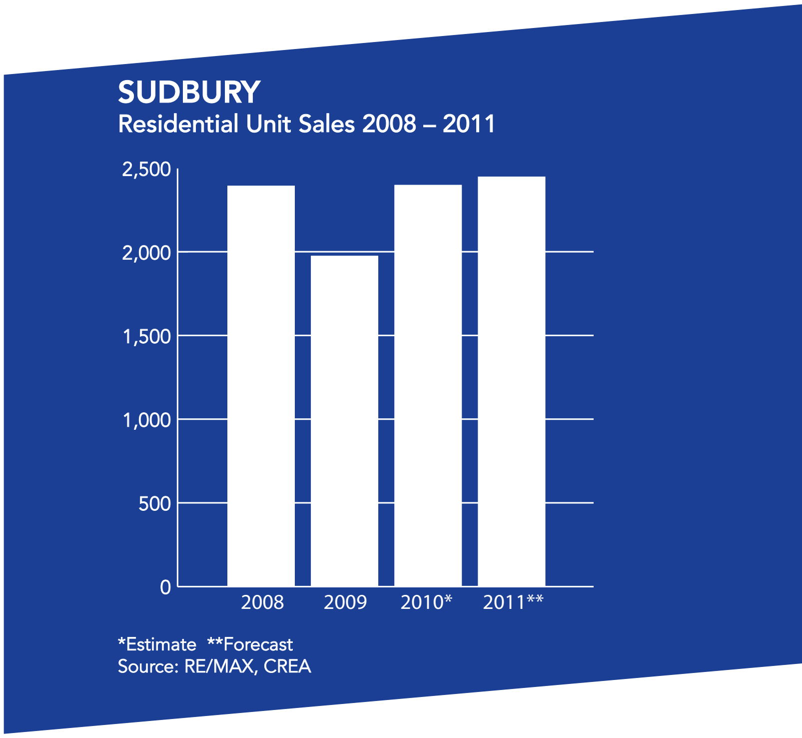


*Estimate **Forecast
Source: RE/MAX, CREA

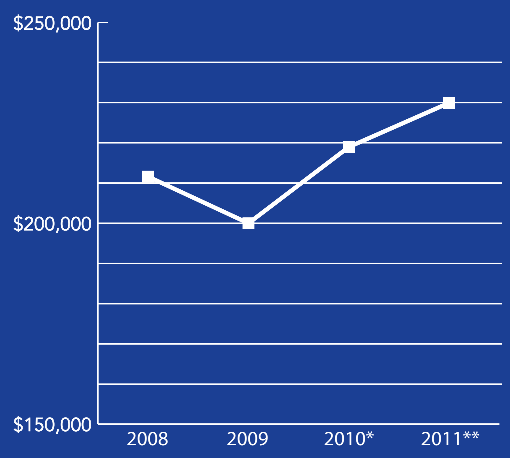


Sudbury

Demand for residential real estate in Sudbury surged upon news of the strike settlement at Vale earlier this year. Housing sales remain exceptionally strong, with the city on track to tie 2008 for its second-best year on record, despite the fall back from the robust first half. While the summer months posted a typical seasonal slowdown, activity in October has rebounded. The pace going forward is expected to be more moderate, but steady. First-time buyers continue to lead the charge by a small margin, as move-up purchasers have become increasingly active. Sales have been strongest in the $200,000 to $350,000 price range to date, and that will remain the case in 2011, with neighbourhoods such as South End and New Sudbury most sought-after. On the outskirts, the communities of Val Caron, Lively and Garson are forecast to see strong demand. Affordability is foremost, with Valley housing product representing a savings of 10 to 20 per cent or more versus comparable homes in Sudbury proper. The pace of new construction will also serve to prop-up demand in the area, as builders bring new projects to completion. Three-bedroom, single-family homes continue to be most popular throughout the city. The condominium concept has started to gain a foothold in recent years, but remains a relatively new phenomenon. Demand has kept pace with the roll out of new developments and absorption rates remain healthy. It's anticipated that this type of housing will continue to grow, albeit slowly, in 2011 and beyond. The two new condo projects introduced in the city this year are now close to selling out, with one other set to break ground in spring already 40 per cent presold. The upper-end of the market—priced over $500,000—remains robust, defying expectations, with year-to-date sales more than triple the 2009 figure. With no signs of slowing, the high-end is forecast to post a solid performance once again in 2011. In terms of its real estate climate, Sudbury has remained exceptionally resilient, despite local and provincial economic uncertainty. While most markets in Ontario are forecast to post modest growth—or even slight contraction—in sales by year-end 2010, Sudbury



SUDBURY
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

is forecast to reach 2,400 units, a substantial 21 per cent gain over 2009 levels. Average price is estimated to reach $219,000—a solid upswing of nine per cent.

The growth trajectory is expected to continue in 2011, buoyed by strong non-residential construction in the industrial, commercial and retail sectors. Vale is set to embark on $1 billion in upgrades to its mining operations, while Quadra FNX commences commercial production at its Morrison mine. Rising commodity prices should bode well, especially given strong demand from the Asia Pacific Region. A new hotel, the city's third in the last three years, is set to open, and the introduction of big box retailers has caused Sudbury to emerge as a major Northern Ontario shopping hub. This, combined with an expanded hospital and medical centre, as well as an improved employment outlook, is expected to contribute to positive in-migration, further boosting the demand for housing.

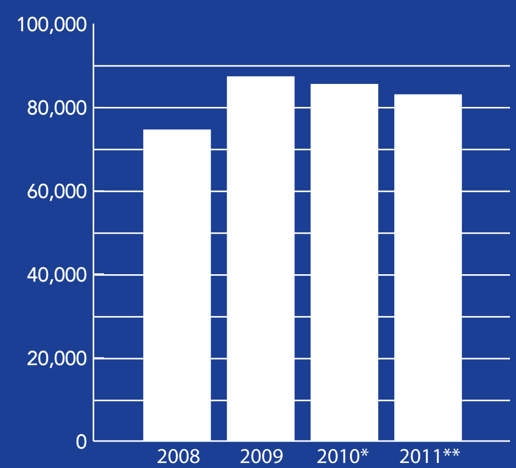
Given solid fundamentals, consumer confidence is building. Investors have been active in the marketplace and will remain so next year. Strong demand exists for multi-family residential, with a great deal of investment from Toronto due to healthy returns in recent years and low vacancy rates. Butera, for example, has bought up the old general hospital, with plans to convert the property into rental condominiums, which are scheduled for completion in 2012. Stability will be the key to market performance in 2011, with all segments working in tandem. The strong sales gains of 2010 should give way to more modest growth, with the number of homes sold expected to climb by a marginal two per cent to 2,450 units. Average price will continue to climb, reaching $230,000, with appreciation more in line with the historical average at five per cent.

Greater Toronto Area

Despite an exceptionally strong start to the year, home sales in the Greater Toronto Area are predicted to fall short of 2009 levels in 2010. An estimated 85,500 homes are expected to change hands by year-end, a two per cent decline from the 87,308 units sold in 2009. Average price in the GTA continues to climb, with the city set to post a year-over-year increase of close to nine per cent to $430,000 in 2010, up from $395,460 one year ago.

