

## ***CREA Updates Resale Housing Forecast***

Ottawa, ON, September 16, 2013

The Canadian Real Estate Association (CREA) has updated its forecast for home sales activity via the Multiple Listing Service® (MLS®) Systems of Canadian real estate Boards and Associations for 2013 and 2014.

CREA's previous two forecasts anticipated that national sales activity in 2013 would improve following the slow start to the year, buoyed by the continuation of low interest rates amid a constructive economic backdrop and the return of buyers who deferred purchase decisions or were otherwise sidelined in the wake of tighter mortgage rules and lending guidelines implemented last year.

National sales have improved more quickly than anticipated. This likely reflects the transient influence of buyers with pre-approved financing making purchases before their lower pre-approved rates expire, particularly in some of Canada's most active and expensive housing markets.

"Real estate markets can be very different depending on the region and community due to local factors," said Laura Leyser, CREA President. "For that reason, buyers and sellers should talk to their REALTOR® about the housing market outlook where they live or might like to."

CREA's forecast for national sales activity has been rebalanced with a modest upward revision this year to reflect stronger than expected sales for the year-to-date. CREA's previous forecast for national sales in 2014 remains little changed.

Sales are forecast to reach 449,900 units in 2013. This represents a decline of one per cent from last year and marks the sixth consecutive year for which activity will have held to within short reach of 450,000 units.

The upward revision to activity in British Columbia accounts for nearly half of the small upward revision to national activity this year. The forecast for sales across the Prairies has also been raised. British Columbia and Alberta are the only provinces where CREA annual sales are forecast to rise above levels last year.

In 2014, national activity is forecast to reach to 465,600 units, a rebound of 3.5 per cent, and in line with its 10-year-average. The forecast increase reflects a gradual strengthening of sales activity alongside further economic, job, and income growth combined with only slightly higher mortgage interest rates.

British Columbia is still forecast to post the strongest sales increase in 2014 (+6.7%) compared to a weak result in 2013. Most other provinces are forecast to post gains in the range between two and four per cent.

Average prices have also remained firmer than expected due to a rise in the share of national sales among larger and pricier markets compared to last year.

The national average home price is projected to rise by 3.6 per cent to \$376,300 in 2013, with gains strongest and in the range between four and five per cent in Prairie provinces and around six per cent in Newfoundland and Labrador. Average price growth in British Columbia and Ontario is expected to come in

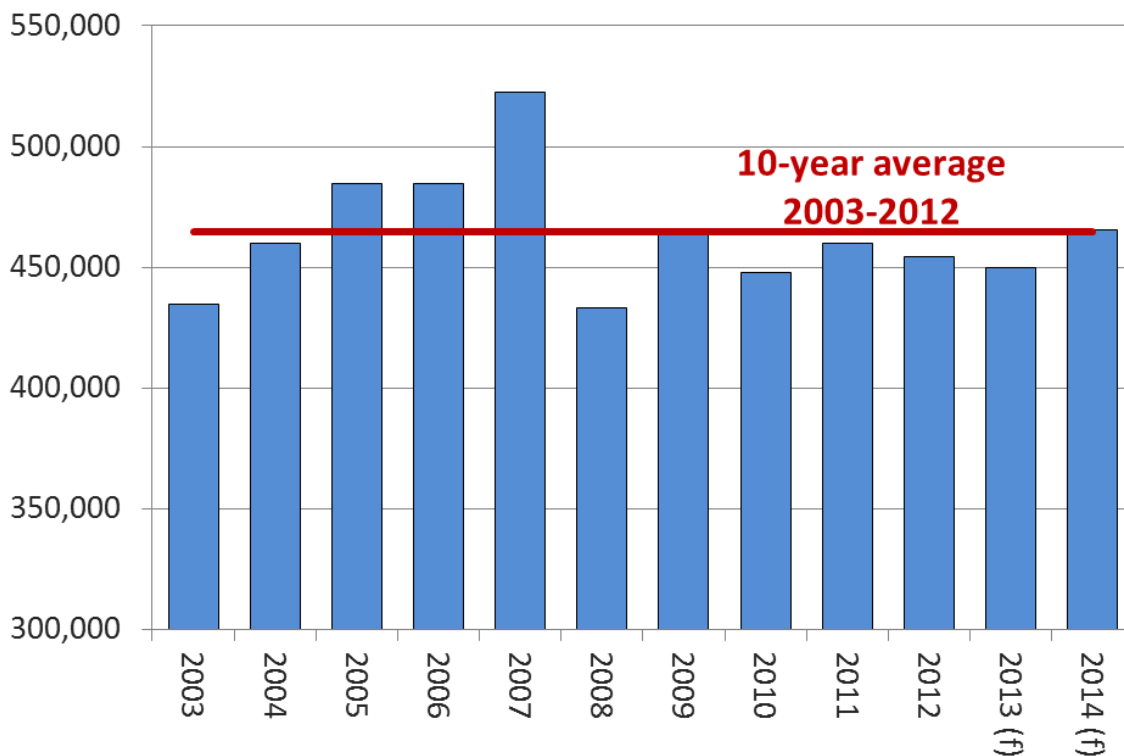
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just under the national increase, advance by less than one per cent in Quebec and New Brunswick, and recede by less than one per cent in Nova Scotia.

