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## New home sales see slowdown - Calgary Herald

Byline: Marty Hope

Publication: Calgary Herald

Date: Saturday May 22nd, 2010

Source: [http://www.calgaryherald.com/business/home+sales+slowdown/3060870/story.html?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3a+canwest%2fF7588+\(Calgary+Herald+-+Business+%2f+Real+Estate\)](http://www.calgaryherald.com/business/home+sales+slowdown/3060870/story.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3a+canwest%2fF7588+(Calgary+Herald+-+Business+%2f+Real+Estate))

### Summary

New home builders slow down on construction.

### Notes

It was bound to happen, I guess.

In the wake of news from Ottawa concerning new mortgage rules and rising interest rates, consumers have -- rightly or wrongly -- reined in their hunger for new homes.

According to Norm Mross, past-president of the Canadian Home Builders' Association-Calgary Region and CEO of Trico Homes, sales have pulled back recently.

"There has been a slowing trend over the past month," he says. "Uncertainty appears to be creeping into the picture again."

The problem is that many builders are seeing traffic through show homes slowing down.

Mross's comments come in the wake of the monthly report from Canada Mortgage and Housing Corp. which says construction starts of single-detached housing in and around Calgary soared to 642 in April compared to 234 for the same month a year ago.

"Those starts are a reflection of strong sales earlier in the year," says Mross. "I wish things were still as strong now."

The slowing in traffic and sales appears to have started right around April 19 when mortgage changes went into effect -- and about the time the Bank of Canada moved to increase mortgage rates.

"I think what is happening now is a combination of factors -- rates, new rules and the MLS market where people need to sell their existing home before buying new," says Mross.

Building permits approved by the city's development and building approvals department show that 454 detached homes were given the nod in April, about a dozen less than in April 2009.

For the first four months of this year, the total sits at 1,666, much higher than the 902 last year.

As for starts, CMHC's senior market analyst for the Calgary market, Richard Cho, says low inventories are providing builders with an opportunity to increase their production.

"The upward pressure on inventories has been light as a high proportion of homes are being absorbed at completion," he says in his April market report.

To the end of that month, work started on 2,170 detached homes -- nearly triple the number recorded for the first third of 2009.

Mross says that maybe people considering purchasing a new home should review their decision not to buy right now.

"Somehow, they have to understand that this is still a good time to buy a home. Prices aren't going down and rates -- despite the recent increases -- are still historically low," he says.

Turning to the multi-family housing sector, things are still looking up compared to

a year ago. Builders of semidetached homes, townhouses and apartments saw construction starts climb to 267 units in April -- a far cry from the 87 for the same month last year.

"Multi-family production has been higher each month this year compared to 2009 activity," says Cho.

After four months, work has started on 900 multi-family units, up from 274 a year ago.

But despite positive gains in multi-family production, elevated apartment inventories have kept production relatively low, he says.

Word on the street is that there is such a dramatically high inventory of multi-family units that developers are lining up at city hall to get land rezoned.

Sean Nolan, senior development manager for Genstar Development Company, says, for instance, that one parcel of land in the company's southeast Walden development will be changed from multi-family housing to an assisted-living complex.

Finally, nice to see Naum Shteinbah is back at work in the housing industry after leaving Streetside Development Corp.

He has taken responsibilities as director of business development with Homes by Avi.

mhope@theherald.canwest.com

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Read more: [http://www.calgaryherald.com/business/home+sales+slowdown/3060870/story.html?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3a+canwest%2fF7588+\(Calgary+Herald+-+Business+%2f+Real+Estate\)#ixzz0p44fhfJO](http://www.calgaryherald.com/business/home+sales+slowdown/3060870/story.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3a+canwest%2fF7588+(Calgary+Herald+-+Business+%2f+Real+Estate)#ixzz0p44fhfJO)



## Alberta only province to see improved housing affordability in Q1 2010 - Calgary Herald

Publication: Calgary Herald

Date: Tuesday May 25th, 2010

Source: <http://www.calgaryherald.com/business/Alberta+only+province+improved+housing+affordability+2010/3067820/story.html>

### Summary

RBC index down since 2007.

### Notes

Alberta was the only province to experience an improvement in housing affordability in the first quarter of 2010, according to the latest housing report released today by RBC Economics Research.

The RBC Housing Affordability measures for Alberta eased between 0.1 and 0.6 of a percentage point, further extending the significant drop in the measures since the end of 2007, a trend that was only briefly halted last summer — a drop in the measure means homes are more affordable, said the report.

“In contrast to most other provinces, house prices remained relatively tame in Alberta during the past year or so and this has kept the cost of home ownership in check,” said Robert Hogue, senior economist, RBC. “In the first quarter, all RBC measures were at or below their long-term average, suggesting that affordability remains at favourable levels.”

