



**News Release / Communiqué**  
**The Canadian Real Estate Association**  
**L'Association canadienne de l'immeuble**

**MLS® home sales activity forecast revised upward**  
***National activity to rise 8.1% over last year***

**OTTAWA – August 20, 2007** – Fueled by record activity levels in the first half of the year, national MLS® home sales activity is expected to reach record levels again in 2007, according to a new residential forecast prepared by The Canadian Real Estate Association.

National home sales are forecast to rise by 8.1 per cent to 523,100 units in 2007, and will set new annual records in most provinces. Activity is forecast to edge slightly lower in 2008, but will reach the second highest annual level on record in almost all provinces. Prices are forecast to set new records in every province this year and in 2008, but price increases will be smaller next year.

Resale housing markets will continue to become more balanced in British Columbia and Alberta. Even so, markets will remain tightest in the Western provinces where annual price increases will be greatest. In other provinces, the resale housing market is forecast to be tighter in 2007 than it was last year, but it will become more balanced as housing prices increase and higher interest rates further impact affordability.

The MLS® residential average price is forecast to set new records over the next two years in all provinces. Price increases are forecast to become smaller as the resale housing market becomes more balanced in 2008.

Resale housing activity is projected to ease gradually in all provinces. New listings are forecast to rise further in all provinces except Alberta, where they are projected to retreat after spiking in the second quarter.

“Resale housing activity was a juggernaut in the second quarter of 2007,” said CREA Chief Economist Gregory Klump. “Record breaking sales activity in the first and second quarters forced The Canadian Real Estate Association to revise its forecast upward.”

“Home buying sentiment remains upbeat in all regions and mortgage financing is still within reach for many potential home buyers,” Klump said. “The resale housing market will become more balanced as rising prices and higher mortgage interest rates gradually impact affordability. Strong employment numbers will keep sales activity strong, even as prices and interest rates continue to rise.”

“Consumers continue to have strong confidence in Canada’s resale housing market, and activity is on track to set a new annual record in 2007,” said Ann Bosley, President of The Canadian Real Estate Association. Bosley notes the Canadian market has shrugged off the subprime problems that have been affecting the housing market in the United States, and a number of investment funds.

According to CREA's forecast, the resale housing market will become more balanced next year, but negotiations will continue favoring the seller in most provinces.

"For local market expertise and sound advice, consumers should consult their REALTOR®," added Bosley.

**CREA MLS® Residential Market Forecast:**

<b>MLS® residential unit sales forecast</b>	2006	2006 annual percentage change	2007 forecast	2007 annual percentage change	2008 forecast	2008 annual percentage change
Canada	483,770	-0.004	523,100	8.1	512,705	-2.0
British Columbia	96,671	-9.1	101,080	4.6	99,415	-1.6
Alberta	74,350	12.9	78,550	5.6	75,030	-4.5
Saskatchewan	9,140	10.0	12,220	33.7	12,070	-1.2
Manitoba	13,018	2.0	13,870	6.5	13,730	-1.0
Ontario	194,793	-1.1	210,700	8.2	207,530	-1.5
Quebec	72,520	2.6	80,700	11.3	79,445	-1.6
New Brunswick	7,125	4.2	8,250	15.8	8,100	-1.8
Nova Scotia	10,577	-3.3	11,650	10.1	11,435	-1.8
Prince Edward Island	1,492	3.0	1,700	13.9	1,605	-5.6
Newfoundland	3,537	10.2	3,920	10.8	3,845	-1.9

<b>MLS® residential average price forecast</b>	2006	2006 annual percentage change	2007 forecast	2007 annual percentage change	2008 forecast	2008 annual percentage change
Canada	276,959	11.1	305,900	10.4	322,700	5.5
British Columbia	390,963	17.7	429,700	9.9	454,200	5.7
Alberta	285,383	30.8	355,600	24.6	379,000	6.6
Saskatchewan	132,078	7.6	155,000	17.4	163,600	5.5
Manitoba	150,229	12.2	167,100	11.2	180,000	7.7
Ontario	278,455	5.9	302,300	8.6	316,700	4.8
Quebec	194,024	5.1	207,100	6.7	219,700	6.1
New Brunswick	126,864	5.2	136,300	7.4	142,100	4.3
Nova Scotia	169,237	6.3	184,800	9.2	198,600	7.5
Prince Edward Island	125,430	7.0	132,400	5.6	139,200	5.1
Newfoundland	139,542	-1.2	144,000	3.2	149,900	4.1

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