

Canadian home prices at all-time high

Average price nearly \$300,000 in major cities

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OTTAWA -- The average price of a home in major Canadian cities has hit a new all-time high of almost \$300,000, nearly a 12 per cent increase from a year earlier, the real estate industry reported Tuesday.

And in Vancouver, the average price has topped the half-million dollar mark, more than a 20 per cent increase.

Sales of existing homes slipped 3.2 per cent last month, but remained at what the Canadian Real Estate Association in its report described as a still high seasonally adjusted level of 27,746.

And sales so far this year are 5.1 per cent higher than over the first four months of last year, and on track to post another new record this year, it noted.



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The association is forecasting sales will rise by one per cent this year to 488,160.

"Resales housing demand is still very strong and the market remains tight, and this is reflected in rising prices," said association chief economist Gregory Klump.

"There aren't enough new listings coming onto the market to meet consumer demand in many urban areas, so prices will continue to rise over the rest of the year and next."

However, he noted additional listings are helping the resale housing market to become more balanced, especially in higher-priced markets, which may lead to a more modest price increase in coming months.

And there has been some moderation in the pace of housing construction, which is in line with expectations of some cooling in overall housing activity this year in the wake of the steady rise in interest rates and what has also been the release of some pent-up demand during the long housing boom.

The report on sales in some two dozen urban markets shows the average selling price of a home last month was \$297,609, up 11.9 per cent from the previous April, the highest level on record and the fourth straight month in which the year-to-year increase in the average price has been in double-digits.

The average price topped all previous monthly highs in Vancouver, where it reached \$502,846, 21.8 per cent higher than a year earlier; in Halifax-Dartmouth, with prices reaching \$271,969, up 48.1 per cent; in Calgary, \$341,838, up 37.1 per cent; in Edmonton, \$226,846, up 18.2 per cent; in Winnipeg, \$162,615, up 16.8 per cent; in Montreal, \$220,246, up 7.9 per cent; in Toronto, \$366,683, up 7.2 per cent; and in Ottawa, \$263,122, up 6.2 per cent.

However, year-to-year sales increases can be volatile as the mix in sales can change from month to month.

The association is forecasting the average price of an existing home will rise by 6.1 per cent this year, down from 10.2 last year, and then slip to 4.7 per cent in 2007.

However, price increases are expected to remain in double digits in Alberta and British Columbia.

The report on the still-hot Canadian housing market is in contrast to the United States where there was evidence Tuesday of a further cooling in what was a much hotter housing market, with news of a larger-than-expected 7.4 per cent drop in housing construction, the third in as many months.

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