# REAL ESTATE

# Canada's hot condo market set to get even hotter

**Sunny Freeman, Canadian Press** | Aug 30, 2012 1:00 PM ET
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Prices for condos in Toronto are projected to jump 2.5% to $312,352. Brent Lewin/Bloomberg files

TORONTO — A new condo report suggests first-time buyers, retirees and population growth will continue to fuel demand and price growth for the compact living spaces over the next few years.

The study by Genworth Canada found that average condo resale prices are expected to rise next year in seven of the eight metropolitan centres studied.

Prices in Toronto are projected to jump 2.5% to $312,352.

## For those seeking to own a home affordably in urban centres, condos remain a good option

The highest increase however, is expected to be in Edmonton where prices could rise 3.2%.

Vancouver is the only city where condo prices are expected to drop, by 2% to $348,152.

The report stands in contrast to warnings from economists and officials that the condo market in some hot markets is reaching bubble territory that could soon burst.

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The Bank of Canada and federal Finance Minister Jim Flaherty have cautioned Canadians repeatedly to moderate borrowing on real estate, declaring household debt to be the domestic economy's number one enemy.

The central bank noted certain segments of the housing market that have a persistent oversupply — such as condos in Toronto — face a higher risk of a price correction.

Genworth — which earns revenue from selling mortgage insurance — notes that rising prices for single-detached homes are driving first-time buyers to condos, but retirees also continue to prop up demand.

It suggests that the population is expected to grow in all eight cities studied over the next few years, while employment growth and low interest rates should also support the market.

"This data corroborates our view that the demand for condos in Canada, particularly at the price-point we insure, is well supported by our economy and our population," said Brian Hurley, chairman and CEO of Genworth Canada.

"For those seeking to own a home affordably in urban centres, condos remain a good option."

The Genworth Canada report, produced with the Conference Board of Canada, reviewed trends in Quebec City, Montreal, Ottawa, Toronto, Calgary, Edmonton, Vancouver and Victoria.

Census figures for 2011 released in February show multi-unit dwellings — a category that includes condominiums — making up roughly half of all new housing stock, a category traditionally led by detached homes.

The numbers also indicate that Canadians are flocking to urban centres. Toronto's population jumped more than 17% over the previous census period in 2006.

A recent CMHC report said housing starts and home sales have been strong in 2012 — particularly when it comes to multiple-dwelling units such as townhouses, condos and apartments — but will soften moderately in coming months into 2013.

*The Canadian Press*

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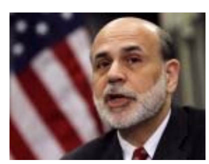

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Spot on, Genworth = zero credibility.
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CMHC insurance has a 100% government guarantee while Genworth is only 90% backed. up to a maximum of their appointed cap. $600B for CMHC $250B for Genworth.
Yes taxpayers are involved as usual...
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And their losses are taxpayer backed! So go big or go home, gotta get everyone into a new condo before the new OSFI regulations are inplace. They eliminate liar loans (stated income) and they require proof of where your downpayment came from (no more borrowing that downpayment).
Banks no longer need to raise reserves from depositors as they have essentially endless lending potential thanks to endless lending potential thanks to government securitizing their lending, and it's not like they will insure the quality ones, only the junk.
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Please explain how Genworth is backed by taxpayers.
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Translation: We appear to have run out of "greater fools" (google that), so we decided to take out a full page add in the paper and make it look like an article so as to squeeze the $$ out of any remaining unsuspecting victims to the largest real estate bubble in the history of Canada.
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**javanator** • 6 hours ago
Didn't condo price drop 6% in June?

And the pipeline is full of new units coming on market.

Who writes this stuff?
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Who writes this stuff?

The MOB. We know that organized crime runs the Quebec construction industry, so why would Toronto be any different?
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