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Sales of existing homes in Canada jumped 31.5% in the second quarter from the previous one - their first year-over-year quarterly increase since before the peak of the financial crisis, the Canadian Real Estate Association said this week.

The industry group said actual home sales totaled 147,351 units in the second quarter of 2009, up 1.4% from the same quarter of 2008.

Home sales rose 8.7% in June from May on a seasonally adjusted basis. They were up 17.9% from June 2008, using non-seasonally adjusted figures.

"This is on par with the record for the month of June, set in 2007, and is the fourth highest ever for activity in any month on record," CREA said in a report.

A total of 41,304 homes changed hands in the month.

The report is the latest piece of evidence showing that consumers are venturing back into the home market, encouraged by low mortgage rates and signs that the worst of the recession is over.

"The recovery in the Canadian housing market continued in earnest in June ...," said Millan Mulraine, economics strategist at TD Securities.

"With prices remaining quite favorable and low borrowing rates enhancing affordability, it is likely that this uptick in sale activity may continue for some time as the recovery in the housing sector takes hold," he said.

The average home price rose 3.6% year-over-year to a record high \$326,613 in June.

On a quarterly basis, the average price was up 0.5% from a year earlier to \$318,696.

But CREA said strong sales activity in a handful of very expensive markets was distorting the national average to make prices look unusually high.

Sales growth in Vancouver, Toronto, Montreal, Calgary and Edmonton contributed most to the national increase.

The inventory of unsold resale homes - measured as the number of months it would take to sell the stock of houses at the current sales rate - fell to its lowest level since August 2007 at 4.2 months.

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