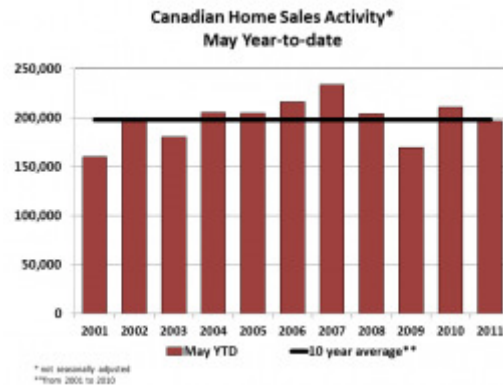


## Canadian home sales stable in May

OTTAWA – June 15th, 2011 – According to statistics released today by The Canadian Real Estate Association (CREA), national resale housing activity remained stable in May compared to April.

### Highlights:

- Sales activity held steady from April to May, but posted the first year-over-year gain in over a year due to falling demand in May 2010.
- Year-to-date sales are in line with the ten-year average.
- New listings also remained stable from April to May.
- National housing market remains firmly entrenched in balanced territory.
- National average price is still being skewed upward by historically high sales activity in certain Vancouver neighbourhoods.



Seasonally adjusted national home sales activity edged down by less than one per cent in May 2011 compared to the previous month. Among major markets were activity declines in Vancouver and Ottawa, offsetting gains in Edmonton and Toronto, where sales reached the second highest level on record for the month of May.

Actual (not seasonally adjusted) activity came in 2.7 per cent above levels reported last May. This was the first year-over-year increase in more than a year, reflecting falling sales activity in May 2010. Activity fell sharply last year between April and July, with May marking the mid-point of that slide. Although activity has been more stable this year, last year's sales volatility is expected to continue to affect year-over-year comparisons in the months ahead.

A total of 196,749 homes have traded hands via Canadian MLS® Systems so far this year. This is in line with the ten-year average for year-to-date activity in May.

“The Canadian housing market has seen some big ups and downs in recent years, making national sales activity so far this year look like something of a Goldilocks story by comparison – not too hot, not too cold,” said Gary Morse, CREA’s President. “Since local housing market trends often differ from national trends, buyers and sellers should

consult their local REALTOR® to understand how the housing market is shaping up where they live.”

Seasonally adjusted new residential listings were little changed from April to May, edging up one tenth of a percentage point. The number of newly listed homes fell in Vancouver, Fraser Valley and the Okanagan region in May, offsetting small gains in Toronto and Montreal.

With sales and new listings holding steady on a national basis in May, the resale housing market remained firmly planted in balanced territory. The national sales-to-new listings ratio, a measure of market balance, stood at 52.1 per cent in May, little changed from 52.5 per cent in April.

Based on a sales-to-new listings ratio of between 40 and 60 per cent, housing markets were balanced in 62 of 101 real estate boards in Canada. Less than half of the rest can be characterized as sellers’ markets, based on a ratio above 60 per cent. “For the most part, sellers’ markets became slightly more balanced than the previous month,” said Gregory Klump, CREA’s Chief Economist. “Toronto stood out as an exception, with sales activity there growing faster than new supply.”

The seasonally adjusted number of months of inventory stood at 6.1 months at the end of May on a national basis. This is little changed compared to the six months of inventory at the end of April 2011. The number of months of inventory represents the number of months it would take to sell current inventories at the current rate of sales activity, and is another measure of the balance between housing supply and demand.

The national average price for homes sold in May 2011 was \$376,817, up 8.6 per cent from the same month last year.

A number of compositional factors skewed the national average price upward in May. These factors include historically high sales activity in selected pricey Vancouver neighbourhoods and broadly based price gains in Toronto, where supply remains tight relative to demand. If Vancouver sales are excluded from the calculation, the year-over-year change in the national average price amounts to 5.6 per cent; excluding Toronto and Vancouver shrinks the increase to 3.7 per cent.

“Changes in the national average home price reflect variations in home sales activity across and within local markets,” said Klump. “Failure to recognize changes in the mix of sales activity can lead to misinterpretation of average price fluctuations. It can also give rise to faulty predictions of broadly based home price deflation by way of price correction.”

**PLEASE NOTE: The information contained in this news release combines both major market and national MLS® sales information from the previous month.**

**CREA cautions that average price information can be useful in establishing trends over time, but does not indicate actual prices in centres comprised of widely divergent neighbourhoods or account for price differential between geographic areas. Statistical information contained in this report includes all housing types.**

MLS® is a co-operative marketing system used only by Canada's real estate Boards to ensure maximum exposure of properties listed for sale.

The Canadian Real Estate Association (CREA) is one of Canada's largest single-industry trade associations, representing more than 100,000 REALTORS® working through more than 100 real estate Boards and Associations.