

CANADIAN REAL ESTATE MARKET RELATIVELY RESILIENT DURING FIRST QUARTER

"Only modest house price declines despite predictions of double digit depreciation."

TORONTO, April 8, 2009 – Consistent with current economic trends, Canadian residential real estate prices declined during the first quarter, according to a quarterly House Price Survey released today by Royal LePage Real Estate Services Ltd. As the market correction unfolds, year-over-year home prices were lower, as was expected. Increased buyer activity at the end of March suggests that spring will bring its typical increase in unit sales activity as buyers target summer moves.

Regional disparities in quarterly housing prices showed markets in Atlantic Canada outperforming other areas of the country as hardy local economies spurred house price growth across the three housing types surveyed. Markets in central Quebec and eastern Ontario held steady with areas of modest growth and limited declines. In the balance of Ontario, and in particular the Greater Toronto Area, prices retreated from the record levels set in the first quarter of 2008, with most trading areas showing mid to low single digit declines. With the exception of Manitoba, western provinces saw significant changes as the rapid run-up in prices experienced earlier in the decade gave way to double-digit declines in most regions. As market corrections in B.C. and Alberta were underway well ahead of the full impact of the current economic crisis, it is suggested that these areas may be first in Canada to stabilize.

“We expected a sharper decline in house prices across Canadian markets during the first quarter,” said Phil Soper, president and chief executive officer, Royal LePage Real Estate Services Ltd. With economic hardship dominating our global consciousness, it was predictable that dwindling consumer confidence would continue to drive prices lower. But markets were relatively resilient during the period. Soper continued, “Canadians in most regions should not expect the prices of their homes to begin appreciating again until the overall economy begins to stabilize, likely in the first half of 2010.”

The report shows that the average price of a two storey home in Canada declined 6.5 per cent to \$379,636 compared to the same quarter last year. In Vancouver, the average price declined 12.6 per cent year-over-year to \$828,750 while in St. John's prices climbed 15.6 per cent to \$265,000. With consumer confidence bolstered following investments by Vale Inco NL and Hebron, Soper commented: "Using house price change as a gauge, Newfoundland is Canada's sole remaining seller's market."

Moderate growth occurred for detached bungalows in Montreal (up 2 per cent) and Ottawa (up 1.9 per cent), while Toronto saw a decline of 6.3 per cent compared to the same period in 2008. Prices in the prairies and in western cities declined with the average price for a detached bungalow down 8.1 per cent in Saskatoon and 11.2 per cent in Edmonton.

The nation's condominium market waned with the average price of a standard unit dropping 3.4 per cent to \$232,877 compared to \$241,152 in the first quarter of 2008. Calgary saw a 12.8 per cent drop in average price of condominiums, but declines were less severe in Vancouver (down 5.3 per cent) and in Toronto (down 3.1 per cent). "Condominiums are generally the most affordable housing option, especially in urban centres," Soper said. "With record low lending rates and new government initiatives aimed at encouraging first-time buyers to enter the market, ownership at the entry level is becoming increasingly accessible."

Noting recent global efforts to address the economic crisis, including the coordinated response from the world's leading economies coming out of the G20 meeting and stimulus package announcements at home and in the United States, as well as what appears to be the beginning of equity market recovery, Soper commented, "These glimmers of economic hope are coinciding with a time of year that typically brings renewed interest in the housing market. Traditional spring trends – increases in open house attendance, calls to brokers and viewing appointments – tell us that potential buyers are stepping off the sidelines and an increase in purchase activity is likely to follow."

