



## Real estate still sizzling

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OTTAWA - The Canadian housing **market** is still hot, and searingly so in Western Canada, and is expected to remain so through the rest of this year and into next, a major **real estate** firm said Wednesday. It forecast a near double-digit percentage increase in prices this year.

Nationally, the average price of a home in the second quarter of this year was 14.2 per cent higher than a year earlier, and up more than 50 per cent higher in Calgary and more than 30 per cent in Edmonton; forecasting a 9.2 per cent increase in prices nationally this year.

Both sales and prices continued to rise across the country in the April-June quarter, it said.

“The pace of growth varied greatly by region, with activity levels and price increases in the western provinces far outpacing that in the rest of the country,” it said. “Compared to the same period last year, Ontario, Quebec and Atlantic Canada maintained similar high sales volumes, with moderate price increases, while extraordinary demand and limited inventory drove double-digit price increases in the West.”

But as hot as the housing **market** is, another major **real estate** firm said the pace of activity will ease during the lazy-hazy days of summer, allowing buyers more time to look before they leap into the **market** and sellers time to spruce up homes that failed to sell in the spring rush.

“This summer's housing **market** is offering buyers **real-estate** opportunities that were not available during the record-breaking spring **market**,” said Don Lawby. “Earlier in the year, buyers in many parts of the country had to act instantly or lose the deal. In some cases, sellers have reduced their asking prices after failing to sell in the spring because they tried to make a killing during the **market** frenzy.”

However, both **real-estate** firms are forecasting the **market** for housing will remain healthy, reflecting the economy and job **market**.

Nationally, the average house price will rise to \$272,200 by the end of 2006, while sales will edge up 0.4 per cent to 485,000, it is predicted.

“The continued strength of Canada's economy, coupled with strong consumer confidence and rising but moderate interest rates, continued to drive robust demand for housing across the country,” noting sales in the spring were at record or near record levels in most markets.

Still, the supply of homes for sale met demand other than in the West, where it remained a sellers' **market**, it said.

“The story in the West, and particularly in Alberta, is quite different, with extraordinary demand levels far surpassing available inventory,” said Phil Soper noting that was especially the case in Calgary, Edmonton, and Vancouver. “The result has been some of the highest year-over-year price increases that have been experienced in any region of this country in decades.

“This pattern will likely continue for the remainder of the year,” he added.

Meanwhile, the **real estate** markets in Central and Eastern Canada saw more modest growth despite robust demand, it said.

The increase from a year earlier in the average price for a bungalow for selected cities was Vancouver 50.4 per cent, Edmonton 33.2, Vancouver 22.3, Winnipeg 18.7, Halifax 11.9, Victoria 11.5, Saint John 6.1, Toronto 5.5, Montreal 4.1, and Ottawa 2.9. However, it too forecast that as the typically active spring **market** begins to simmer, a slight increase in inventory is expected across all markets, satiating buyers' demand.

But housing markets here will not suffer the corrections seen in U.S. markets, it added.

“Canadians are currently more optimistic about their financial future than are their American counterparts, and for good reason,” it said. “Current economic forecasts for the balance of this year and into next remain positive.”

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