



Home prices to continue rising next year: report

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OTTAWA - Canada's residential real estate market is expected to slow down in 2008 from this year's frantic pace but will still see "steady, yet moderate growth" in property values, home-selling agency Royal LePage said in a report Monday.

It predicted the average sale price of a home will rise 3.5 per cent to \$317,288 next year. Royal LePage is tracking 10.7-per-cent growth this year for an average of \$306,500.

The number of sales is expected to decline four per cent next year to 500,927, which would still place it as the second-strongest year on record after 2007.

"Canada's housing market in 2008 should continue to thrive on a balanced diet of strong economic fundamentals, including high levels of employment, resilient consumer confidence, modest levels of inflation and the relatively low cost of borrowing money," Royal LePage Real Estate Services CEO_Phil Soper said in a statement.

First-time home-buyers are expected to be a strong factor in the market next year, taking advantage of more balanced markets, reduced lending rates and other more favourable mortgage conditions being offered by banks.

Regina and Winnipeg are expected to see the highest degree of price appreciation among major markets next year, due to job growth and migration to these markets that are considered among the most affordable for bigger cities in Canada.

After an "excessively fast run-up" in prices in Calgary and Edmonton in 2006 and earlier this year, those markets are expected to see more moderate prices increases in 2008.

Forecasted average prices (percentage growth) for 2008/2007:

Canada	\$317,228 (3.5)	\$306,500 (10.7)
Halifax	\$233,000 (6.9)	\$218,000 (7.3)
Montreal	\$238,000 (3.5)	\$230,000 (6.6)
Ottawa	\$285,000 (4.2)	\$273,500 (6.2)
Toronto	\$388,500 (3.5)	\$375,500 (6.6)

Winnipeg	\$190,000 (11.4)	\$170,500 (12.2)
Regina	\$188,600 (15.4)	\$163,500 (24)
Calgary	\$429,000 (4)	\$412,500 (19)
Edmonton	\$341,000 (1)	\$337,500 (34.5)
Vancouver	\$587,500 (4)	\$565,000 (10.8)

Source: Royal LePage

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