

# Home sales booming in Cda. Over past decade

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Home sales have jumped 25 per cent over the past ten years, indicating more Canadians are flocking to invest in the housing market in nearly every city according to a report released by Re/Max Canada.

“More Canadians bought into homeownership during the last 10 years than in any previous decade,” Michael Polzler, Executive Vice President of RE/MAX Ontario-Atlantic Canada said in a statement on Tuesday.

“Lower borrowing costs and tight vacancy rates helped jump start the country’s real estate engine in the latter half of the 1990’s.”

Home sales rose to about 3.6 million units between 1995 and 2004, up 25 per cent over the 2.9 million sales between 1985 and 1994.

Elton Ash, Regional Vice President, RE/MAX of Western Canada, said in a Statement: “Demand simply continues to outpace supply in hot pocket areas for major Canadian centres.”

In Montreal, prices rose 85.9 per cent during the decade, with the average unit costing \$195,000 during the first three month of this year. Calgary was second in the ranks of price appreciation, with an increase of 81.7 per cent

Prince Edward Island saw unit sales activity triple in the decade-long time frame while sales more than doubled in Ottawa, Toronto, St. John’s, Calgary, Montreal, Victoria and Edmonton.

The highest number of residential sales was in Toronto where 18,074 units were sold in the first quarter of 2005, compared to 7,464 units during the same period in 1995.

In an interview with the Canadian Press, Scotiabank economist Adrlenne Warren said the activity over the past decade means the market is preparing for a cool-down.

“Our view is that the market this year, and also in 2005, will become a bit better balanced,” she said.

“Sales are cooling off a little bit because there’s a little less pent-up demand after a couple of years of strong sales particularly among first-time buyers who drove a lot of the market over the last few years.”

Prices will continue to rise but at a slower rate, she said.

“I would say probably a five to six per cent increase this year – about half of what we saw last year – and then cooling off the following year.”

Other points of interest in the report include:

- Luxury homes in nearly every city saw brisk sales activity over the past few years.
- Condominiums surged in popularity among buyers over the past decade.
- Immigration appeared to played a role in the real estate market as British Columbia and the Atlantic Provinces saw an increase of wealthy purchasers from abroad.
- Younger buyers have become more active in housing markets that ever before, as financial Institutions ease strict lending policies.

*With files from The Canadian Press*