The RBC Housing Affordability measures for Alberta, which capture the province's proportion of pre-tax household income needed to service the costs of owning a home, declined across all housing types in the first quarter of the year.

The measure for the benchmark detached bungalow moved down to 33.0 per cent (a drop of 0.4 of a percentage point over the previous quarter), the standard townhouse to 25.4 per cent (down 0.1 of a percentage point), the standard condominium to 21.9 per cent (down 0.4 of a percentage point) and the standard two-storey home to 36.9 per cent (down 0.6 of a percentage point).

But the report found that home prices in Calgary have maintained an upward trend, although the overall pace has fallen short of the national average. In the first quarter, the increase in the costs of home ownership in Calgary was roughly equal to or slightly smaller than household income growth, leaving the RBC affordability measures hovering around the zero mark. Two-storey homes were down 0.5 percentage points, while a standard townhouse was up 0.2 percentage points.


“The housing market rebound turned out to be much more restrained in Calgary, compared to most of the other major markets in Canada,” said Hogue. “After posting strong gains in the early stages of the rebound, resale activity has slowed considerably since the fall, which likely reflects challenges in the city's job market.”

RBC's Housing Affordability measure for a detached bungalow in Canada's largest cities is as follows: Vancouver 73.4 per cent (up 4.8 percentage points over the last quarter), Toronto 49.1 per cent (up 0.4 of a percentage point), Ottawa 40.3 per cent (up 0.3 of a percentage point), Montreal 39.7 per cent (up 0.9 of a percentage point), Calgary 36.5 per cent (down 0.3 of a percentage point) and Edmonton 32.0 (down 0.5 of a percentage point).

The RBC Housing Affordability measure has been compiled since 1985. The higher the reading, the more costly it is to afford a home. For example, an affordability reading of 50 per cent means that home ownership costs, including mortgage payments, utilities and property taxes, take up 50 per cent of a typical household's monthly pre-tax income.

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Read more: <http://www.calgaryherald.com/business/Alberta+only+province+improved+housing+affordability+2010/3067820/story.html#ixzz0oyuvE2FR>

 **Canada's housing affordability worsens as home prices continue to rise: RBC Economics - Yahoo! Canada**

Publication: Yahoo! Canada

Date: Tuesday May 25th, 2010

Source: [http://ca.us.biz.yahoo.com/cnw/100525/rbc\\_economics\\_canada.html?v=1](http://ca.us.biz.yahoo.com/cnw/100525/rbc_economics_canada.html?v=1)

### Summary

Homeownership costs in Canada rose for the third straight quarter across all housing segments, as a strong real estate market and increased prices made it more expensive to own a home, according to the latest housing report released today by RBC Economics Research. 'Although home ownership became more costly in the first quarter of 2010, affordability measures are still moderately above the long-term average and below peak levels,' said Robert Hogue, senior economist, RBC.

### Notes

"Although home ownership became more costly in the first quarter of 2010, affordability measures are still moderately above the long-term average and below peak levels," said Robert Hogue, senior economist, RBC. "We expect affordability to deteriorate throughout 2010 and 2011, but this should be limited as more balanced supply and demand conditions will take much of the steam out of the housing market."

The RBC Housing Affordability measure captures the proportion of pre-tax household income needed to service the costs of owning a home. During the first quarter of 2010, measures at the national level rose across all housing types (the higher the measure, the more difficult it is to afford a home).

The detached bungalow benchmark measure rose by 0.9 of a percentage point to 41.1 per cent, the standard townhouse inched up by 0.4 of a percentage point to 33 per cent, the standard condominium climbed by 0.5 of a percentage point up to 28.2 per cent and the standard two-storey home increased by 0.6 percentage points to 46.8 per cent.

The report projects that the cost of owning a home will continue to rise. The main contributing factor will be the expected rise in interest rates, as the Bank of Canada moves towards raising the current exceptionally low rates to more normal levels through the second half of this year and in 2011. According to the report, housing affordability measures in Canada are unlikely to exceed the peak levels reached in early 2008.

"We believe that the spectacular rally in housing prices over the past year will soon end, as rock-bottom mortgage rates increase," noted Hogue. "Sustained economic growth over the next year and the ensuing rise in job creation and household income should keep home affordability from spiraling out of control."

With the exception of Alberta, home affordability measures deteriorated across all provinces with a significant decline in affordability in B.C., Saskatchewan and Manitoba. Housing affordability declined more moderately in Quebec, Ontario and Atlantic Canada.

RBC's Housing Affordability measure for a detached bungalow in Canada's largest cities is as follows: Vancouver 73.4 per cent (up 4.8 percentage points over the last quarter), Toronto 49.1 per cent (up 0.4 of a percentage point), Ottawa 40.3 per cent (up 0.3 of a percentage point), Montreal 39.7 per cent (up 0.9 of a percentage point), Calgary 36.5 per cent (down 0.3 of a percentage point) and Edmonton 32.0 (down 0.5 of a percentage point).