The overall health of the Greater Toronto Area's housing market is perhaps best illustrated by the continuation of price appreciation against the backdrop of softer sales activity. Home sales were front-loaded in 2010 as purchasers moved to get ahead of higher interest rates, tighter lending criteria, and the introduction of the Harmonized

GREATER TORONTO AREA
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

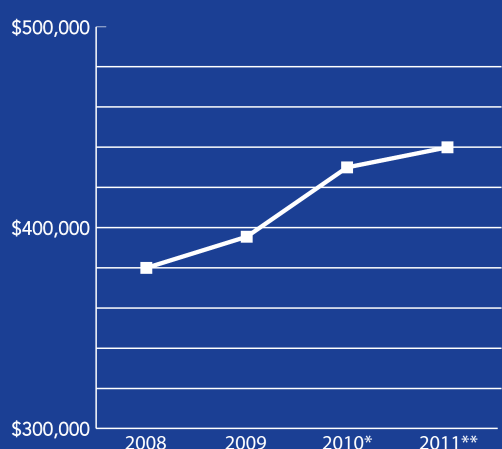
Sales Tax mid-year. Economic uncertainty cast a shadow over home-buying activity during the summer months. The market finally returned to more normal levels of activity in the fall, and that pattern is expected to continue into 2011.

Slow but steady economic recovery is forecast for the Greater Toronto Area moving forward. An improving employment picture and healthier outlook should serve to bolster home-buying activity in the new year. Immigration—which has had a major impact on housing in the past—will continue to be an integral part of the market in the future. Low interest rates—expected for much of the year—will also attract first-time and move-up activity in 2011.

More balanced housing market conditions overall will exist in 2011. Inventory levels should remain stable—hovering just under the historic average —which will limit price appreciation to a nominal two per cent ($440,000 vs. $430,000). Home sales will moderate as well, with a forecast of 83,000 units sold in 2011. First-time buyers will be most active in the marketplace, stimulating demand for affordable product priced under $500,000. Condominiums are expected to secure an even larger share of the market in 2011, as the gap between freehold and condominium values grow. Representing one in every three properties sold in the GTA at present, concentration is even greater under the $300,000 price point, where three out of four sales involve a condominium. Move-up activity is expected to be solid, especially in well-established neighbourhoods south of the 401. The top end of the market priced over $1.5 million —up approximately 50 per cent in 2010—is fore-cast to experience continued strength in 2011.

Stability will prevail in Toronto's residential housing market in 2011, setting the stage for an even better 2012 as economic conditions improve.

GREATER TORONTO AREA
Residential Average Price 2008 – 2011

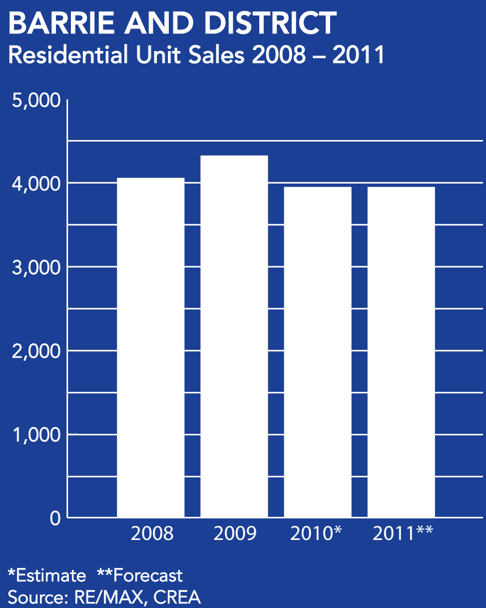


*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

Barrie & District

While demand for residential real estate in Barrie and District remains relatively strong, home-buying activity has tapered in the latter half of 2010. As a result, approximately 3,950 homes are expected to change hands by year-end, down almost nine per cent from the 4,326 units sold in 2009. Average price continues to rise in 2010, up close to eight per cent to an estimated $284,000, compared to $263,959 one year ago.

Higher housing values combined with stricter lending criteria has dampened prospects for homeownership for some entry-level purchasers in Barrie and District. First-time buyers have had less of a presence in the marketplace in recent months, and that trend is expected to continue in 2011. Although condominium apartments and townhomes offer a more affordable option, quali-fying still presents a challenge, in spite of low interest rates. Trade-up buyers and those making lateral moves or downsizing have picked up the slack this year, fuelling sales of product priced at $325,000 plus. The top end of the market—in ex-cess of $500,000—is unusually brisk, a fact best illustrated by a recent waterfront sale exceeding $12 million.



Two major projects are expected to support overall economic performance in Barrie and District heading into 2011. The first is phase one of the Royal Victoria Hospital expansion project, valued at $400 million, that will double the size of the existing hospital and include the new Simcoe Muskoka Regional Cancer Centre. The expansion is expected to create over 1,000 new jobs for employees and physicians and is slated for completion in later 2011. The second project is a joint investment between the Government of Canada and the Government of Ontario that will add a second GO Transit rail station in downtown Barrie in 2011. The Park Place retail/commercial development project—located at Mapleview and the 400—which is now officially underway is also expected to bolster the economy in the coming year.

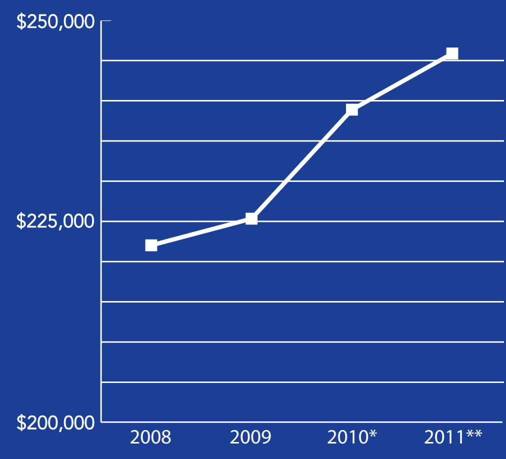
As the nation's fastest growing metropolitan area, Barrie and District is poised for greater growth in the future. In fact, by 2021, close to 200,000 people are expected to call Barrie home—which bodes exceptionally well for the area's residential housing market. In the interim, purchasers from the Greater Toronto Area are expected to continue to make the trek up the 400 in an effort to find more affordable housing. Move-up buyers will help prop-up housing activity, taking advantage of equity gains in recent years to trade-up to larger homes, especially those young families moving from smaller condominium apartments and townhomes into single-detached housing. Ample inventory levels will exist throughout much of 2011, with supply meeting demand in most instances. Sellers who are priced at fair market value can expect to sell in a reasonable amount of time, while those who test the market run the risk of stagnating. An overall stable, healthy market is forecast for 2011, with sales matching or slightly exceeding 2010 levels. Average price is predicted to climb another one to two per cent to $290,000 by year-end.

St. Catharines

After a strong first half and a quieter August, September and October, the real estate market in St. Catharines has gained considerable momentum. First-time buyers have led the charge, although baby boomers and retirees from out of town have been increasingly active in the area. The aging demographic has been a considerable boon to St. Catharines' upper-end market and that will continue next year and beyond as more boomers move toward retirement. Inventory is building, but with demand also picking up, the market is forecast to remain balanced into 2011. The increase in supply does present a good news story for entry-level purchasers, translating into more choice at a time when interest rates are especially attractive. The opportunity hasn't escaped astute buyers, who are getting in before the completion of significant projects within the city ramps up the market in 2012. By year-end, 2,800 units are expected to change hands—on par with 2009 levels. Average price will climb to $239,000—a healthy six per cent gain, up from $225,421 the year previous.

