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Moderate rise in Vancouver's new-home prices

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The price of new homes in Vancouver edged up 0.6 per cent between February and March -- slightly ahead of the national pace, Statistics Canada says.

On a year-over-year basis, new houses in the city climbed 6.1 per cent -- matching the national average, StatsCan said yesterday.

In Victoria, new house prices showed no change between February and March, while year-over-year prices climbed 1.2 per cent, the federal agency said.

Nationally, prices for new homes edged up just 0.2 per cent in March, as a weakening Alberta market tempered strong growth in some other regions.

The lower pace was widely expected after only a 0.3 per cent rise in prices in February.

On a year-over-year basis, prices rose by 6.1 per cent in March from the same month in 2007. That's down from a 6.2-per-cent rise in February from a year ago.

"This deceleration continues a downward trend that started in September 2006 due mainly to the softening market in Alberta," the federal agency said.

In Edmonton and Calgary, builders lowered prices to generate interest and stimulate sales.

House prices were higher in Saskatoon, Regina and Winnipeg "as a result of increased material and labour costs, as well as a strong market and high demand for new housing," StatsCan said.

On the east coast, "a strengthening economy, coupled with increased material and labour costs, contributed to record increases in Nova Scotia," StatsCan said.

Halifax saw year-over-year prices rise 12.8 per cent in March, up from a year-over-year rise of 11.4 per cent in February.

In St. John's, prices posted a 12- per-cent gain from March 2007.

"The Canadian housing market continues to show sign of moderation as the sector adjusts to a more sustainable level of activity," said Millan Mulraine, economics strategist at TD Securities.

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