



News Release / Communiqué

The Canadian Real Estate Association L'Association canadienne de l'immeuble

MLS® home sales activity forecast to remain strong

OTTAWA – May 6th, 2008 – National MLS® home sales activity will remain strong in 2008 despite trending lower from record-level activity last year, according to a new residential forecast prepared by The Canadian Real Estate Association.

National home sales are forecast to ease 11.5 per cent to 460,900 units in 2008, and to ease a further four per cent the following year. Prices are forecast to set new records in every province this year and next, but price gains will be smaller than in recent years.

MLS® home sales are forecast to ease gradually in all provinces in 2008, but record-level activity in Saskatchewan and Newfoundland & Labrador during the first quarter will result in new annual records in these provinces. New listings are forecast to rise in all provinces. The gradual decline in sales activity combined with an increase in new listings will result in a more balanced resale housing market. The market is forecast to remain tightest in Saskatchewan and Manitoba, and as a result price increases there will be biggest.

The MLS® residential average price is forecast to rise 5.3 per cent in 2008 and a further 4.2 per cent next year, pushing prices to new heights. Price gains will become smaller as the resale housing market becomes more balanced.

“MLS® home sales will remain strong, despite coming in lower than last year’s breakneck pace,” said CREA Chief Economist Gregory Klump. “After-tax income growth, strong employment and short-term interest rate cuts will support housing demand, despite further home price increases and increasing economic uncertainty that are wearing on consumer sentiment about making purchases such as a car or home,” he said.

“Saskatchewan home sales will benefit from an influx of people moving to the province, and the resale housing market in Newfoundland & Labrador should also prove to be exceptional over the next couple of years,” he added. “A strong natural resource sector there will lift both housing demand and prices.”

“The Canadian resale housing market is on a distinctly different path than the market in the United States,” says CREA President Cal Lindberg. “CREA expects the growth in average price to slow in 2008, which is reflected in many markets. This stands in stark contrast to the U.S. housing market, where prices and sales activity are on the decline.”

CREA MLS® Residential Market Forecast:

MLS® residential unit sales forecast	2007	2007 Annual percentage change	2008 Forecast	2008 Annual percentage change	2009 Forecast	2009 Annual percentage change
Canada	520,747	7.6	460,900	-11.5	442,500	-4.0
British Columbia	102,812	6.4	88,000	-14.4	85,000	-3.4
Alberta	71,430	-3.9	57,900	-18.9	55,000	-5.0
Saskatchewan	12,054	31.9	12,950	7.4	11,650	-10.0
Manitoba	13,928	7.0	13,150	-5.6	12,600	-4.2
Ontario	213,379	9.5	190,200	-10.9	183,500	-3.5
Quebec	80,338	10.8	73,950	-8.0	71,050	-3.9
New Brunswick	8,161	14.5	7,210	-11.7	6,940	-3.7
Nova Scotia	11,857	10.8	10,700	-9.8	10,200	-4.7
Prince Edward Island	1,769	18.6	1,600	-9.6	1,510	-5.6
Newfoundland	4,471	26.4	4,760	6.5	4,500	-5.5

MLS® residential average price forecast	2007	2007 Annual percentage change	2008 Forecast	2008 Annual percentage change	2009 Forecast	2009 Annual percentage change
Canada	\$307,265	11.0	\$323,500	5.3	\$337,000	4.2
British Columbia	\$439,123	12.3	\$485,900	10.7	\$514,500	5.9
Alberta	\$356,235	24.8	\$373,000	4.7	\$383,300	2.8
Saskatchewan	\$174,405	32.0	\$208,400	19.5	\$226,200	8.5
Manitoba	\$169,189	12.6	\$187,800	11.0	\$206,200	9.8
Ontario	\$299,544	7.6	\$312,400	4.3	\$322,000	3.1
Quebec	\$208,240	7.3	\$218,000	4.7	\$224,900	3.2
New Brunswick	\$136,603	7.7	\$142,800	4.5	\$148,200	3.8
Nova Scotia	\$180,989	7.3	\$189,100	4.5	\$196,400	3.9
Prince Edward Island	\$133,457	6.4	\$141,000	5.7	\$146,300	3.8
Newfoundland	\$149,258	7.0	\$159,200	6.7	\$167,700	5.3

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