

Housing market stays hot

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Canada's real-estate market posted solid gains in the final three months of 2007, showing little sign of its usual midwinter slowdown, but price increases are likely to moderate this year, Royal LePage Real Estate Services reports.

Toronto had a busy fourth quarter, partly attributed to purchases aimed at avoiding a new municipal land transfer that took effect Jan. 1. A two-storey house in Toronto cost an average of \$506,900 in the fourth quarter, up eight per cent from a year ago, while a standard condominium increased 10 per cent to \$280,505.

The average price of a Canadian bungalow in the fourth quarter was \$337,555, up 11.6 per cent from a year earlier, led by increases of more than 50 per cent in Regina and Saskatoon.

The country's biggest residential real estate agency franchiser said today bungalow prices rose 43 per cent in Saint John, N.B., and 21 per cent in Winnipeg, and double-digit percentage gains were also recorded in Edmonton, Vancouver and Victoria.

Nationally, the average price of standard two-storey properties rose 11.3 per cent year-over-year to \$399,738, and standard condominiums gained 11.7 per cent to \$240,395.

"The fourth quarter 2007 was surprisingly strong, with unseasonably high price increases and unwavering demand," stated Royal LePage president Phil Soper.

"As we move into the new year, activity levels are expected to wane from the frantic pace that many regions of the country experienced in 2007; however, average prices are expected to continue to rise, albeit at a much more moderate pace," added Soper, who has predicted average home prices will rise 3.5 per cent this year.

"Canadian buyers and sellers can expect healthy, balanced conditions in 2008."

The Prairies continued to dominate in price appreciation late in 2007, and home prices in Saskatchewan rose much faster than anywhere else in the country. Bungalow prices were up 55 per cent to \$292,500 in Saskatoon and 52 per cent to \$229,200 in Regina.

In Alberta, where prices in Edmonton were rising at a 50 per cent annualized clip early in 2007, the breakneck rise in recent years "has moderated demand and supports the current trend towards balanced conditions," the Royal LePage report said.

Edmonton and Calgary now have "a surplus of inventory," the report added, and "while demand is strong, the increased supply has impacted the resale market and homes that are not priced appropriately will take longer to sell."

Vancouver's prices, by far the highest in the country, continued rising strongly as the city's population and job market kept surging in advance of the 2010 Olympics. A two-storey house in Vancouver was priced at an average of \$895,000 in the fourth quarter, Royal LePage said, an increase of 11 per cent from a year earlier. Vancouver bungalows rose 12 per cent to \$795,250 and the cost of a standard condominium grew 11 per cent to \$428,250.

In Atlantic Canada, Saint John, N.B., was propelled by the energy sector, with the average bungalow price rising to \$196,500, from \$137,000 a year ago, and two-storey house prices up 25 per cent to \$255,000.

Prices for two-storey homes were up 16 per cent in Halifax to \$231,667 and 11.5 per cent in St. John's, N.L., to \$219,332.

Montreal saw a 7.2 per cent price rise to \$342,491, while two-storey homes in Ottawa appreciated 6.8 per cent to \$306,500.

The quoted prices are based on opinions of fair market value from Royal LePage, which has 13,000 salespeople at 600 locations under the Royal LePage, Realty World, and Johnston and Daniel brands.