



New home prices decline in March

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Prices for new homes fell 0.5 per cent in March from the previous month, led by declines in Western Canada, Statistics Canada said Monday. Montreal prices were up 0.3 per cent and Quebec gained 0.1 per cent.

Photograph by: Marcos Townsend, Montreal Gazette

OTTAWA — Prices for new homes fell for the sixth straight month in March, led by declines in Western Canada, as the country's real estate market continued to weaken amid the economic downturn.

Statistics Canada said Monday that prices were down 0.5 per cent during the month, compared to a 0.7 per cent drop in February. The March decline was in line with analysts' forecasts.

For the year, new home prices were down 2.4 per cent in March, compared to 1.8 per cent year-on-year decline in February.

The biggest price declines in March were in Calgary and Edmonton, with prices falling 1.2 per cent in both cities. Vancouver saw a 1.1 per cent decline and Victoria was down 0.9 per cent, the federal agency said.

"In Calgary and Edmonton, declines were attributed to lower material and labour costs and lower lot prices from developers," it said. "In Vancouver and Victoria, builders reported lower prices due to competition and slow market conditions."

Prices also declined in St. Catharines—Niagara, Ont., down 0.9 per cent, Saskatoon, off 0.7 per cent, Charlottetown, down 0.4 per cent, Toronto, down 0.3 per cent and Hamilton, Ont., off 0.2 per cent.

Meanwhile, prices rose in St. John's, N.L., which posted a 0.4 per cent increase. Montreal prices were up 0.3 per cent and Quebec gained 0.1 per cent.

Millan Mulrairie, economists strategist at TD Securities, said "the continued drop in new home prices is

a reflection of the overall weakness in the Canadian housing market, and the weak domestic economic conditions and soft labour market conditions continue to sap housing demand."

On Friday, Canada Mortgage and Housing Corporation said the number of housing starts fell to 117,400 in April from 146,500 the previous month.

New housing prices (change in March from February):

Total -0.5%

St. John's, N.L. +0.4%

Halifax 0.0%

Charlottetown -0.4%

Saint John, Fredericton and Moncton. N.B. 0.0%

Quebec +0.1%

Montreal +0.3%

Ottawa—Gatineau 0.0%

Toronto and Oshawa -0.3%

Windsor, Ont. 0.0%

Winnipeg 0.0%

Regina 0.0%

Saskatoon -0.7%

Calgary -1.2%

Edmonton -1.2%

Vancouver -1.1%

Victoria -0.9%

Source: Statistics Canada

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