



# News Release

## The Canadian Real Estate Association

### CREA Updates Resale Housing Forecast

**OTTAWA – August 16, 2011** – The Canadian Real Estate Association (CREA) has revised its forecast for home sales activity via the Multiple Listing Service® (MLS®) Systems of Canadian real estate Boards and Associations for 2011 and 2012.

Overall, sales activity and prices remained stronger than expected in the second quarter. Sales momentum was also better than expected heading into the third quarter. As a result, the 2011 national forecasts for sales activity and average price have been raised slightly.

National sales activity is forecast to reach 450,800 units in 2011, up less than one per cent from levels in 2010. CREA had previously forecast a decline of about one per cent for activity in 2011. Erosion in affordability due to higher prices has prompted a small downward revision to the outlook for sales in 2012.

British Columbia's 2011 sales forecast has been revised slightly higher, in recognition that home sales there appear to have bottomed out sooner than previously anticipated. Stronger than expected activity in Ontario offset slightly softer than anticipated demand in Quebec, Manitoba, and Newfoundland in the second quarter of 2011. Accordingly, the Ontario sales forecast for 2011 has been raised, while the outlook for activity in Quebec, Manitoba, and Newfoundland has been revised lower.

National sales activity in 2012 is forecast to ease seven tenths of a percentage point to 447,700 units, which is roughly on par with its ten-year average.

“While there had been some talk of potential interest rate increases, that hasn't happened,” said Gary Morse, CREA President. “In fact, rates have actually come down, and are now expected to remain low for the remainder of this year and into 2012. It's a great opportunity to purchase a property with financing at very favourable rates.”

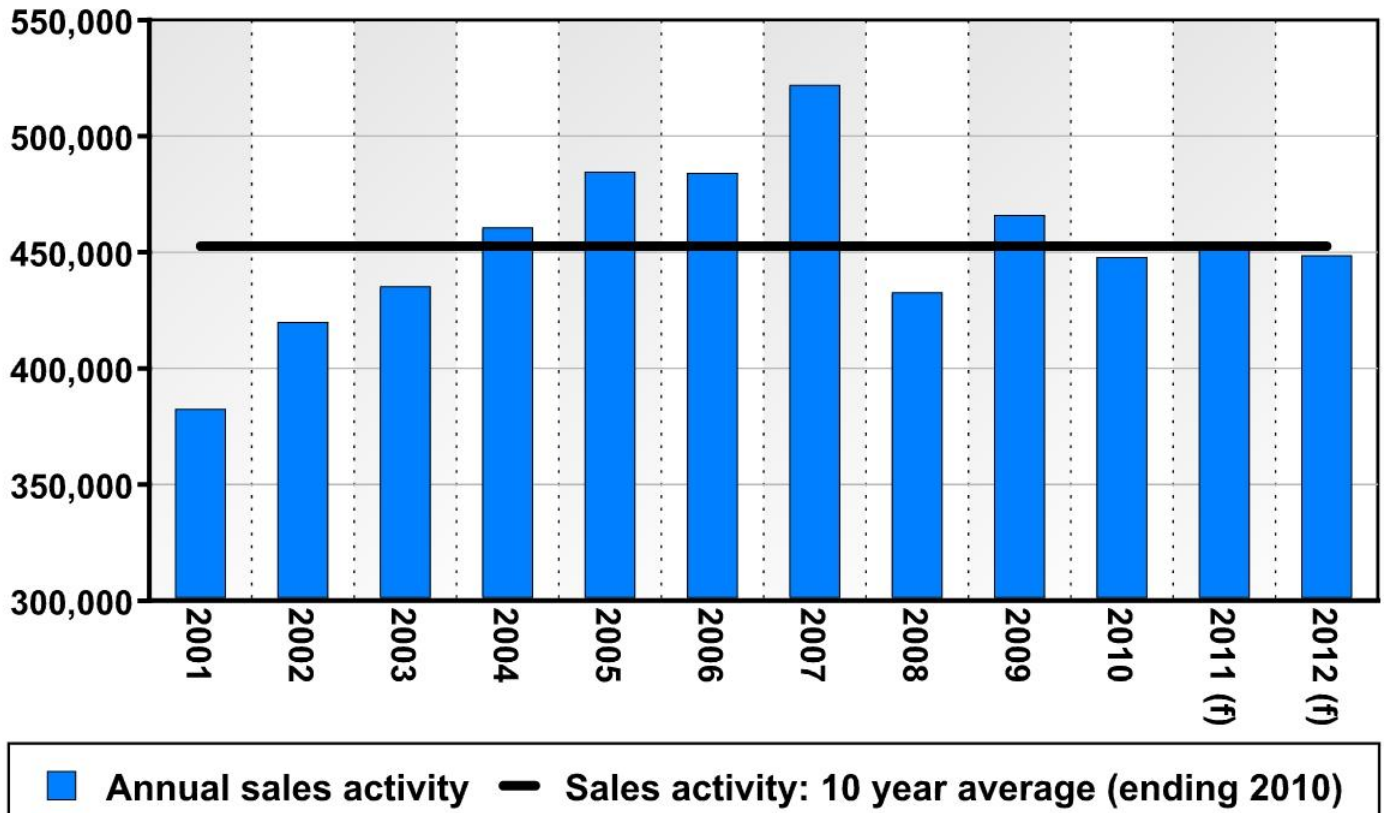
The national average home price is forecast to rise 7.2 per cent in 2011 to \$363,500. This is an increase from the previous forecast, reflecting continued strong price growth in Vancouver in the second quarter of 2011 and acceleration in prices elsewhere, particularly Toronto. These two markets exert an outsized influence on the national average due to their relatively high level of activity and average price.