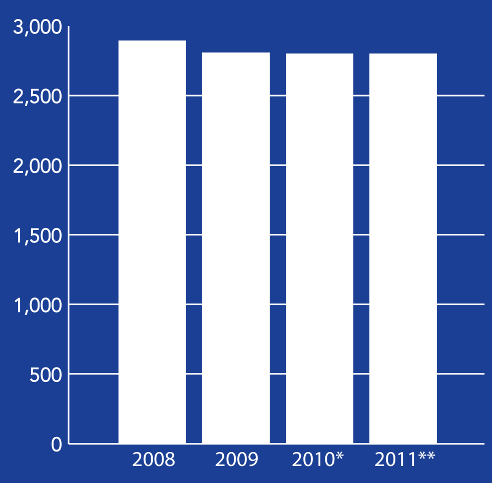
The strength of non-residential construction will be the most significant boost to St. Catharines' real estate market in 2011, as the city positions itself favourably to support greater growth in the years to come. Construction is underway on the new mega hospital in the west end, slated to open in 2012. Building activity continues on the Cairns Family Health and Bioscience Complex at Brock University. Major infrastructure improvements are underway and will continue next year with the revitalization of the downtown core, including expanded traffic arteries and the re-routing of the Wine Route via St. Paul and Queenston Streets. Demolition will commence on existing buildings at the site of the city's future $100-million Academic Arts and Cultural Centre, although the ground-breaking isn't expected until 2012. The opening of the New Foods Classics food-processing plant will bring 100 to 150 new jobs to the area in February, with employment potential of up to 500 jobs within five years. In addition, the city is striving to create a more favourable business climate, a move that coincides with the timely announcement that nGen will form the new Innovation Centre—one of only a handful in the province. The combination of projects, both planned and underway, will bode well for the employment outlook in the city, which will provide a needed boost to local consumer confidence—supporting increased demand for housing next year. Overall, the considerable development should translate to slow but steady population growth going forward. A window of opportunity currently exists for those ready to make their moves ahead of the forecasted upswing in demand.

ST. CATHARINES
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

ST. CATHARINES
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

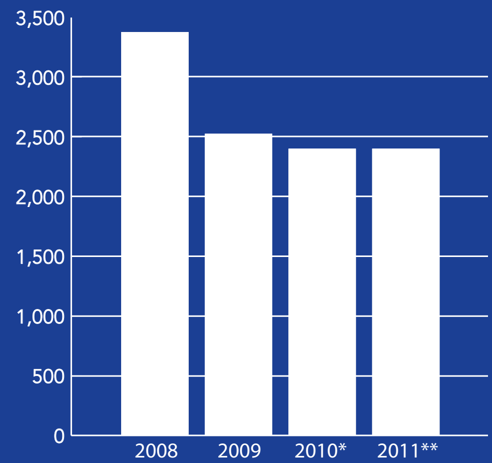
Investment activity is expected to continue at a steady clip in St. Catharines next year, as those intent on a long-term hold demonstrate their optimism in the city's prospects for the future, particularly given the low vacancy rate. On-going rejuvenation of older neighbourhoods will also continue to prop-up housing values. Average price is expected to reach $246,000 by year-end 2011—a modest three per cent gain, while sales hold steady at 2,800 units.

Conditions continue to improve, and the market is expected to rebound in 2011 in tandem with economic growth. Kingston is in favourable shape, given that it weathered the recession better than some of Ontario's other mid-sized centres due to the stability of the public sector and a diversified private sector. It also sports an unemployment rate that remains a full percentage point under the national average—a factor that has helped prop-up the demand for housing, along with on-going transfers to/from the Canadian Forces Base. The city has also benefited from solid capital investment and infrastructure spending, which will continue in the months and years ahead. Kingston remains in expansion mode, with steady population growth posted over the past decade. The proportion of owned dwellings has climbed 25 per cent from 1996 to 2006 (Source: Statistics Canada). Baby boomers and empty nesters will account for an increasing share of the market in coming years, attracted to Kingston's value, amenities, proximity to major centres and standard of living, in addition to significant recreational opportunities—some only minutes away.

Kingston

Affordability continues to be a primary impetus drawing purchasers to homeownership in Kingston, and it will continue to be a significant factor going forward. In 2009 and 2010, first-time buyers accounted for the lion's share of activity in Kingston, and the trend is expected to continue in 2011, given low interest rates, attractive prices, and a good selection of product. Demand remains greatest in the $160,000 to $220,000 price range. With carrying costs relatively comparable to rental rates at present, the case for homeownership has never been better, which has helped buoy the market to date. Healthy activity continues, although sales have fallen off from strong levels reported in the first half of the year. Stability has emerged, with buyer's conditions keeping prices in check. An estimated 2,400 units are expected to change hands in 2010, a modest decline from levels reported in 2009, while average price edges up six per cent to $266,000.

KINGSTON
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

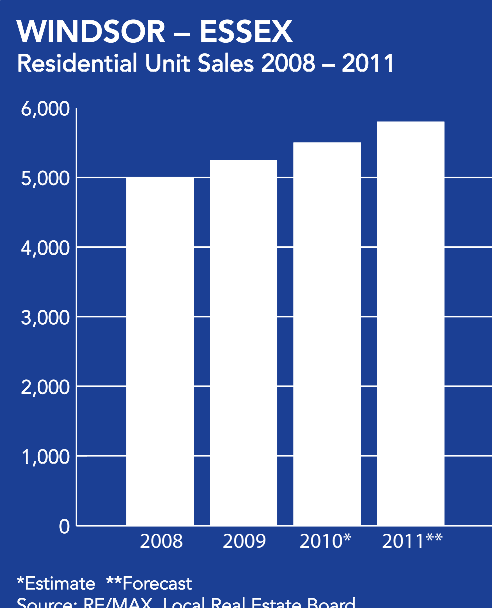
While first-time buyers will remain the driving force, trade-up purchasers and those making lateral moves are expected to boost home-buying activity. The upper-end of the market will remain solid into 2011, once again posting strong gains. Investors will continue to have a considerable presence in Kingston, particularly given the constant demand for student rentals. Demand for affordable resale product from the parents of university and college-bound children has been on the upswing in recent years, providing both necessary shelter and the benefit of relatively reliable returns down the road. Inventory will be a critical factor in 2011. An upswing in inventory levels is expected to hold prices in check in 2011, with values hovering at $266,000 for much of the year. Residential unit sales are expected to match 2010 levels in 2011.

Windsor – Essex

Greater job security and a vastly improved economic outlook are in large part responsible for the upswing in residential housing activity in Windsor this year. After a prolonged period of economic downturn, the market is finally poised for modest growth, with an estimated 5,500 homes expected to change hands in the city by year-end 2010, up five per cent from the 5,243 sales reported in 2009. Housing values are set to climb as well, rising four per cent to $163,000, reversing the downward trending that began in 2007.

Affordability has been a major factor, given rock bottom interest rates and prices that are amongst the lowest in Canada. Roughly 40 per cent of sales in Windsor this year occurred under the $140,000 price point, and quality product can be picked up for as low as $80,000. Power of sales had an impact on the market, with first-time buyers and investors spending much of 2010 vying for listings, many of which moved in multiple-offer situations. Move-up buyers were also active, taking advantage of softer housing values in the top end of the market, with brisk sales reported for luxury properties priced in excess of $500,000.

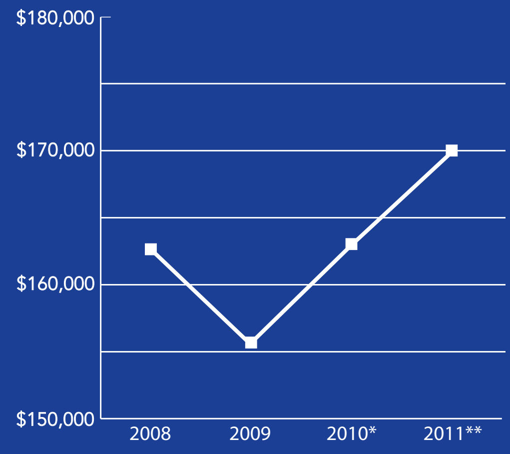
As economic performance recovers and consumer confidence builds, so too will Windsor's residential housing market. Job creation efforts designed to bolster the economy are well underway, with Windsor set to benefit from a number of new projects, including: a $7 billion investment by the Ontario government that will launch a new solar and wind energy industry and create as many as 16,000 jobs in the area; a new marine facility at the Windsor port, valued at more than $10 million, that will improve the quality of the transportation network in the region; and the construction of the Windsor–Essex Parkway, an



11-kilometre stretch of highway, that will generate numerous jobs. A rebounding automotive sector has also contributed to the improved outlook in the city. Unemployment levels are responding—down two per cent to 10.5 per cent at the end of 2010—and expected to fall further in 2011.

