

# Average Vancouver house price hits \$1 million, expected to rise further: Royal LePage

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Home prices will continue a "moderate and steady climb" this year, helped along by an improving economy and low interest rates, according to a report released Thursday.

**Photograph by:** Canwest News Service, Canwest News Service

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OTTAWA — Home prices will continue a "moderate and steady climb" this year, helped along by an improving economy and low interest rates, according to a report released Thursday.

Real estate services firm Royal LePage said the average price of a home in Canada will rise three per cent to \$348,600, even as the number of transactions falls two per cent.

It said that after a "lacklustre" third quarter in 2010, home prices were up between 3.9 and 4.6 per cent, year over year, in the year's fourth quarter. This marked a return to growth more typical of trends since the end of the recession, Royal LePage said.

The report said, similar to last year, sales will be more robust in the first half of the year as homebuyers take advantage of low interest rates that could be on the rise in the near future.

"Canadians realize that interest rates are unsustainably low and that homes will become effectively more expensive when mortgage rates return to normal levels," said Phil Soper, CEO of Royal LePage

Real Estate Services. "We will likely see more price appreciation early in 2011 as some buyers complete transactions in advance of anticipated higher borrowing costs."

The report said the strongest price gains will happen in mid-sized cities where homes are priced below the national average. It noted places like Winnipeg, St. John's and Fredericton, where single two-storey homes are still widely available for less than \$300,000.

Alberta's housing market is also expected to be strong in the coming year, as the energy sector helps fuel a strong hiring climate.

However, cities such as Calgary and Edmonton were among the few major centres showing price declines, year to year, as of the end of last year. Edmonton now has lower-priced homes than Saskatoon, according to the Royal LePage report. The average price for a two-storey home in Edmonton was \$334,286 in last year's fourth quarter, down 2.3 per cent from a year earlier. It was \$359,250 in Saskatoon, up 6.1 per cent.

In Vancouver, the average price of a two-storey home is now more than \$1 million, Royal LePage said, up 9.8 per cent over the last year. More moderate price gains in the range of four per cent are expected for Vancouver this year.

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**Average prices for two-story homes as of Q4 2010 (change from year earlier):**

Halifax \$291,000 (9.7%)

St. John's \$327,627 (9.6%)

Montreal \$375,222 (8.7%)

Ottawa \$354,083 (6.7%)

Toronto \$594,231 (5.6%)

Winnipeg \$296,750 (6.4%)

Regina \$282,500 (9.1%)

Saskatoon \$359,250 (6.1%)

Calgary \$404,622 (-5.3%)

Edmonton \$334,286 (-2.3%)

Vancouver \$1 million (9.8%)

Victoria \$480,000 (6.9%)

Source: Royal LePage

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