“The environment for home prices in Quebec, New Brunswick, and Nova Scotia will likely be shaped by ample inventory levels relative to sales,” said Gregory Klump, CREA’s Chief Economist. “The balance between the two indicates that buyers have an abundance of listings from which to choose in those provinces, which could keep pricing prospects in check until sales draw down inventories.”

The national average price is forecast to edge up a further 1.7 per cent in 2014 to \$382,800. Alberta is forecast to see the biggest average price increase in 2014 (3.4 per cent), with gains in Saskatchewan, Manitoba, and Newfoundland and Labrador running just ahead of overall consumer price inflation. Average prices in Quebec and New Brunswick are expected to remain stable in 2014, with other provinces eking out gains ranging from 0.5 to 1.5 per cent.

## Sales Activity: Historical and Forecast



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## CREA Residential Market Forecast:

Sales activity forecast	2012	2012 Annual percentage change	2013 Forecast	2013 Annual percentage change	2014 Forecast	2014 Annual percentage change
Canada	454,463	-1.2	449,900	-1.0	465,600	3.5
British Columbia	67,637	-11.8	69,800	3.2	74,500	6.7
Alberta	60,369	12.3	64,100	6.2	65,600	2.3
Saskatchewan <sup>1</sup>	13,886	5.7	13,360	-3.8	13,820	3.4
Manitoba	14,008	0.5	13,680	-2.3	13,940	1.9
Ontario	197,620	-2.1	194,800	-1.4	200,800	3.1
Quebec	77,381	0.3	72,250	-6.6	74,400	3.0
New Brunswick	6,403	-3.0	6,370	-0.5	6,550	2.8
Nova Scotia	10,437	1.2	9,150	-12.3	9,470	3.5
Prince Edward Island <sup>2</sup>	1,614	6.1	1,565	-3.0	1,610	2.9
Newfoundland	4,650	3.8	4,370	-6.0	4,430	1.4

Average price forecast	2012	2012 Annual percentage change	2013 Forecast	2013 Annual percentage change	2014 Forecast	2014 Annual percentage change
Canada	363,399	0.1	376,300	3.6	382,800	1.7
British Columbia	514,836	-8.3	528,600	2.7	534,500	1.1
Alberta	363,208	2.8	380,500	4.8	393,300	3.4
Saskatchewan	275,490	6.2	287,800	4.5	294,100	2.2
Manitoba	246,318	5.0	257,700	4.6	263,100	2.1
Ontario	384,455	4.9	396,500	3.1	402,200	1.4
Quebec*	264,110	3.9	266,600	0.9	266,600	0.0
New Brunswick	161,116	0.4	162,100	0.6	161,700	-0.2
Nova Scotia	220,413	3.7	218,900	-0.7	220,500	0.7
Prince Edward Island	152,250	1.8	157,100	3.2	158,900	1.1
Newfoundland	268,776	6.8	285,200	6.1	291,600	2.2



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*\* 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.fcig.ca/immobilier-statistiques-definitions.php>*

*<sup>1</sup> The sales territory covered by the Saskatoon Region Association of REALTORS® has been expanded. Data revisions were possible back to January 2011. Part of the 2011 annual percentage increase in sales reflects that change.*

*<sup>2</sup> Effective January 1, 2012, the Prince Edward Island Real Estate Association began reporting sales at the point when non-title conditions had been satisfied in the Agreement of Purchase & Sale. Previously, sales were reported at the point of closing. As such, data before and after January 1, 2012 are not directly comparable.*

## **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 106,000 REALTORS® working through more than 90 real estate Boards and Associations



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