

# Canadian residential real estate market safe as houses: realtor association

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OTTAWA - Canada's resale housing market will remain at or near record levels this year, the Canadian Real Estate Association predicted Wednesday.

The realtors group said multiple listing service activity totalled a record 520,747 units in 2007, up 7.6 per cent from 2006 in the steepest increase since 2002, and this year's MLS transactions are forecast to remain solidly above 500,000.

"The results in 2007 show the strength and the affordability of the Canadian residential market," stated CREA president Ann Bosley.

"The statistics again show just how different the housing markets are in Canada and the United States. Canadian realtors know that Canadian mortgage lenders correctly see that home prices will continue rising."

The association sees three factors that it believes will save Canada's housing markets from the woes engulfing the sector in the United States: consumer confidence, employment and affordable interest rates.

CREA economist Gregory Klump said the market will pull back from the "breakneck pace" of 2007, but this is still forecast to be the second-busiest year on record in almost all provinces.

Average prices are forecast to continue rising in record territory, but the increase is likely to become slower, to 5.5 per cent nationwide.

"Slower job growth, not massive layoffs, are forecast for Canada in 2008," Klump said.

On the risk side, "consumer confidence may be sideswiped by stock market volatility and reports that chances of a U.S. economic recession will put the brakes on the Canadian economy," he said, but predicted that confidence will rebound and "the domestic economy and the housing market will weather the subprime fallout with the help of lower interest rates."

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