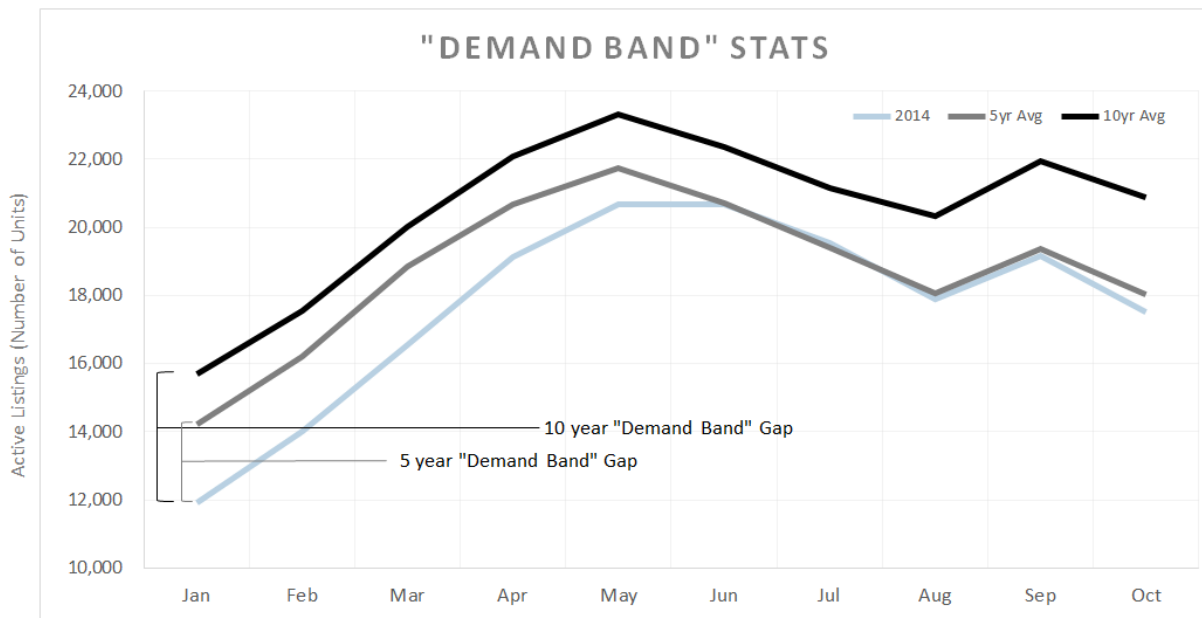


General Comments - All TREB Areas

- October:** “Continued sales and price growth driven by a market of low inventory.” October results once again fell in line with the sellers’ market we have seen throughout 2014. As outlined in the adjacent chart, October sales were up by 7.7% year over year (15.5% vs. the 5yr average), and price increased by 8.9% year over year (5yr compound annual growth rate of 6.8%). While new listings have increased over the past number of months, strong demand has absorbed the units as active listings remain at 10 year lows (down 5.7% year over year, down 3% vs. 5yr average, and down 16.1% vs. the 10 year average).
- Where’s the Inventory?:** After a very slow winter/early spring for new listings, the warmth brought with it some impressive gains vs. historical averages (new listings were up between 6% and 19% on a monthly basis from April to October vs. each month’s historical 10year average). The exception to this was August (down 1%), which appears to be an anomaly, as September and October have picked up again.
- Are new listings keeping up with demand?:** Yes & No. As illustrated in the below “Demand Band” chart, the gap between current active listings and historical average active listings started to narrow through the summer driven by an increase in new listings and strong sales. While we are now almost on pace with the 5yr historical figures, we still lag the 10yr by a large amount.
- Can prices continue to climb?** At a macro level...yes. Although the 5yr “Demand Band” has recently decreased, the 5 year compound annual price growth (CAGR) is still running at about 6.8% and 6.1% for the 10 year CAGR. In our opinion, unless we see a sustained period of significant new listings come on stream, or an “economic shock” event, such as a material increase in interest rates, the current trend of price increases should continue.

October Snap Shot

Statistic	Percentage Change vs. Previous		
	1 Year	5 Years	10 Years
Sales	7.7%	15.5%	20.8%
New Listings	3.4%	10.2%	6.1%
Active Listing	-5.7%	-3.0%	-16.1%
Compound Annual Price Growth (CAGR)			
Price - CAGR	8.9%	6.8%	6.1%



"Demand Band" Stats = lack of active listings vs. 5 and 10 year historical average

5yr Gap	(2,323)	(2,180)	(2,296)	(1,565)	(1,056)	(17)	154	(180)	(202)	(536)
10yr Gap	(3,791)	(3,543)	(3,464)	(2,967)	(2,647)	(1,678)	(1,612)	(2,432)	(2,765)	(3,369)

*5yr/10yr Gap = Current monthly active listing minus the 5/10year average number of active listings for each month.



