

## **National resale housing continues to rise in May**

**OTTAWA, Ontario, June 15, 2009** — June 15th, 2009 – National resale housing market activity returned to pre-recession levels in May 2009. The rebound in activity is being led by an increase in transactions in some of the most expensive markets in the country, which is skewing the national average price upward.

According to statistics released by The Canadian Real Estate Association (CREA), actual (not seasonally adjusted) home sales via the Multiple Listing Service® (MLS®) of Canadian real estate boards totaled 49,521 units in May 2009. This is less than one per cent below activity in the same month one year ago. Year-over-year declines have been shrinking since the beginning of the year.

The seasonal increase in activity continues to be stronger than normal. As a result, seasonally adjusted home sales rose eight per cent to 37,649 units in May compared to April. This marks the fourth consecutive monthly increase in seasonally adjusted activity. Seasonally adjusted activity in May was 43 per cent above where it stood in January 2009.

Seasonally adjusted sales were up on a monthly basis in about 70 per cent of local markets. Monthly activity gains in Toronto (nine per cent), Calgary (25 per cent), Montreal (10 per cent), Vancouver (eight per cent), and Edmonton (12 per cent) contributed most to the overall increase in monthly activity.

The national MLS® residential average sale price in May 2009 reached the highest monthly level on record. At \$319,757, it was up fourth tenths of a percentage point from the previous record set in May 2008. Over the past four months, the national MLS® residential average price has recovered 16.4 per cent from the low in January. The average price for MLS® home sales climbed to new heights nationally, and in Saskatchewan, Ontario, Quebec, New Brunswick, and Nova Scotia. New records were posted in only 15 per cent of local markets in May, none of which are among the most active or expensive. The strong rebound in sales activity, not price, in Canada's most expensive markets is driving up average prices nationally and in some provinces, just as a sharp decline in activity in these markets pushed average prices lower in late 2008.

The supply of homes coming onto the MLS® market continued to decelerate in May. Seasonally adjusted MLS® residential new listings edged lower by eight tenths of a percentage point to 65,070 units, the lowest level since December 2005. Seasonally adjusted new residential listings in May were 19 per cent below the peak reached one year ago.

With the number of sales rising strongly and new listings trending downward, the balance between supply and demand is firming up in British Columbia, Alberta, Saskatchewan, Ontario, and Quebec. This resulted in national sales activity as a percentage of new listings reaching the highest point since December 2007. Residential dollar volume for MLS® sales climbed 10 per cent from the previous month to reach \$11.4 billion in May. This is more than 50 per cent above the low of \$7.5 billion reported last January.

## Canadian Mortgage News - National resale housing continues to rise in May

“Sales activity is now closer to the pre-recession peak than it is to the recent low point reached last January,” says Regina Broker Dale Ripplinger, President of The Canadian Real Estate Association. “Strengthening consumer confidence, low interest rates, and improved affordability are drawing buyers to the housing market across Canada,” he added.

“Fueled by a string of monthly increases in activity, the number of transactions in May reached the highest point since July 2008,” said CREA Chief Economist Gregory Klump. “Inventory levels are still high in many markets, but fewer new listings and rising sales activity suggests that the selection of homes available for sale may shrink as the year progresses. The supply of homes up for sale needs to be drawn down further before average price increases become more widespread among local markets.”

PLEASE NOTE: The information contained in this news release combines both major market and national MLS® sales information from the previous month. The Canadian Real Estate Association has previously released these separately.

CREA cautions that average price information can be useful in establishing trends over time, but does not indicate actual prices in centres comprised of widely divergent neighborhoods or account for price differential between geographic areas. Statistical information contained in this report includes all housing types.

MLS® is a co-operative marketing system used only by Canada’s real estate Boards to ensure maximum exposure of properties listed for sale.

The Canadian Real Estate Association (CREA) is one of Canada’s largest single-industry trade associations, representing more than 96,000 REALTORS® working through more than 100 real estate Boards and Associations. Further information can be found at [www.crea.ca](http://www.crea.ca).

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