A continuation of the stable activity experienced in 2010 is forecast for the Windsor residential real estate market in 2011. Inventory levels are set to drop as the market moves towards more balanced conditions. First-time buyers should continue to power the home-buying engine, many making the move from rentals into homeownership. Move-up purchasers and investors will also have a strong presence. Given the value in the marketplace at this time, home sales are expected to climb further, posting another five per cent increase, bringing the number of units sold to 5,800 in 2011. Average price is forecast to follow suit, with values rising four per cent to $170,000 by year-end.

WINDSOR – ESSEX
Residential Average Price 2008 – 2011



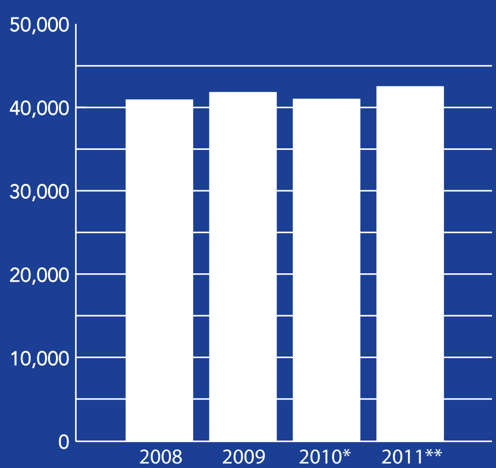
*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

Québec

Greater Montréal

Strong consumer confidence levels have buoyed Greater Montréal's residential real estate market in 2010, with year-end sales expected to reach 41,000 units, just short of healthy 2009 levels. Tighter inventory levels contributed to upward pressure on housing values throughout much of the year, with average price climbing seven per cent to $291,000 at year-end. Market conditions clearly favoured the seller in 2010 with multiple offers a common occurrence, especially in the first quarter. Still, buyers remained cautious, careful not to overextend themselves, and as a result, over-priced product lingered indefinitely.

GREATER MONTRÉAL
Residential Unit Sales 2008 – 2011



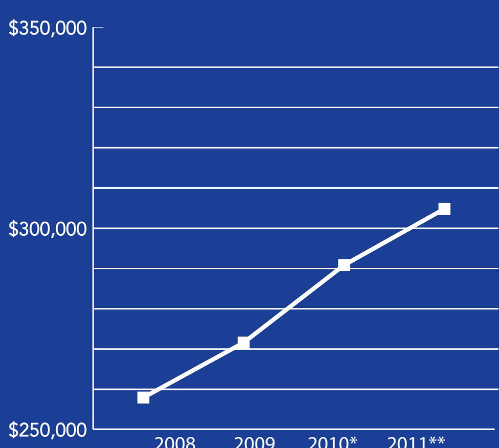
*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

First-time buyers were most active in 2010, many making the leap from renting into homeownership. Ideal market conditions, including rock bottom interest rates, were the primary impetus. Condominiums were a popular choice among the entry-level segment, with the average price substantially lower than the overall market average. As a result of the attractive price point, condominiums now represent close to 30 per cent of residential sales. Although entry-level buyers, empty nesters and retirees continue to bolster sales in the downtown core, the suburbs have experienced significant growth. Close proximity to transportation seriously contributed to the upswing in condominium sales in areas like Laval.

Sound economic fundamentals will provide the underpinning for a stable residential real estate market in Greater Montréal moving forward. The province itself continues to experience growth, with recovery noted across virtually all industrial sectors in 2010. Infrastructure projects will further support employment levels in 2011. Unemployment dropped to 7.9 per cent in 2010 and is expected to fall to an estimated 7.6 per cent in 2011—well under the national average. In-migration will also factor into the equation, with Montréal drawing a significant number of the country's new immigrants next year.

In 2011, residential home sales are expected to climb three per cent to 42,500 units, while average price breaks the $300,000 threshold, reaching $305,000 by year-end—a five per cent increase. First-time buyers will continue to demonstrate their belief in homeownership, driving sales activity at the lower price points. As the price of freehold housing climbs, affordably-priced condominium apartment and towns are expected to benefit, gaining even greater market share in the year ahead. At the other end of the spectrum, luxury home sales should maintain upward momentum in 2011, after experiencing a healthy upswing in 2010.

GREATER MONTRÉAL
Residential Average Price 2008 – 2011

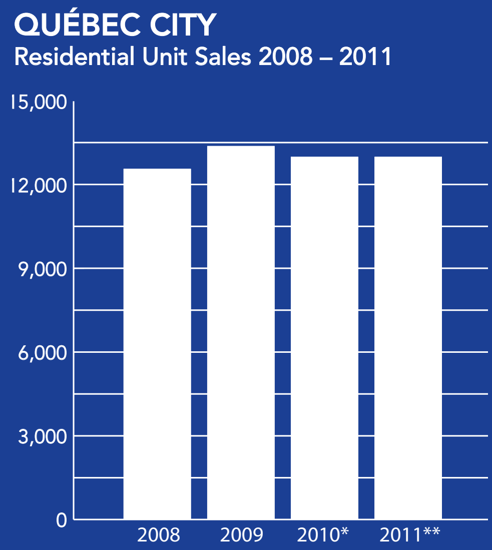


*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

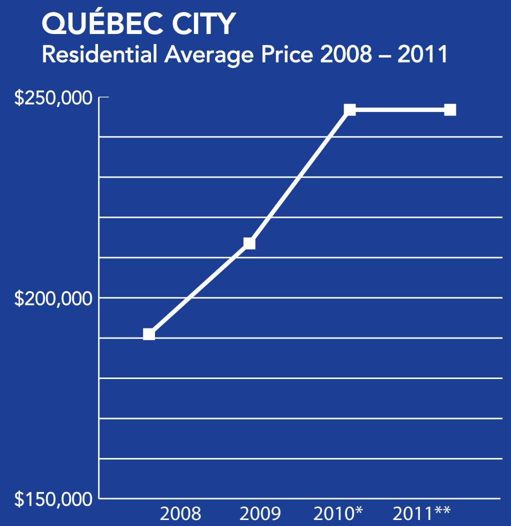
Québec City

Momentum generated by Québec City's 400th anniversary back in 2008 continues to build, propelling both the economy and the housing market forward, despite global uncertainties. While residential sales have tapered from unsustainable levels earlier in the year, activity is quite healthy in the provincial capital, with supply meeting demand. First-time buyers have been an integral component of the market throughout 2010, spurring demand for affordably-priced, entry-level product across the board. There has been a slight upswing in inventory in recent months, and although that trend is expected to continue into 2011, the uptick in demand should serve to offset any negative impact. Multiple offers have slowed from the frenzied pace earlier in the year, giving buyers some much-needed space to breathe and the luxury of time to make their housing decisions. The city is on track to finish the year at an estimated 13,000 units, down nominally from the 13,386 posted in 2009, while average price is set to climb a substantial 15 per cent to $247,000, up from $213,718 last year.