Sales - All TREB Areas

Month	Percentage Change vs. Previous		
	1 Year	5 Years	10 Years
Jan	-2.2%	1.6%	-5.2%
Feb	2.1%	-3.4%	-6.7%
Mar	7.2%	-4.3%	-2.7%
Apr	1.8%	3.2%	6.0%
May	11.4%	12.9%	13.7%
Jun	15.4%	8.1%	9.1%
Jul	9.9%	15.6%	17.5%
Aug	2.8%	8.3%	7.5%
Sep	10.9%	16.0%	17.5%
Oct	7.7%	15.5%	20.8%

Slow start to the year vs. long term average, but very strong results from Apr --> Oct

New Listings - All TREB Areas

Month	Percentage Change vs. Previous		
	1 Year	5 Years	10 Years
Jan	-17%	-11%	-17%
Feb	-1%	-6%	-7%
Mar	1%	-5%	-3%
Apr	-4%	5%	6%
May	-1%	9%	10%
Jun	8%	11%	11%
Jul	8%	20%	19%
Aug	-3%	2%	-1%
Sep	6%	12%	9%
Oct	3%	10%	6%

New listings were virtually non-existent in Q1, but other than a blip in Aug., momentum has been strong vs. the long term average

Active Listings - All TREB Areas

Month	Percentage Change vs. Previous		
	1 Year	5 Years	10 Years
Jan	-16%	-16%	-24%
Feb	-12%	-13%	-20%
Mar	-10%	-12%	-17%
Apr	-8%	-8%	-13%
May	-9%	-5%	-11%
Jun	-7%	0%	-8%
Jul	-5%	1%	-8%
Aug	-5%	-1%	-12%
Sep	-5%	-1%	-13%
Oct	-6%	-3%	-16%