The national average home price is expected to moderate in the second half of 2011, returning to normal following a heavily skewed start to the year. In the first half of 2011, the national average home price was pushed upward by a surge in multi-million dollar sales in selected areas of Greater Vancouver and a higher than normal share of overall sales in more expensive markets.

“Some of the expected moderation in the national average price is seasonal, with average price peaking in many local markets during the second quarter of any year,” said Gregory Klump, CREA's Chief Economist. “Elevated shares of provincial and national sales activity in Vancouver and Toronto are also expected to return to more normal levels, contributing to an anticipated moderation in average price in British Columbia, Ontario, and nationally.”

“Additional new listings are anticipated to result in a more balanced resale housing market in most provinces,” said Klump. “The national average price is forecast to stabilize in 2012, although at a slightly higher level than previously expected.”

## Sales Activity: Historical and Forecast



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## CREA Residential Market Forecast:

Sales Activity Forecast	2010	2010 Annual Percentage Change	2011 Forecast	2011 Annual Percentage Change	2012 Forecast	2012 Annual Percentage Change
Canada	446,936	-3.9	450,800	0.9	447,700	-0.7
British Columbia	74,640	-12.2	77,000	3.2	76,000	-1.3
Alberta	49,723	-13.6	53,350	7.3	57,000	6.8
Saskatchewan	10,872	-2.0	11,450	5.3	12,000	4.8
Manitoba	13,164	0.6	13,550	2.9	13,800	1.8
Ontario	195,591	-0.1	195,300	-0.1	188,600	-3.4
Quebec	80,052	1.2	77,000	-3.8	77,050	0.1
New Brunswick	6,702	-4.3	6,800	1.5	6,800	0.0
Nova Scotia	10,036	0.1	10,100	0.6	10,200	1.0
Prince Edward Island	1,487	5.9	1,480	-0.5	1,480	0.0
Newfoundland	4,236	-4.1	4,250	0.3	4,350	2.4

Average Price Forecast	2010	2010 Annual Percentage Change	2011 Forecast	2011 Annual Percentage Change	2012 Forecast	2012 Annual Percentage Change
Canada	339,046	5.8	363,500	7.2	363,600	0.0
British Columbia	505,178	8.5	564,700	11.8	554,800	-1.8
Alberta	352,301	3.1	357,500	1.5	364,000	1.8
Saskatchewan	242,258	4.0	255,500	5.5	256,800	0.5
Manitoba	222,132	10.3	234,700	5.7	247,100	5.3
Ontario	342,245	7.5	365,200	6.7	365,500	0.1
Quebec*	248,697	8.0	261,300	5.1	269,800	3.3
New Brunswick	157,240	1.5	159,500	1.4	159,500	0.0
Nova Scotia	206,186	4.8	209,800	1.8	211,700	0.9
Prince Edward Island	147,196	0.8	147,500	0.2	148,300	0.5
Newfoundland	235,341	14.0	247,600	5.2	252,800	2.1

\* Provincial weighted average price for Quebec; does not affect unweighted national average price calculations. Information on Quebec's weighted average price calculation can be found at: <http://www.fciq.ca/immobilier-statistiques-definitions.php>

### About The Canadian Real Estate Association

The Canadian Real Estate Association (CREA) is one of Canada's largest single-industry trade associations, representing more than 100,000 real estate Brokers/agents and salespeople working through more than 100 real estate Boards and Associations.