Québec City's economy is propped up by sound economic fundamentals, including a solid government base. The vibrant industrial sector and scientific community showcase the diversity of the city. High-tech is central to economic development, and as such, the city boasts more than 6,000 researchers, 400 laboratories and world-class



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

research centres. The service sector is paramount to the economy, with healthy growth reported in applied technologies, life sciences, health, nutrition, and processed materials. With a population of close to 700,000, the city has one of the lowest unemployment rates in the country—hovering at 4.3 per cent at year-end 2010 and expected to decline further.

While the outlook is exceptionally bright for Québec City, home-buying activity is expected to hold the line in 2011. The number of homes changing hands is forecast to remain stable at 13,000 units in 2011. Average price—after appreciating 15 per cent in 2010—should level off, finishing the year at $247,000. Belief in housing as an investment continues to grow, with more and more renters making the move to homeownership in Québec City. Favourable interest rates are expected to stimulate market activity, especially at the entry-level price point. The city's aging demographic is expected prop-up condominium sales in the year ahead, particularly those apartments and townhomes that offer innovative amenities. At least 20 per cent of the market is now comprised of condominium sales. Luxury sales should also remain brisk, as properties priced at $400,000 plus enjoy continued strength.

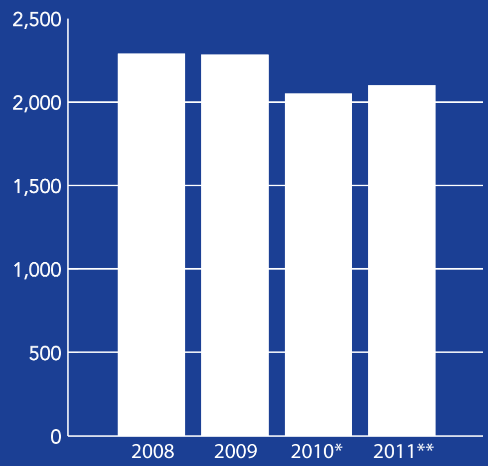
New Brunswick

Saint John

While overall consumer confidence is holding steady, residential housing activity in the Saint John area has tapered from one year ago. Home sales are expected to close the year at 2,050 units, down approximately 10 per cent from 2009 levels, while average price remains stable, edging up over last year's figure by $300 to $180,000 by year-end.

Despite a moderate upswing in home-buying activity in September, economic concerns weighed down housing performance to some extent in the last quarter. Still first-time buyers led the charge for available housing, especially at the entry-level price point. Inventory levels were adequate for much of the year—with supply tightening between $100,000 to $160,000. Luxury home sales remained a bright spot, with the number of homes sold over $350,000 almost doubling in 2010.

SAINT JOHN
Residential Unit Sales 2008 – 2011

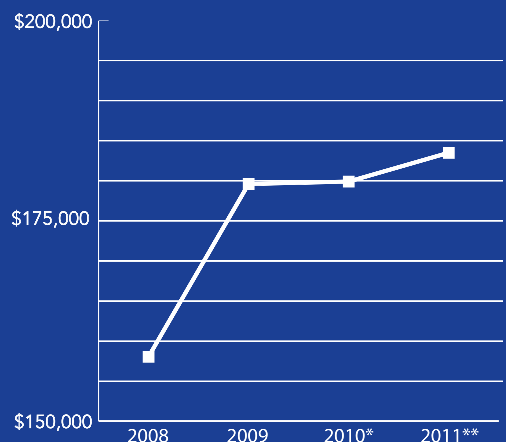


*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

An improving economic picture is expected to buoy Saint John's residential housing market moving forward. Employment levels are good and unemployment is expected to fall to 8.6 per cent in 2011. The province's $1.6 billion infrastructure stimulus plan—including the twinning of the highway between Saint John and St. Stephens, repairs to the Harbour Bridge, the One Mile Interchange, and six individual water projects valued at more than $24 million—will create new jobs and further bolster economic performance. Tourism continues to do well, with more cruise lines expected to dock in Saint John in the future. Non-residential construction is also on the upswing, including the $1.7 billion Sussex Mine expansion, a new Justice/Police Department and downtown parking garage. Plan SJ, a $1 million municipal plan for the city's growth—anticipates 10,000 more people in the city over the next 20 years.

A continuation of favourable interest rates, combined with some of the most affordable real estate in the country, will prop-up Saint John's housing market in 2011. First-time buyers will work in tandem with move-up purchasers, stimulating home-buying activity across every price point. Balanced market conditions will prevail, with buyers maintaining a slight edge. Immigration is also expected to figure into the mix in 2011, as new Canadians consider laying roots in Saint John. Ex-pats are also moving back from other parts of the country. Sales—as a result—are forecast to experience a moderate increase, rising to 2,100 units in 2011. Average price is predicted to appreciate two per cent to $183,600 in 2011.

SAINT JOHN
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Boards

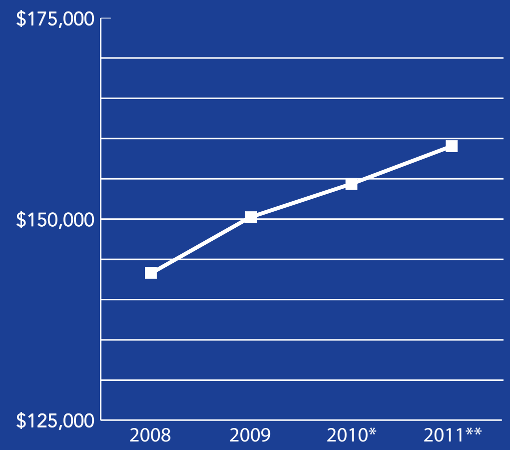
Moncton

Moncton's residential real estate market has remained relatively resilient throughout 2010, as first-time and move-up buyers took advantage of record low interest rates. Stable, balanced conditions are expected to continue through to year-end, with Moncton on track to finish 2010 on par with 2009 sales levels at 2,400 units. Average price, meanwhile, is forecast to climb to $154,500, up three per cent from the $150,135 reported the year previous.

The steadiness that emerged during the latter half of 2010 will likely be the hallmark of the 2011 housing market. Moncton was one of the last Maritime markets to fully recover from the economic effects of the recession, but real estate has remained a bright spot, propped-up by attractive affordability levels. Entry-level buyers should account for the bulk of sales again next year, while move-up purchasers, empty nesters and retirees increase their market presence. While the condominium segment has been slow to gain a foothold, it is becoming a more popular choice among downsizing buyers and those attracted to a maintenance-free lifestyle. While builders have scaled back on new construction, several condominium projects are planned for 2011. One recent development—a 55-unit apartment-style building—moved quite quickly and was more than 60 per cent sold before the shovel hit the ground. If more inventory were available, the demand clearly exists to support growth in the condominium segment. As a result, its share of the overall market is expected to continue to rise next year and in years to come.

Investors have been increasingly active. There continues to be tremendous demand for multi-family units, given the city's low vacancy rate. An Atlantic property investment company made quite a statement in the last few years by purchasing a considerable share of available inventory, driving up prices in its wake. Yet, despite this, this segment is expected to remain vibrant going forward. International purchasers—Americans and Europeans—are making their way back into the market, albeit in smaller numbers. While the upswing in interest has yet to translate to sales, it is a positive sign for the 2011 market, as these purchasers actively look for properties. Corporate relocation and travel have been positive for the upper-end of the market, which is now moving well after a pause earlier in the year. Sales in this segment are expected to exceed 2010 levels next year.

