

Condominium markets in Canada - Newswire

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TORONTO, Mar 26, 2008 (Canada NewsWire via COMTEX) -- Condominium markets in Canada will continue to offer solid opportunities in 2008 to first-time homebuyers looking for accessible, affordable housing in Canada's major urban centres, according to new data released today by Genworth Financial Canada, a subsidiary of Genworth Financial, Inc.

Genworth's Winter 2008 Metropolitan Condominium Outlook concludes that while condo sales numbers are downshifting from near-record levels in eight cities surveyed, resale prices should continue to advance in 2008 and grow steadily through 2012. As a result, condos remain a good entry point for first-time buyers and a good investment for market entrants.

With drops in condo starts from historically high levels in Montreal, Calgary, Edmonton, Vancouver and Victoria, the country will see balancing between re-sales and new condo starts over the next few years. This will encourage moderate price growth and in turn maintain the affordability factor of condominiums. All markets will see price increases in 2008, ranging from 1.6 per cent in Ottawa to 6.4 per cent in Edmonton.

"Condominiums are still filling the demand for relatively affordable housing. With prices for single-detached homes rising well above \$500,000 in Toronto and Calgary, and to at least \$600,000 in Vancouver, the condo market remains extremely important to first-time buyers who wish to remain in Canada's largest urban communities," said Peter Vukanovich, president of Genworth Financial Canada.

The Genworth report, produced with the Conference Board of Canada, concludes that "recently elevated volumes suggest condos are becoming entrenched in most communities." Edmonton, Vancouver and Victoria are estimated to have posted record high starts volumes in 2007, while Calgary and Ottawa hit all time highs in 2006.

"Canada's condo market continues to remain a good opportunity for first-time home buyers. The slower rate of price appreciation in 2008 will benefit first-time buyers looking to get into the market, and the innovative mortgage solutions available to them make that first-time purchase more accessible and affordable than ever," said Vukanovich.

"This report underscores the solid value condominiums offer to first-time homebuyers looking to get a foothold in Canada's robust housing market. A condo offers an affordable opportunity to begin to build equity in a home of your own," said Jim Murphy, President and CEO of the Canadian Association of Accredited Mortgage Professionals (CAAMP).

The Winter 2008 Metropolitan Condominium Outlook reviewed resale condo markets in Quebec City, Montreal, Ottawa, Toronto, Calgary, Edmonton, Vancouver and Victoria. All eight markets registered moderate price growth in 2007 and are forecast to continue to have moderate growth this year and through 2012.