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## Housing price growth to cool

By [PABLO FERNANDEZ](#)

Alberta's housing market may cool slightly in 2007, but it will still be a year of growth, according to the Canada Mortgage Housing Corp.

While homeowners in the province won't see another 30% increase in equity, the CMHC projected a 13% bump in its first-quarter Housing Market Outlook, released yesterday.

The CMHC said housing prices and rising short-term interest rates will bog down housing starts nationwide in 2007 and 2008, a pattern that will start dragging down real estate price gains this spring.

Property prices across the country soared last year, and even though buying a home will cost more in 2007, the price increases won't be as acute as they were in 2006, stated the CMHC report.

Price growth across Canada will be more modest than Alberta's 13%, the report predicts -- with 5.9% expected in 2007 and 3.3% in 2008.

While price increases will ease, CMHC chief economist Bob Dugan said the sector will still be operating at historic levels.