

Alberta house price boom dying down Saskatchewan drives ahead

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Published: Friday, April 11, 2008

OTTAWA -- The price of new housing edged up 0.3% from January to February 2008, said Statistics Canada. The rate slowed down after two months of accelerated growth but followed a downward trend which began in September 2006, said the federal agency.

Contractors' selling prices increased 6.2% in February 2007 from a year earlier. The year-on-year growth was slower than the 6.5% yearly increase seen in January.

Across the country, prices in Saskatoon again rose at the fastest rate. Annual prices in the city increased 58.3% - the fastest rise on record in the city. Prices in Saskatoon rose 4.3% month-on-month in February.

Regina recorded a year-on-year price hike of 28.6% - up from 25.9% year-over-year growth in January.

The city led the month-on-month increase, posting a rise of seven per cent in February.

Statistics Canada said that builders reported higher prices, due to a rise in the cost of materials as well as labour shortages pushing up the cost of labour.

"Clearly Saskatchewan is the new Alberta, with economic growth there being driven by the commodity price boom." said Jacqui Douglas, economics strategist at TD Securities.

Strong demand continued for new houses in Saskatchewan on the back of a healthy natural resource sector as well as the push to encourage migrants to the province in an attempt to alleviate the labour shortage, said the federal agency.

The rate of year-on-year growth of new housing prices in Edmonton slowed to 14.8% in February - the seventh consecutive deceleration in growth.

Prices in Calgary increased 5.2% in February 2008 compared to a year earlier. This was a slight decrease on the 5.6% yearly rise reported by Statistics Canada in January.

The federal agency said that the departure of some migrants from Alberta meant that there were more resale houses on the market contributing to slower sales in the new housing sector. Both Calgary and Edmonton saw a decline month-on-month with prices falling 0.3% and 0.9%, respectively.

In the East, Statistics Canada said that builders reported increased material and labour costs coupled with higher land development costs contributed to record price increases in Newfoundland and Labrador and Nova Scotia.

Prices in St. John's, N.L., rose 12.2% year-on-year and in Halifax the rise was 11.4%.

In British Columbia, the federal agency reported a 6.6% rise year-on-year in Vancouver and an increase of 1.6% in contractors' selling prices in Victoria.

In Ontario, prices in Windsor inched up 0.3% from February 2007 - the first inflation in 17 months.

In Toronto and Oshawa, Statistics Canada reported a 4.4 per cent rise in prices in February from a year earlier. The federal agency reported a 3.3 per cent rise in Ottawa–Gatineau.

A competitive market and higher material and labour costs continued to boost prices in Montreal where they rose 4.7 per cent year-over-year. Quebec posted a year-on-year rise of four per cent said Statistics Canada.

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