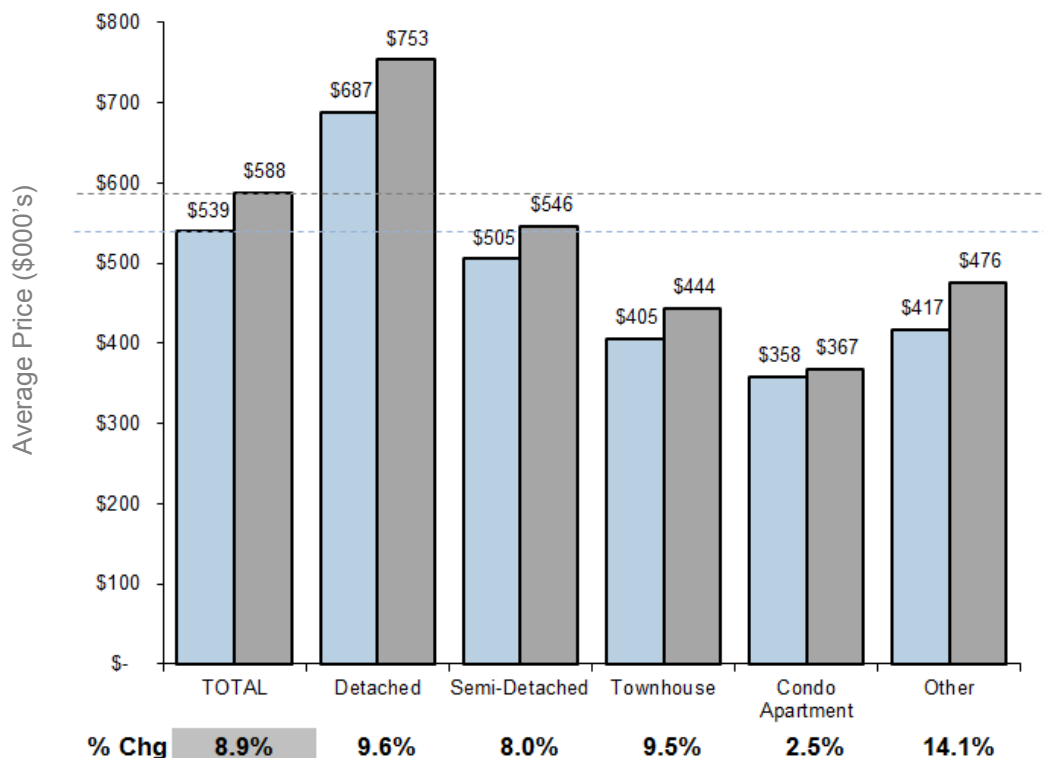
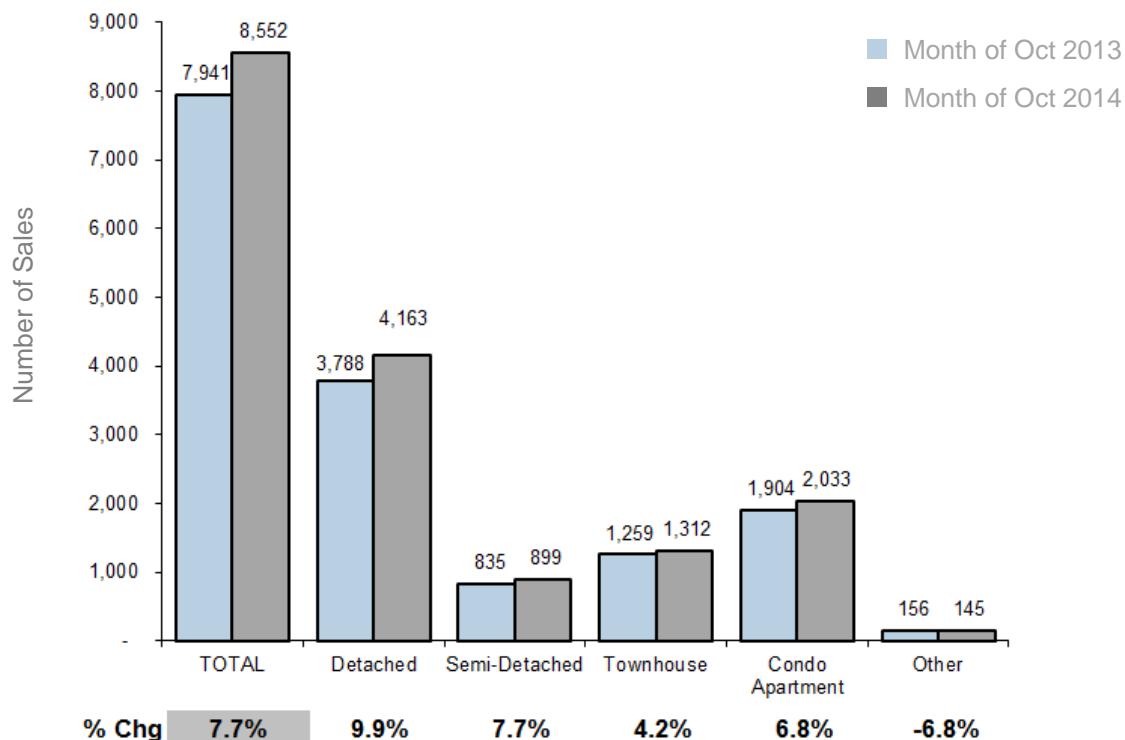
The lack of new inventory in Q1, combined with the pick up in sales volume during Q2/Q3, led to an increase in active listings through July. A slow August reversed this trend leading to a reduction in active listings in Aug/Sept/Oct.

Price - Compound Annual Growth - All TREB Areas

Month	Compound Annual Growth Rates		
	1 Year	5 Years	10 Years
Jan	9.2%	8.9%	5.9%
Feb	8.6%	8.9%	6.0%
Mar	7.8%	9.0%	6.1%
Apr	10.1%	8.4%	6.1%
May	8.3%	8.1%	6.0%
Jun	7.4%	7.1%	6.0%
Jul	7.5%	6.8%	5.8%
Aug	8.9%	7.1%	6.0%
Sep	7.7%	7.1%	6.0%
Oct	8.9%	6.8%	6.1%

While the 10 year CAGR continues to hover around 6% each month, the 5 year CAGR has experienced some slowdown in recent months. This could be explained by the increase in active listings vs the 5 year historical average over the same period.

Oct 2014 Market Watch Quick Facts: All TREB Areas



	Oct 2014	Prev. Year	% Diff.	Prev 5-Yr Average	% Diff.	Prev 10-Yr Average	% Diff.	Oct 2014 Avg Price -->	\$ 587,505	CAGR*
Sales	8,552	7,941	7.7%	7,405	15.5%	7,081	20.8%	5-Yr Growth	38.7%	6.8%
New Listing	13,476	13,038	3.4%	12,214	10.3%	12,699	6.1%	10-Yr Growth	81.2%	6.1%
Active Listings	17,497	18,557	-5.7%	18,033	-3.0%	20,866	-16.1%	*compound annual growth rate		