The RBC Housing Affordability measure, which has been compiled since 1985, is based on the costs of owning a detached bungalow, a reasonable property benchmark for the housing market. Alternative housing types are also presented including a standard two-storey home, a standard townhouse and a standard condominium. The higher the reading, the more costly it is to afford a home. For example, an affordability reading of 50 per cent means that homeownership costs, including mortgage payments, utilities and property taxes, take up 50 per cent of a typical household's monthly pre-tax income.

Highlights from across Canada: << - British Columbia: Homeownership became even more expensive in B.C., as strong home price momentum continued in the first quarter. Housing affordability measures have now returned close to the all-time highs reached in early-2008. This trend represents a risk that could weigh heavily on the province's housing market in the near term. - Alberta: Affordability measures eased in the first quarter, as Alberta was the only province to show a decline in the costs associated with owning a home. Housing price increases in the province were fairly modest over the

past year, which has kept home ownership relatively affordable. RBC affordability measures are at or below the long-term averages. - Saskatchewan: Housing prices picked up in the province in early 2010, causing home affordability measures to rise significantly. This is a change from previous quarters, which showed an improvement in affordability. Despite this increase, affordability measures still remain well below the all-time peak levels reached in early-2008. - Manitoba: Prices for most housing types surged ahead in the first quarter of 2010, pushing affordability measures above the long-term average for the province despite a slower pace of resale activity. Affordability in the province has reached a point where an additional decline in home affordability may temper housing demand. - Ontario: Home prices in the province continued to rise, with property values reaching record highs in many parts of the province. This has led to a further decline in housing affordability, which has been on a deteriorating trend since the middle of last year. With escalating prices, affordability measures are now above the long-term average. This suggests that additional increases in housing costs may price more and more buyers out of the market in Ontario. - Quebec: Quebec's housing market rally continued in the first quarter of the year, with record-levels of buying activity and rising property values. This escalation in home prices, while more moderate than in the previous two quarters, weakened affordability in the province. All affordability measures now exceed their long-term average, which may soon slow housing demand in the province. - Atlantic Canada: Resale activity on the East Coast remained solid, with an increase in sales met by a rise in the supply of available homes. These broadly balanced conditions have limited the pace of price increases in the region. Overall housing affordability in Atlantic Canada continues to be among the most attractive in the country, with measures still below long-term averages. >>

The full RBC Housing Affordability report is available online, as of 8 a.m. E.D.T. today at [www.rbc.com/economics/market/pdf/house.pdf](http://www.rbc.com/economics/market/pdf/house.pdf).

### Also Appeared In

Yahoo! Canada -- Tue, May 25th 2010

Canada NewsWire -- Tue, May 25th 2010

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### Home ownership costs to rise in Canada: RBC report - Vancouver Sun - News

Byline: Financial Post

Publication: Vancouver Sun - News

Date: Tuesday May 25th, 2010

Source: <http://www.vancouversun.com/Home+ownership+costs+rise+Canada+report/3068335/story.html>

### Summary

Robert Hogue, senior economist at RBC said in the report that although home ownership became more costly in the first quarter of 2010, affordability is still below peak levels reached in early 2008 and is not expected to exceed those peaks.

### Also Appeared In

Vancouver Sun - News -- Wed, May 26th 2010

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### THE GLOBE AND MAIL

### Overvalued homes, higher mortgage rates drop hot resale market - Globe and Mail

Byline: Steve Ladurantaye

Publication: Globe and Mail

Date: Tuesday May 25th, 2010

Source: <http://www.theglobeandmail.com/report-on-business/economy/overvalued-homes-higher-mortgage-rates-drop-hot-resale-market/article1580185/>

### Summary

The remarkable recovery in Canada's resale housing market is cooling, as increasingly expensive properties and the promise of higher mortgage rates force out buyers.

### Notes

Prices are at all-time highs, but the number of homeowners looking to sell has created a glut of inventory. At the same time, anticipated higher mortgage rates and stricter qualification rules threaten to price more people out of the market, ultimately driving prices lower as fewer buyers compete for what's available.

Any slowdown would hurt the economy. The housing market has been key to Canada's recovery, with average prices up 23 per cent from their recessionary lows at the end of April, 7 per cent higher than they were going into the recession. The average price of a home at the end of April was \$344, 968, the highest on record.

Lower prices and higher mortgage rates mean homeowners would pay more money to service their mortgages, while others could be forced to sell. Rates have recently dipped and are near historic lows but are expected to rise.

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CIBC World Markets economist Benjamin Tal said Tuesday that prices could decline by as much as 10 per cent in the next two years, but that a "violent" correction similar to the one seen in the United States remains unlikely.

"We are more likely to see higher interest rates causing a modest decline in prices," he said. "Because we lack the driver for a more violent decline, we should expect a more orderly rebalancing."