Royal LePage's quarterly House Price Survey shows the following annual change of prices for key housing segments in select national markets:

Detached Bungalows				
Market	Q1 2009 Average	Last Quarter Average	Q1 2008 Average	Bungalow % Change
Halifax	215,667	195,000	185,000	16.6%
Charlottetown	157,000	157,000	155,000	1.3%
Moncton	156,000	150,000	152,000	2.6%
Fredericton	167,000	162,000	160,000	4.4%
Saint John	201,476	225,064	199,786	0.8%
St. John's	193,000	190,050	164,000	17.7%
Montreal	232,375	235,293	227,799	2.0%
Ottawa	317,500	321,333	311,583	1.9%
Toronto	405,286	376,286	432,679	-6.3%
Winnipeg	231,663	221,150	229,125	1.1%
Regina	266,625	274,167	237,138	12.4%
Saskatoon	312,500	300,000	340,000	-8.1%
Calgary	391,833	410,333	442,852	-11.5%
Edmonton	298,750	300,000	336,250	-11.2%
Vancouver	743,750	743,750	852,750	-12.8%
Victoria	453,000	440,000	439,000	3.2%
National	319,865	316,717	337,023	-6.1

Standard Two Storey				
Market	Q1 2009 Average	Last Quarter Average	Q1 2008 Average	2 Storey % Change
Halifax	242,000	240,000	229,000	5.7%
Charlottetown	188,000	188,000	185,000	1.6%
Moncton	134,500	126,000	135,300	-0.6%
Fredericton	210,000	210,000	197,000	6.6%
Saint John	268,000	294,695	264,000	1.5%
St. John's	265,000	261,800	229,333	15.6%
Montreal	330,056	334,850	332,389	-0.7%
Ottawa	318,500	320,083	309,833	2.8%
Toronto	516,052	522,050	545,750	-5.4%
Winnipeg	251,721	251,171	242,943	3.6%
Regina	245,000	245,000	227,500	7.7%
Saskatoon	348,500	348,500	395,000	-11.8%
Calgary	390,689	417,511	445,792	-12.4%
Edmonton	326,713	354,363	372,738	-12.3%
Vancouver	828,750	837,500	948,750	-12.6%
Victoria	435,000	433,000	460,000	-5.4%
National	379,636	385,777	401,040	-6.5%

Standard Condominium				
Market	Q1 2009 Average	Last Quarter Average	Q1 2008 Average	Condo % Change
Halifax	144,000	144,000	130,000	10.8%
Charlottetown	120,000	120,000	120,000	0.0%
Moncton	N/A	N/A	N/A	N/A*
Fredericton	137,000	133,000	126,000	8.7%
Saint John	181,387	158,283	153,000	18.6%
St. John's	205,667	203,000	173,333	18.7%
Montreal	206,528	203,808	206,556	0.0%
Ottawa	207,833	207,833	198,083	4.9%
Toronto	289,397	296,895	298,662	-3.1%
Winnipeg	145,943	132,643	138,000	5.8%
Regina	168,806	172,917	160,917	4.9%
Saskatoon	187,000	186,500	220,000	-15.0%
Calgary	245,756	257,189	281,807	-12.8%
Edmonton	210,000	219,031	243,750	-13.8%
Vancouver	431,500	405,000	455,750	-5.3%
Victoria	260,000	265,000	294,000	-11.6%
National	232,877	233,462	241,152	-4.0%

The Royal LePage Survey of Canadian House Prices is the largest, most comprehensive study of its kind in Canada, with information on seven types of housing in over 250 neighbourhoods from coast to coast. This release references an abbreviated version of the survey, which highlights house price trends for the three most common types of housing in Canada in 80 communities across the country. A complete database of past and present surveys is available on the Royal LePage Web site at www.royallepage.ca, and current figures will be updated following the end of the first quarter. A printable version of the first quarter 2009 survey will be available online on May 16, 2009.

Housing values in the Royal LePage Survey are Royal LePage opinions on fair market value in each location, based on local data and market knowledge provided by Royal LePage residential real estate experts. Historical data is available for some areas back to the early 1970s.

About Royal LePage

Royal LePage is Canada's leading provider of franchise services to residential real estate brokerages, with a network of over 14,000 agents and sales representatives in 600 locations across

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