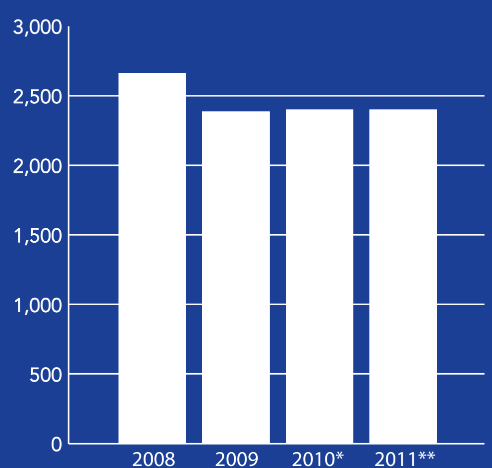
MONCTON
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

Slow but steady growth is expected for Moncton's real estate market in 2011, as consumer confidence continues to build and the local economy improves further. Infrastructure spending is expected to prop-up the local employment picture next year, much as it did in 2010. The city spent $27 million in construction projects in 2010, 35 per cent more than is typical. Local retail spending has held up well, despite the recession, and expansion continues in this segment. Metro Moncton remains a growing retail hub, attracting consumers from across the Maritime provinces. A recent survey of local business in Moncton noted that 40 per cent plan to hire more workers going forward. Residential construction continues at a healthy pace, as the city increases in size. Unemployment is falling back, now at 6.9 per cent—a full percentage point under the national average. Overall, solid fundamentals have Moncton poised for a repeat of healthy 2010 activity. Sales are forecast to remain on par with year-ago levels, while average price moves ahead a further three per cent to $159,000 in 2011.

MONCTON
Residential Unit Sales 2008 – 2011

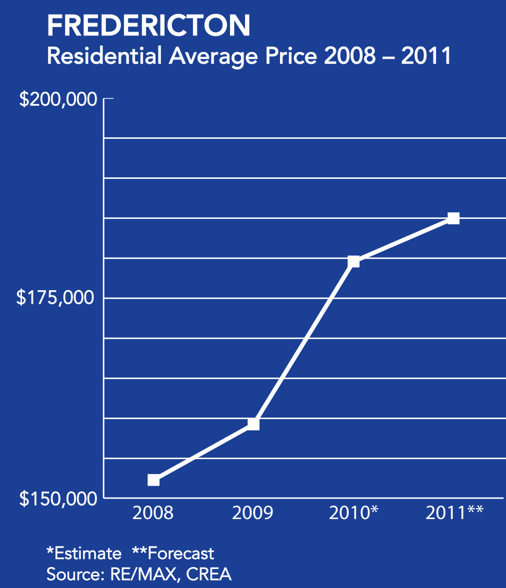


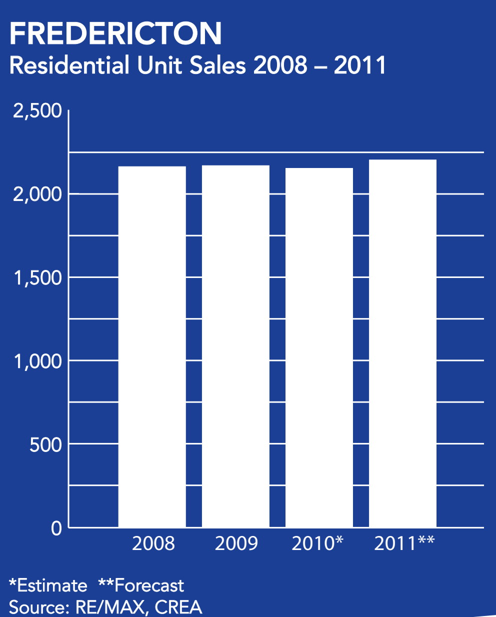
*Estimate **Forecast
Source: RE/MAX, CREA

Fredericton

A stable economy continues to buoy Fredericton's residential housing market, despite a slight softening in home-buying activity at year-end. An estimated 2,150 homes are expected to change hands in 2010, down just under one per cent from 2009 levels. Housing values in the city are poised for further growth, rising close to 13 per cent to $179,600 in 2010, an increase of more than $20,000 over the $159,219 posted last year.

The election of a new government should breathe new life into the province. Balancing the budget and fulfilling election promises will be top of mind moving forward. However, concerns exist with regards to civil service jobs, spending cuts, and the possibility of scaling back on large capital projects in the near future. Yet, unemployment rates remain stable in the area, hovering at 6.9 per cent, up from one year ago, but still well under the national average.





Buyer's market conditions are forecast to prevail into the first quarter of 2011, then transition into more balanced territory. Military and RCMP transfers are expected to boost home-buying activity in Fredericton during the traditional robust spring market. First-time purchasers are also expected to drive activity, working in tandem with downsizing baby boomers. Condominiums and garden homes continue to make inroads with empty-nesters and retirees, many of whom are attracted to the maintenance and worry-free lifestyle. Investors will also play a role in the market in 2011, thanks to some of the most affordable real estate in the country. Low interest rates, combined with economic stability, are forecast to have the greatest impact on housing in 2011. Any increase in interest rates is expected to prompt purchasers off the fence and into the market. Housing sales in Fredericton are predicted to climb by almost three per cent to 2,220 units in 2011, while average price appreciation slows to a more moderate three per cent, bringing values to $185,000 at year-end 2011.

Nova Scotia

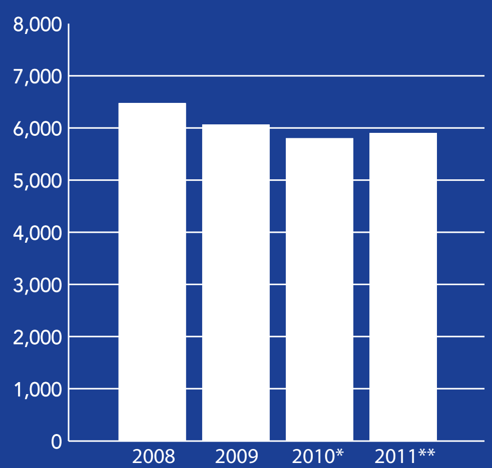
Halifax – Dartmouth

While economic concerns dampened overall residential real estate activity in Halifax-Dartmouth in the third quarter, the housing market showed signs of firming in the final quarter of 2010. An estimated 5,800 homes are expected to change hands this year as a result, down four per cent from the 6,062 sales reported one year ago. Housing values, buoyed by lower inventory levels, are on the upswing, with average price expected to hover at $250,000 at year-end, 4.5 per cent higher than 2009.

No one factor has been responsible for the softening in the housing market—it's likely the cumulative of all that has taken place in recent months. In-migration has dropped off compared to years past. Military movement has slowed. Unemployment levels have declined marginally, but most of the new jobs created are part-time. The strong Canadian dollar has weighed heavily on the area's manufacturing industry, with sales well below peak levels seen in 2008. However, a more positive outlook for the future should bolster the economy moving forward, starting with the province's natural gas project—Deep Panuke—which will begin production in 2011. Halifax-Dartmouth will also host the 2011 Canada Winter Games—a move expected to jump-start the ailing tourism sector. By far the single most important component to recovery is the proposed $500 million downtown Halifax convention centre, hotel and retail/commercial complex. The project is on the cusp of approval and is expected to provide a serious boost to consumer confidence in the area.