The recovery has overshot what is justified by the economy, he said, with 17 per cent of Canadian homes trading above their fair value, according to his analysis. Modifying a formula created by the International Monetary Fund, he said prices are higher than they should be in Canada, "as justified by housing market fundamentals such as income, rent or demographic changes."

His research indicated that 20 per cent of homes are considered overvalued in British Columbia, 17 per cent in Alberta, 13 per cent in Manitoba and Saskatchewan, 13 per cent in Quebec, 11 per cent in Ontario and 8.6 per cent in Atlantic Canada.

Separately, Royal Bank of Canada said the cost of ownership rose for the third straight quarter across all housing segments in the first quarter of the year. Economist Benoit Hogue said even if prices decline, higher mortgage rates will ensure Canadians spend more on housing for at least the next two years.

Investor Education: Should I buy a home now, or wait and save more money? [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/chapter-5-should-i-buy-a-home-now-or-wait-and-save-more-money/article658096>] Understanding house prices [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/understanding-house-prices/article658078>] Is it better to buy a home, or choose some other investment? Charlie's story [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/is-it-better-to-buy-a-home-or-choose-some-other-investment-charlies-story/article658068>] What makes buying a home different from other investments? [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/what-makes-buying-a-home-different-from-other-investments/article658074>] What are some renovations that add value to my home? [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/what-are-some-renovations-that-add-value-to-my-home/article658065>]

According to the bank's criteria, housing costs are now "moderately" above their long-term averages, but below the peak hit in early 2008.

"Put it this way, it is getting harder and harder to afford a house," he said. "Home ownership costs are starting to bite typical Canadian households but not dangerously so at this stage."

Last week, TD Bank issued a report that suggested prices could fall by 2.7 per cent in 2011. The Canadian Real Estate Association expects to see a decline of 1.5 per cent. Among recent forecasts, only the Canada Mortgage and Housing Corp. calls for higher prices in 2011, with an anticipated gain of 1.3 per cent.

Almost 100,000 homes were listed for sale in April, according to the CREA, while month-over-month sales declined by 2.6 per cent. It's the third time in four months that the number of sales has decreased.

In markets such as Toronto and Vancouver that have seen the strongest rebounds, the tone of the market has changed as buyers take more time to make decisions and houses sit longer on the market.

"The market has been so strong that people have expectations of a quick sale," said Darryl Mitchell, managing director of Toronto's ReMax Professionals Inc. "We're still seeing some multiple offers, but I'm definitely telling people not to list low in hopes of sparking a bidding war because you just don't know what'll happen."

## **Nearly 20% of homes overvalued: report - Report On Business - Report On Business RSS feed**

Byline: Steve Ladurantaye

Publication: Report On Business - Report On Business RSS feed

Date: Tuesday May 25th, 2010

Source: <http://www.theglobeandmail.com/report-on-business/economy/nearly-20-of-homes-overvalued-report/article1580185/?cmpid=rss1>

### Summary

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### Notes

Prices are at all-time highs, but the number of homeowners looking to sell has created a glut of inventory. At the same time, anticipated higher mortgage rates and stricter qualification rules threaten to price more people out of the market, ultimately driving prices lower as fewer buyers compete for what's available.

Any slowdown would hurt the economy. The housing market has been key to Canada's recovery, with average prices up 23 per cent from their recessionary lows at the end of April, 7 per cent higher than they were going into the recession. The average price of a home at the end of April was \$344, 968, the highest on record.

Lower prices and higher mortgage rates mean homeowners would pay more money to service their mortgages, while others could be forced to sell. Rates have recently dipped and are near historic lows but are expected to rise.

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CIBC World Markets economist Benjamin Tal said Tuesday that prices could decline by as much as 10 per cent in the next two years, but that a "violent" correction similar to the one seen in the United States remains unlikely.

"We are more likely to see higher interest rates causing a modest decline in prices," he said. "Because we lack the driver for a more violent decline, we should expect a more orderly rebalancing."

The recovery has overshot what is justified by the economy, he said, with 17 per cent of Canadian homes trading above their fair value, according to his analysis. Modifying a formula created by the International Monetary Fund, he said prices are higher than they should be in Canada, "as justified by housing market fundamentals such as income, rent or demographic changes."

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Investor Education: Should I buy a home now, or wait and save more money? [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/chapter-5-should-i-buy-a-home-now-or-wait-and-save-more-money/article658096>] Understanding house prices [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/understanding-house-prices/article658078>] Is it better to buy a home, or choose some other investment? Charlie's story [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/is-it-better-to-buy-a-home-or-choose-some-other-investment-charlies-story/article658068>] What makes buying a home different from other investments? [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/what-makes-buying-a-home-different-from-other-investments/article658074>] What are some renovations that add value to my home? [<http://www.theglobeandmail.com/globe-investor/investment-ideas/investor-education/what-are-some-renovations-that-add-value-to-my-home/article658065>]

According to the bank's criteria, housing costs are now "moderately" above their long-term averages, but below the peak hit in early 2008.

