

## Home sales sputter in May

Buyers backed away from Canada's housing market in May, driving sales lower in what is traditionally the busiest month of the year for the country's real estate agents.

The housing market has been key to Canada's economic recovery, as low interest rates and pent-up demand drove buyers into the market after months of stagnation in 2008. But with interest rates likely heading higher in the second half of the year, many buyers who would have preferred to buy in the fall or early winter chose to buy sooner.

Tougher mortgage rules imposed by the federal government in mid-April also prompted buyers to act sooner, the Canadian Real Estate Association said. Meanwhile, tens of thousands of homeowners have seen the rampant demand and listed their houses for sale to take advantage of high prices.

Sales fell to 8.5 per cent to 40,393 units in May compared with April. Sales remain elevated by historical markers, but are 15 per cent lower than last fall's peak.

Prices were essentially flat in May, gaining 0.5 per cent to an average national resale price of \$346,881 – the highest on record.