



Real Estate Market: A correction, not a crash predicted this year

(NC)—After experiencing a significant reset in 2008, Canada's resale real estate market should see only modest price and unit sales corrections take place across the country during 2009. Both national average house prices and the number of homes sold are expected to decline this year, according to the Royal LePage 2009 Market Survey Forecast.

Nationally, average house prices are forecast to dip by 3.0 per cent from last year to \$295,000, while transactions are projected to fall to 416,000 (-3.5 %) unit sales in 2009. In spite of this cooling trend on a national level, price and activity gains are anticipated in some provinces.

In many mid-sized cities where home prices remain below the national average, such as Regina and Winnipeg, prices are expected to increase moderately through 2009, as home ownership remains particularly affordable. The most significant price decreases are forecast for Canada's most expensive city, Vancouver, which has experienced above average price increases for most of the decade.

Emotional reaction to recent economic instability dampened consumer confidence during the latter part of 2008, causing a marked slowdown in house sales activity.

"While Canada's housing market is anticipated to continue to move through a period of adjustment over the next six months, we should expect modestly lower home prices, not a U.S.-style collapse, which was brought on by a structural failure of the entire American credit system," said Phil Soper, president and chief executive of Royal LePage Real Estate Services. "Most consumers are not aware that nationally, Canadian housing market activity peaked in 2007 and has been adjusting lower since. We are well into this inevitable cyclical correction."

However, as a more rational understanding of the issues gains ground, together with a wide range of announced corrective measures, consumer confidence is anticipated to recover, prompting real estate activity to pick up once again in the latter half of 2009.

You can find more on trends in your neighbourhood online at www.royallepage.ca.

2009 Market Survey Forecast – Average House Prices

Market	09/08%	2009 Forecast	2008 Projected
Halifax	1.00%	\$234,300	\$232,000
Montreal	-1.00%	\$254,400	\$257,000
Ottawa	0.00%	\$291,000	\$291,000
Toronto	-4.00%	\$364,800	\$380,000
Winnipeg	4.00%	\$204,900	\$197,000
Regina	6.00%	\$243,300	\$229,500
Calgary	-1.00%	\$402,000	\$406,000
Edmonton	0.00%	\$333,000	\$333,000
Vancouver	-9.00%	\$540,100	\$593,500
Canada	-3.00%	\$295,000	\$304,000

- News Canada