"Put it this way, it is getting harder and harder to afford a house," he said. "Home ownership costs are starting to bite typical Canadian households but not dangerously so at this stage."

Last week, TD Bank issued a report that suggested prices could fall by 2.7 per cent in 2011. The Canadian Real Estate Association expects to see a decline of 1.5 per cent. Among recent forecasts, only the Canada Mortgage and Housing Corp. calls for higher prices in 2011, with an anticipated gain of 1.3 per cent.

Almost 100,000 homes were listed for sale in April, according to the CREA, while month-over-month sales declined by 2.6 per cent. It's the third time in four months that the number of sales has decreased.

In markets such as Toronto and Vancouver that have seen the strongest rebounds, the tone of the market has changed as buyers take more time to make decisions and houses sit longer on the market.

"The market has been so strong that people have expectations of a quick sale," said Darryl Mitchell, managing director of Toronto's ReMax Professionals Inc. "We're still seeing some multiple offers, but I'm definitely telling people not to list low in hopes of sparking a bidding war because you just don't know what'll happen."

### Also Appeared In

Report On Business - Report On Business RSS feed -- Tue, May 25th 2010

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## The Gazette

### Canadian home resale prices climb - Montreal Gazette

Byline: Reuters

Publication: Montreal Gazette

Date: Wednesday May 26th, 2010

Audience: 5446

Source: <http://www.montrealgazette.com/business/Canadian+home+resale+prices+climb/3073288/story.html>

### Summary

The report tracks six metropolitan areas: Ottawa, Toronto, Calgary, Vancouver, Montreal and Halifax. The index has been rising for almost a year. Prices in four of the markets rose from the month before, led by a 1.4 percent gain in Halifax.

### Notes

Canadian home resale prices climbed in March for an 11th straight month but the gain was one of the smallest since prices began rising last year, according to a report released Wednesday.

The Teranet-National Bank Composite House Price Index, which measures price changes for repeat sales of single-family homes, showed overall prices rose 0.3 percent in March from February.

"The broad slowing of monthly gains is consistent with a general loosening of resale-market conditions across the country. For some months now, homes have been coming on the market faster than they have been selling," the report said.

March's gain was only a tick ahead of February's 0.2 percent increase, which was the smallest monthly gain since the end of a recession-induced price slump.

The report tracks six metropolitan areas: Ottawa, Toronto, Calgary, Vancouver, Montreal and Halifax. The index has been rising for almost a year.

Prices in four of the markets rose from the month before, led by a 1.4 percent gain in Halifax. Montreal and Vancouver both advanced 0.6 percent, and Ottawa climbed 0.1 percent.

Toronto prices were little changed on the month.

Calgary fell for a third month in a row, with March prices down 0.3 percent from the month before.

The index offers more evidence that Canada's real estate market could soon start to cool.

The Canadian Real Estate Association said last week that home resales slowed in April while new listings climbed.

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Read more: <http://www.montrealgazette.com/business/Canadian+home+resale+prices+climb/3073288/story.html#ixzz0p40IJ5ty>

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## U.S.-style housing market collapse not likely in Canada, CREA says - Calgary Herald

Byline: Mario Toneguzzi

Publication: Calgary Herald

Date: Wednesday May 26th, 2010

Source: [http://www.calgaryherald.com/business/style+housing+market+collapse+likely+Canada+CREA+says/3074132/story.html?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3a+canwest%2fF272+\(Calgary+Herald++Business\)](http://www.calgaryherald.com/business/style+housing+market+collapse+likely+Canada+CREA+says/3074132/story.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3a+canwest%2fF272+(Calgary+Herald++Business))

### Summary

Canadian homeowners are unlikely to experience a U.S.-style decline in the value of their homes, says a report released today by the Canadian Real Estate Association.

### Notes

Instead, home prices will stabilize and will remain stable for some time, said the report.

"The relationship between average price and income has recently been cited as portending a U.S.-style correction in Canadian home prices," said Gregory Klump, chief economist with CREA. "However, such warnings ignore the longer-term relationship between prices and income, and disregard typical Canadian housing market cycle dynamics."

Just yesterday a report by CIBC World Markets Inc. said that on average Canadian home prices are now around 14 per cent over their "fair" value. The report also said that higher interest rates will likely lead to a "modest" decline in prices of between five to 10 per cent in the coming year or two.

CIBC said at least 1.5 million houses in Canada are now overvalued and this represents just over 17 per cent of all dwellings. Of those homes, about 760,000 are overvalued by more than five per cent. The report said 17.4 per cent of Alberta homes are overpriced.

