



HOUSING MARKET IS "PERHAPS JUST RIGHT"

**Dream home
dreaming:
now may be
the time to
find it with
the larger
selection
in "stable"
housing
market.**

Calling it "Goldilocks-like" Canadian home sales numbers from the Canadian Real Estate Association are neither too hot nor too cold but "perhaps just right", according to a major mortgage lender.

Home sales were essentially flat for the month of July, but still up 3.3 per cent year-over-year. Chilliwack is the outstanding exception with a summer sales spike.

"Despite the high levels of activity seen in Canada's housing market this year, the reality on the ground for both sales and prices is quite calm - at least for now," said Doug Porter, deputy chief economist, BMO Capital Markets. "Average prices fell 2 per cent year-over-year in July, although the reported drop reflects lower sales in Vancouver."

Porter noted that 19 of the 26 (or 73 per cent) cities reported price increases despite the overall decline, with a median 2.9 per cent year-over-year rise. Furthermore, the new tighter mortgage insurance rules that kicked in last month will chill activity, with sales down month-over-month in 18 of 26 markets.

The Bank notes said Vancouver is definitely in the "too cold" bowl, with double-digit declines in both sales and reported prices, although with average prices of \$667,000, it is still easily the most expensive in the country. The average price is still up 0.6 per cent year-over-year in Vancouver.

The Fraser Valley Real Estate Board processed 1,393 sales on the Multiple Listing Service in July, an increase of 5 per cent compared to the same month last year. Scott Olson, president of the

Board, says, "I keep trying to find another word other than stable, but it continues to be the best way to describe the Fraser Valley market."

Meanwhile, Chilliwack is posting among the highest home sales increase in the province. Total sales were up 25 per cent last month compared to July 2011.

"Housing demand came in much stronger than expected in July," said Cynthia Admiraal, president of the Chilliwack & District Real Estate Board. "In fact July was actually the strongest month for home sales in the region since late 2009."

Laura Parsons, mortgage manager, BMO Bank of Montreal, noted that even in times when the housing market is stable, Canadian homebuyers need to ensure they are not over-stretching themselves when they purchase a home.