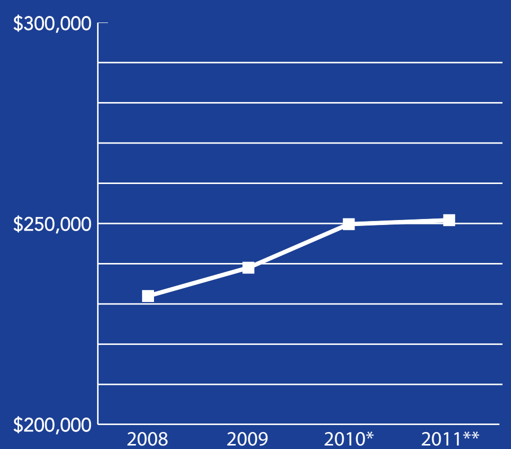
Momentum will build gradually in Halifax-Dartmouth in 2011, with first-time buyers and downsizing empty-nesters and retirees driving real estate activity. Balanced market conditions will exist—with supply meeting demand in most areas of the city. The top end of the market, priced at $450,000 plus, will continue to experience brisk sales—a carry-over from 2010. The combination of low interest rates and availability of affordable housing product should ensure that potential purchasers realize homeownership in 2011. Condominiums that are centrally-located will remain a popular choice in the new year, while those in

HALIFAX – DARTMOUTH
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

HALIFAX – DARTHMOUTH
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, CREA

peripheral areas may experience some softening in demand. As economic conditions improve, so too will demand for residential housing. In the interim, it's slow and steady, with residential sales forecast to climb two per cent to 5,900 units by year-end 2011. Average price is expected to appreciate less than one per cent to $251,000, up from $250,000 in 2010.

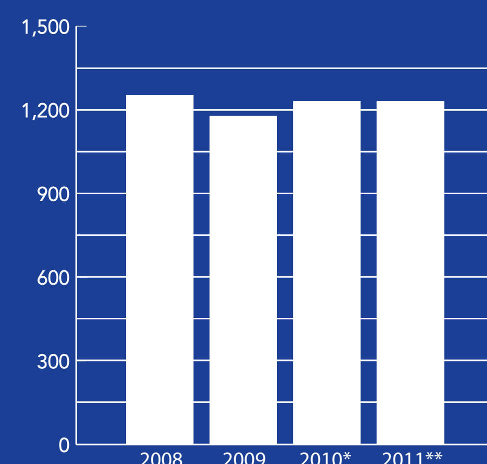
Prince Edward Island

The market in Prince Edward Island has remained stable in 2010, proving relatively resilient despite the economic uncertainty that dampened consumer confidence in the second half. Activity has settled into a healthy, sustainable pace, with sales on track to finish out the year at 1,230 units, up 4.5 per cent over 2009. First-time buyers led the charge for much of the year, and that phenomenon is expected to carry forward in 2011. While some properties remain overpriced, most vendors and purchasers are now on the same page. Homes that are listed at fair market value are moving within the average days on market, while others risk stagnation. Overall, prices have held firm and remain on track for continued, but gradual growth. By year-end 2010, average price will reach $154,000—a two per cent increase from the $151,672 reported in 2009. The average price in the combined metropolitan areas of Charlottetown and Summerside, however, will hover considerably higher at $175,000 by year-end 2010—virtually on par with the $174,000 posted the year previous.

While purchasers remain cautious, taking their time to make decisions, the fall market has shown a glimmer of optimism. The demand for housing is expected to improve in 2011, as unemployment begins to trend downward, given the forecast for positive GDP growth ranging from two to 2.5 per cent. The construction sector will remain vibrant, fuelled by strong non-residential and infrastructure spending, while the agricultural and tourism segments post modest improvement.

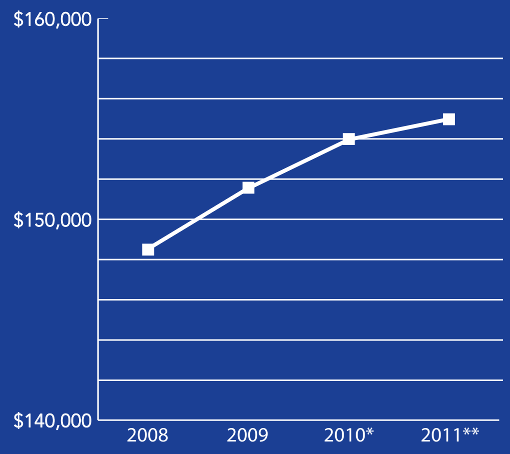
Currently, Prince Edward Island's real estate market remains in balanced territory, but the entry-level segment has already transitioned to seller's conditions, given serious demand for product priced under $200,000. The tight supply is forecast to hold through the first quarter of 2011. More foreign investment has been noted in 2010, and that trend is expected to continue next year. Despite the influx, the upper-end of the Island's real estate market remains soft. The luxury segment should gear up in 2011, as prices move more in line with fair market value. The condo segment should see price growth level in 2011, while average price for the overall market and its metropolitan areas moves ahead a nominal one per cent to $155,500 and $177,000 respectively. Sales in Prince Edward Island will hold the line at 1,230 units—a healthy clip—with demand returning to its typical pattern, but weighted more evenly throughout the year.

PRINCE EDWARD ISLAND
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

PRINCE EDWARD ISLAND
Residential Average Price 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

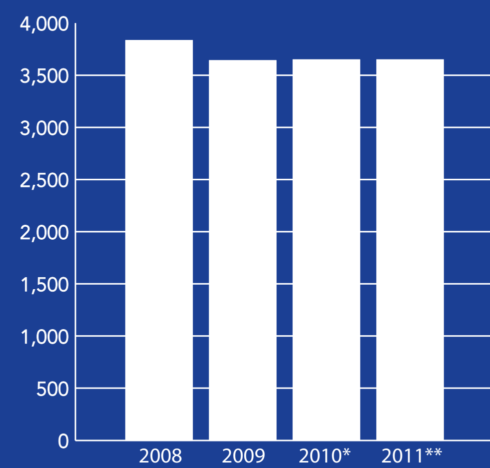
Newfoundland & Labrador

St. John's

While housing sales are expected to finish 2010 slightly off 2009 levels and remain static in 2011 at 3,600 units, income growth, rising employment and an increasing population are forecast to prop-up average price appreciation in St. John's next year. Inventory, however, has been building with Newfoundland now shifting into buyer's territory. Conditions in 2011 will be unsettled as a result, moving between balanced and buyers throughout the year. The entry-level segment will drive the bulk of sales, given strong income growth in the 25 to 34 year-old demographic. Greater selection, the luxury of time to make decisions, combined with rock-bottom interest rates will make the 2011 market one of the most favourable for young buyers in recent history. Average price will climb to $251,000 by year-end—a significant 15 per cent gain—the last such increase for some time, providing a welcome break in a market that's been firing on all cylinders for several consecutive years.

GDP growth in Newfoundland and Labrador is set to moderate in 2011 from 2010 levels, settling in near three per cent, but that could prove a conservative estimate, given the outlook. The massive $6.2 billion deal between Emera Inc. and the provinces of Newfoundland and Nova Scotia to develop power from the Lower Churchill hydroelectric project in Labrador—including the construction of a power-generating facility at Muskrat Falls—will prove a significant boon to both the local economy and consumer confidence. Premier Danny Williams noted it would be the first step in a plan to pursue further clean energy development projects in the province, alluding to the larger power facility proposed for Gull Lake. Over $10 billion in capital works projects, planned or underway, will continue to buoy the economic picture—particularly in St. John's—over the next several years. A further $6 billion in projects is on-going or approved for the oil and gas sector, while $3.5 billion is slated for upgrades to manufacturing facilities. Iron ore shipments are increasing and expansion plans for the Rio Tinto mine are moving forward. Offshore oil production is already on the rise, supported by greater demand, recovering commodity prices and various stimulus