But CREA's report said home prices tend to rise in cycles, characterized by periods of sharp growth and periods of stability. By contrast, income generally follows an orderly upward trend over time.

"For home prices to keep pace with incomes, they must rise faster during housing booms to make up for periods of little or no price growth. Canadian home prices were stagnant throughout most of the 1990s, while incomes continued rising, making housing more affordable. Over the past decade, home prices have climbed sharply as mortgage interest rates declined," said the CREA report.

Klump said that the Canadian housing market is now widely thought to be at, or very near, the top of a cycle and the ratio of home prices to incomes is high, but he said the ratio will revert to its long-term average as it always does as part of a normal housing market cycle.

"History suggests, however, that it will not do so by means of a significant correction in home prices. The more likely scenario is that home prices will stabilize, giving incomes a chance to catch up again," he said.

Klump said conservative lending practices in the mortgage industry combined with "prudent borrowing and accelerated payments among Canadian mortgage holders" will help Canada avoid a U.S.-style housing crisis.

"The correction in U.S. home prices is set against a massive oversupply of homes due to distress sales, combined with a drop in housing demand due to unemployment. The unwinding of the housing boom in Canada will be more orderly, characterized by softening sales activity and stable prices," said the CREA report.

mtoneguzzi@theherald.canwest.com

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Read more: [http://www.calgaryherald.com/business/style+housing+market+collapse+likely+Canada+CREA+says/3074132/story.html?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3a+canwest%2fF272+\(Calgary+Herald+-+Business\)#ixzz0p9viifSq](http://www.calgaryherald.com/business/style+housing+market+collapse+likely+Canada+CREA+says/3074132/story.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3a+canwest%2fF272+(Calgary+Herald+-+Business)#ixzz0p9viifSq)

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### Realtors rush to ease correction fears - National Post - Top Stories

Byline: Garry Marr

Publication: National Post - Top Stories

Date: Wednesday May 26th, 2010

Source: <http://www.financialpost.com/story.html?id=3074606>

#### Summary

The Canadian Real Estate Association has a new study out that says Canadian homeowners don't have to fear a U.S.-style correction.

#### Notes

"The relationship between average price and income has recently been cited as portending a U.S.-style correction in home prices," said Gregory Klump, chief economist with CREA. "However, such warnings ignore the longer-term relationship between prices and income and disregard typical Canadian housing market cycle dynamics."

CREA, which represents 100 boards and 98,000 real estate agents across the country, says Canadian home prices are catching up with income levels after being stagnant for most of the 1990s. Mr. Klump said the housing market is near the top, making the ratio of home prices to income very high.

"This ratio will revert to its long-term average, as it always does, as part of a normal housing market cycle," he said, adding the process would be gradual. The CREA report comes on the heels of a new survey from the Canadian Imperial Bank of Commerce, which said house prices in the country were 14% above their fair value.

#### Also Appeared In

National Post - Top Stories -- Wed, May 26th 2010



## B.C. developers taking aim at Alberta property buyers ahead of HST - Calgary Herald

Byline: Mario Toneguzzi

Publication: Calgary Herald

Date: Wednesday May 26th, 2010

Source: [http://www.calgaryherald.com/travel/developers+taking+Alberta+property+buyers+ahead/3072354/story.html?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3a+canwest%2fF7588+\(Calgary+Herald+-+Business+%2f+Real+Estate\)](http://www.calgaryherald.com/travel/developers+taking+Alberta+property+buyers+ahead/3072354/story.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3a+canwest%2fF7588+(Calgary+Herald+-+Business+%2f+Real+Estate))

### Summary

Harmonized sales tax comes into effect July 1.

### Notes

Recreational property developers in B.C. are targeting potential Alberta homebuyers prior to the province's introduction of the harmonized sales tax on July 1.

"We're doing absolutely everything we can to reach out to those who have shown interest in purchasing property in the area by letting them know postponing could cost them tens of thousands of dollars," said Frank Kernick, developer of Copperside at Lakeview Meadows in Invermere, B.C. "Regardless of the development, second-home property in British Columbia will cost seven per cent more as of July 1."

His organization is focusing resources on educating potential buyers on the financial impact of the HST on real estate investments in B.C.

As an example, purchasing one of 10 luxury condos available at the Copperside project after July 1 will cost buyers between \$35,000 to \$50,000 more as a result of the HST. The condos range in price from \$529,000 to \$749,000.

Kernick said Albertans aren't really aware of the additional tax.

"We've had a lot of people sitting on the fence in the last two years with the world economy. Recreational property is discretionary spending," said Kernick, who added he's seen an increase in interest in the past two weeks.

Kernick said he suspects most developments are already working on plans on how to deal with the repercussions of the tax.

Purchasing recreational property in B.C. has been an attractive real estate option for many Calgarians, particularly in recent years.

