

Canadian real estate market an outperformer: Scotia Economics

Standing out in resilience and longevity

BY MARIO TONEGUZZI SEPTEMBER 27, 2011

Presented By:



Adrienne Warren, senior economist and real estate specialist with Scotia Economics.

Photograph by: Dean Bicknell, CAL

CALGARY — The renewed slowdown in global economic activity is putting further downward pressure on already-weak residential property markets across much of the developed world, according to the latest Global Real Estate Trends report released Tuesday by Scotia Economics.

And while Canada's hot housing market also has begun to cool, it remains a "notable outperformer," says Adrienne Warren, senior economist and real estate specialist with Scotia Economics.

Of the nine major developed markets tracked by Scotia Economics, with available second quarter data, only Canada, France and Switzerland registered positive year-over-year real price growth.

The report said Canada's housing market stands out in its resilience and longevity. Average inflation-adjusted existing [home](#) prices were up five per cent year-over-year in the April-June period, on par with

the first-quarter's pace of appreciation. Data for July and August point to continued firm but stable sales through the late summer, alongside a levelling out in prices, it said.

"Ultra-low interest rates will continue to support affordability in the face of record high prices," said Warren. "Nonetheless, heightened economic uncertainty combined with recent signs of a loss of momentum in Canada's [jobs](#) market could keep some potential buyers on the sidelines for the time being. On balance, we anticipate a modest slowdown in the volume of sales transactions heading into year-end, alongside relatively flat prices."

According to the Calgary Real Estate Board, month-to-date in September, up to and including Monday, there have been 866 single-family MLS sales in the [city](#) for an average price of \$469,094 compared with 812 transactions and an average of \$460,641 for the same period in 2010.

In the condominium market, month-to-date sales are 356 for an average price of \$302,857. Last year for the same time frame, there were 308 transactions at an average sale price of \$279,510.

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