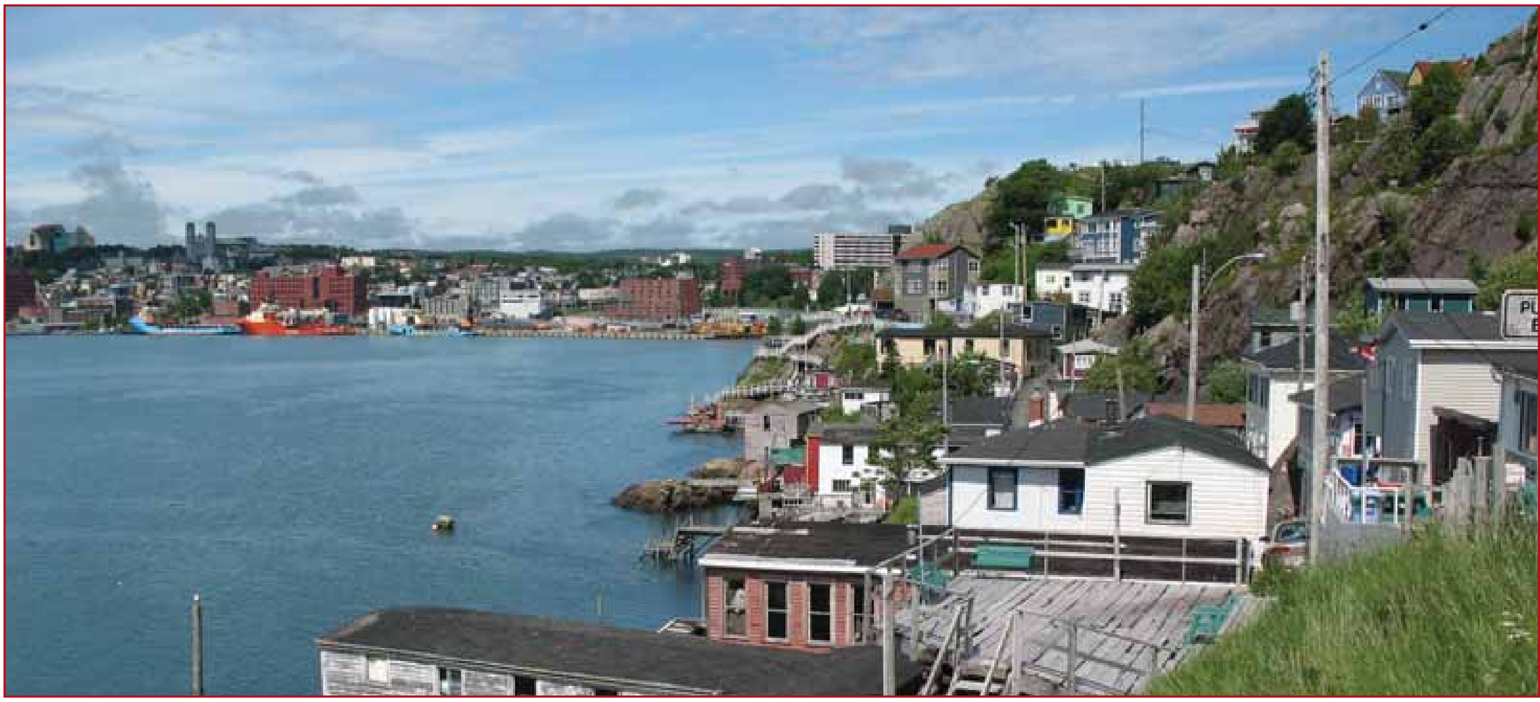
ST. JOHN'S
Residential Unit Sales 2008 – 2011



*Estimate **Forecast
Source: RE/MAX, Local Real Estate Board

programs. These exceedingly positive factors will help drive Newfoundland and Labrador's economic engine in 2011 and beyond, pushing the unemployment rate downward, while boosting the demand for housing.

Low interest rates will be a key impetus, prompting people to look to homeownership, in addition to the greater selection of product in 2011. The upper-end of the market will remain on par with 2010's exceptional levels, spurred on by higher consumer confidence among affluent purchasers. Condominium sales are forecast to remain flat in 2011, while price growth will be limited, ranging between two to three per cent. Condo developers have been focused on construction geared toward boomers and empty nesters, but with rising prices, there has been increased demand for affordable units priced near $250,000. Given that supply is limited, entry-level units will remain sought-after, but the typical mid-range condo is poised for modest growth next year. In fact, it has been taking considerably longer to get new projects off the ground, but absorption rates on the resale side remain relatively constant. Investors have been active, prompted by a sound investment climate, as vacancy rates remain tight. Those who are able are looking for opportunities now in anticipation of the market gaining momentum once again in 2012/2013 as Hebron starts up and the local economy strengthens. In the meantime, sales will hover at 3,600 units in 2011, matching 2010 levels. Housing appreciation is forecast to ease, down from the exceptional double-digit growth that has characterized the resale sector in recent years. Average price should reach $271,000 by year-end 2011—an eight per cent increase over the $251,000 posted in 2010.



NATIONAL CONTACTS

RE/MAX Ontario-Atlantic Canada	Christine Martysiewicz	905-542-2400
RE/MAX Québec	David Barrett (Massy-Forget Public Relations)	514-842-2455 ext.15
RE/MAX of Western Canada	Rhia Bachynski	250-860-3628
Point Blank Communications	Eva Blay/Charlene McAdam	416-781-3911

LOCAL CONTACTS

Market	Contact	Office	Phone
BRITISH COLUMBIA			
Greater Vancouver	Richard Laurendeau	RE/MAX Westcoast	604-273-2828
Victoria	Wayne Schrader	RE/MAX Camosun	250-744-3301
Kelowna	Cliff Shillington	RE/MAX Kelowna	250-717-5000
ALBERTA			
Edmonton	Bill Briggs	RE/MAX Real Estate (Edmonton)	780-488-4000
Calgary	Lowell Martens	RE/MAX Real Estate (Mountain View)	403-247-5171
SASKATCHEWAN			
Regina	Rob Nisbett	RE/MAX Crown Real Estate	306-789-7666
Saskatoon	Larry Stewart	RE/MAX Saskatoon	306-241-0355
MANITOBA			
Winnipeg	Cliff King	RE/MAX Executive Realty	204-987-9808
ONTARIO			
Hamilton – Burlington	Ralph Schmidt	RE/MAX Escarpment	905-575-5478
Kitchener – Waterloo	Adrian Baas	RE/MAX Twin City	519-885-0200
London – St. Thomas	Roger Guindon	RE/MAX Centre City	519-667-1800
Ottawa	Bill Lenardon	RE/MAX Metro City	613-563-1150
Sudbury	Dan Gray	RE/NAX Sudbury	705-671-2222
Greater Toronto Area	Richard Pilarski	RE/MAX Realtron	905-944-8800

LOCAL CONTACTS

Market	Contact	Office	Phone
ONTARIO			
Barrie & District	Corrie Holliday	RE/MAX Chay	705-722-7100
St. Catharines	Phyllis Gleeson	RE/MAX Garden City	905-641-1110
Kingston	Bob McKean	RE/MAX Realty Concepts	613-389-3777
Windsor – Essex	Glen Muir	RE/MAX Preferred	519-944-5955
QUÉBEC			
Greater Montréal	Caroline Salette	RE/MAX Royal (Jordan)	514-779-9058
Québec City	Julie Villeneuve	RE/MAX Access	418-948-1000
NEW BRUNSWICK			
Saint John	Gordon Breau	RE/MAX Professionals	506-634-8200
Moncton	Fern Gagnon	RE/MAX Quality	506-384-3300
Fredericton	Shawna Roy	RE/MAX Group Four	506-452-9888
NOVA SCOTIA			
Halifax – Dartmouth	Al Demings	RE/MAX Nova	902-468-3400
PRINCE EDWARD ISLAND			
Charlottetown	Don Martin	RE/MAX Charlottetown	902-892-2000
NEWFOUNDLAND & LABRADOR			
St. John's	Jim Burton	RE/MAX Plus Realty	709-738-7587