Albertans are quickly becoming the dominant group of homebuyers at Revelstoke Mountain Resort. In the past six months, 50 per cent of the resort buyers were from Alberta.

Mike Vopni, director of sales and marketing with Sotheby's International Realty Canada at Revelstoke Mountain Resort, said the HST is weighing on some buyers' minds.

"I know we have a couple of Albertans who are looking to purchase very soon, before the HST kicks in. I wouldn't be surprised if we see a couple of last-minute sales happen before," said Vopni. He said there might be some reluctance to purchase after July 1, but for the resort, its peak selling season is during the winter.

Calgary-based developer Sam Boguslavsky, of Sable Resorts, is offering suites at Legacy on Mara Lake in B.C. tax-free, if buyers are able to close prior to the July 1 deadline.

Legacy homes range in price from \$300,000 to more than \$1 million.

"We had an extremely successful weekend," he said. "Basically we've taken the tax right out. . . . It's my little protest, if you wish, against new taxes.

"The May long weekend is always an indication of what the summer will bring. The economic climate that I witnessed is people are a lot more optimistic and they're looking for unique projects."

mtoneguzzi@theherald.canwest.com

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 **Vancouver ranks fourth in world's 10 best places to live - National Post - Top Stories**

Byline: Francesca Levy, Forbes

Publication: National Post - Top Stories

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Source: <http://www.financialpost.com/story.html?id=3082136>

### Summary

This year Mercer introduced its eco city rankings, published alongside its quality-of-living list, which scores countries on how well they promote sustainability and protect their environments. Calgary, Canada took the top spot and American cities Honolulu and Minneapolis scored in the top 10 on this measure, which factored in the quality of water and air quality, sewage removal and traffic congestion.

### Notes

Over the past three centuries Vienna has produced the visionary composers Joseph Haydn, Franz Schubert and Johann Strauss. This year the culturally and historically vibrant Austrian capital can claim another feat: For the second year it has been named the world's best place to live, according to a report released Wednesday.

Vienna offers a thriving opera scene, a hospitable business environment and a comprehensive public transportation system. Zurich and Geneva take the No. 2 and 3 spots, respectively. Switzerland's strong showing on the list is little surprise to Mercer, the global outsourcing and investment consultancy that produces the annual Worldwide Quality of Living Survey.

"The Swiss cities are very pleasant, the natural environment is clean, and we weigh heavily the prevalence of hostilities, and Switzerland is neutral," says Rebecca Powers, a Mercer consultant. "If you can't be safe in Switzerland, you can't be safe anywhere."

Vienna beat Zurich by just over half an index point, and less than one point separates the top three cities, making them roughly equal for livability.

"There's probably a little bit more to do in Austria than Switzerland -- I would think the symphony is better -- but we're splitting hairs between countries," says Powers.

Vancouver was the only Canadian city to make the top 10, tying for fourth place with Auckland, New Zealand.

European cities take seven of the top 10 spots for quality of life, thanks to their relative safety, political stability and cultural offerings. As for the U.S., Honolulu, at No. 31, has the best quality-of-life record and the continental U.S. makes its first appearance on the list at 32, with San Francisco tying Adelaide, Australia. Boston came in at No. 37, Chicago and Washington, D.C. tied for 45th place, and New York ranked 49. Philadelphia and Dallas were ranked for the first time this year, landing spots 55 and 61 on the list, respectively.

#### Behind The Numbers

Mercer ranked 221 global cities on 39 measures, emphasizing political safety and health, but also including factors from restaurant availability to air pollution. Cities are ranked against New York as the base city; it has an index score of 100.

The cities that scored best on Mercer's list had the best safety records and the lowest levels of political upheaval, which helps explain why volatile Baghdad sunk to the last-place spot. While strong infrastructure, cultural amenities and good schools also helped separate the top and bottom cities, most of that was trumped by the importance of local stability.

Although the U.S. didn't do poorly by Mercer's standards -- most American cities on the list had index scores above 100 -- weaker safety records kept them from competing with lower-crime Western European capitals.

"In the U.S., crime is typically more prevalent, and the availability of handguns is an issue," says Powers. "Many of the locations in Canada and Switzerland have a little more of social net that diminishes that kind of crime."

As it was last year, Singapore is Asia's highest-ranking city at No. 28. Tokyo ranked 40, Japanese cities Kobe and Yokohama were tied for 41, and Osaka and Nagoya ranked 51 and 57, respectively. These cities had index scores between 123 and 132.

Some Asian cities held spots near the bottom of the list, as well: Dhaka, Bangladesh; Bishkek, Kyrgyzstan and Dushanbe, Tajikistan, took spots 206, 209 and 210 respectively. Political unrest combined with environmental dangers threatened the quality of life in these cities.

"Increasing threats of violence and terrorism, coupled with natural disasters such as earthquakes, typhoons and cyclones have had a negative impact on the quality of living in Asian cities," says Mercer senior researcher Slagin Parakatil in the report. "This may result in higher hardship allowances for expatriates sent to these countries."

This year Mercer introduced its eco city rankings, published alongside its quality-of-living list, which scores countries on how well they promote sustainability and protect their environments. Calgary, Canada took the top spot and American cities Honolulu and Minneapolis scored in the top 10 on this measure, which factored in the quality of water and air quality, sewage removal and traffic congestion.

While the correlation isn't scientific, many of the cities that ranked highly for quality of life also scored well for ecological responsibility.

"It could be because everything else is running so well, they can afford to think about the environment," says Powers.

International companies watch the Mercer study closely to help determine not just where to set up shop, but how much they should compensate relocating employees whose quality of life may be diminished by a move. For that reason the report ranks many cities in developing countries, where business is increasingly being done but the nuances of lifestyle may remain a mystery.

### Also Appeared In

National Post - Top Stories -- Fri, May 28th 2010

National Post - Top Stories -- Fri, May 28th 2010

## Realtors® get listed on social media - Star Phoenix

Byline: Doug Lacombe

Publication: Star Phoenix

Date: Saturday May 22nd, 2010

Audience: 118000

Source: <http://www.thestarphoenix.com/technology/tech-biz/Realtors+listed+social+media/3060111/story.html>

### Summary

Can Realtors really use social media to their benefit without being smarmy?

### Notes

Next week I'll be delivering social media training to Calgary Realtors.

As a consequence, I've had Realtors and social media on the brain. Can Realtors really use social media to their benefit without being smarmy?

Yes, but it requires a more nuanced approach than traditional marketing.

It is, after all, social media.

Real estate is a highly "social" profession, incredibly dependent on personal brand.

Study after study shows people find Realtors largely by referral -- no surprise there, we all trust the opinions of friends and family.

There's no question, in the "real world" good Realtors know all about the art of the schmooze, building out their personal networks through sheer force of personality and great service to clients. Many are also comprehensive marketers, mixing media such as print, direct mail, outdoor advertising and the Internet to build awareness and interest.

The problem is, those tactics don't necessarily transfer well into social media marketing.

I often tell my clients social media marketing more closely resembles a "digital schmooze" than, say, advertising. I trot out the now familiar cocktail party metaphor, asking clients, "Would you run up to someone at a cocktail party and blurt out 'Buy my stuff?' " Invariably they say, no, of course not, to which I reply, "Then why would it work on Twitter?"

If social media marketing is the digital schmooze, the goal is digital word of mouth. A narcissistic approach to social media marketing is doomed to fail; who wants to spread around "trust me, I'm good" statements? Instead, offering value to the community shows you to be a contributor and active participant -- kind of like joining Kiwanis or Rotary.

Come at it sideways and you show you are worthy, much more credible than just claiming it.

Old habits die hard, and I see many Realtors new to social media treating it like a giant classified ad network. News flash -- that's what Craigslist is for. Social media is about conversing and collaborating, with the odd announcement thrown in.

A quick trip over to Listorious.com (a Twitter list service) finds many Realtors on the micro-blogging service.

A random visit to a few profiles quickly reveals patterns of success or failure.

Those who only announce listings and open houses attract few followers and are, in essence, broadcasting to no one. Those who announce a variety of industry related and economic information, but announce only and do not converse, do only marginally better.

Those who actively participate in the conversation, chatting, sharing, laughing and, yes, promoting, build huge followings.

In other words, if you come to a cocktail party with a bullhorn in hand, prepare to be ignored, but if you play nice, your digital popularity will grow by leaps and bounds.

Two Realtors whom I have watched for a while and really like are Edmonton's Jerry Aulenbach (@ZoomJer on Twitter) and Calgary's Jim Sparrow (@CalgaryRealtor).

I met Jerry in real life at the YYC4Haiti benefit -- he wore a bacon costume and was charming and hilarious. He's equally charming and hilarious on Twitter, and philanthropic too. As a result, Jerry has built a solid following of around 2,500 people, a great network by any measure. I have not met Jim in real life, but absolutely love his Twitter feed, which blends facts, stats, market commentary, news, opinion and chit chat.

Jim has amassed more than 6,400 followers with this approach, again, a superb network by any account. Would I refer people to either of these Realtors? In a heartbeat.

Numbers aren't everything, but without authenticity, your numbers will be nothing.

Realtors, like other service professionals, will only succeed in social media if they are open to connecting with people and modifying their old marketing ways. In a business where your network and referrals are key, social media properly employed may be a differentiator, even a survival skill.

As usual, send me your feedback on Twitter at @dblacombe or via e-mail [doug@communicatto.com](mailto:doug@communicatto.com).

Doug Lacombe is president of [communicatto.com](http://communicatto.com), a social media marketing agency.

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