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Many in B.C. see home prices rising or steady in next year (Really?)

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The Globe and Mail

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Whither home prices

Among the more interesting bits in a new survey released today is that 71 per cent of homebuyers in British Columbia believe real estate values will rise or hold steady over the next year.

According to the survey released by Re/MAX, they're the "least bullish" in the country. But, still, that level may seem surprising considering the decline in prices in cities like Vancouver.

As The Globe and Mail's Brent Jang reported earlier this month, sales in the Vancouver area plunged in December, by 50 per cent from November and more than 15 per cent from December of 2011.

Prices based on the Multiple Listing Service slipped 2.3 per cent from a year earlier.

Vancouver has become the focus for Canada's cooling housing market. While sales have slumped across the country, prices have held up generally well and economists believe the real estate sector is in the midst of a soft landing, but for Vancouver.

According to today's Angus Reid study among more than 1,100 people who plan to purchase within the next two years, more than 80 per cent across Canada see values rising or holding steady.

The "most bullish" were in Ontario.

- Vancouver remains second least-affordable market as measure improves slightly
[<http://www.theglobeandmail.com/report-on-business/economy/economy-lab/vancouver-remains-second-least-affordable-market-as-measure-improves-slightly/article7599077/>]
- New listings, sales down as Vancouver residential market cools
[<http://www.theglobeandmail.com/report-on-business/economy/housing/new-listings-sales-down-as-vancouver-residential-market-cools/article6900711/>]
- Is the slump in home sales nearing bottom? *[<http://www.theglobeandmail.com/report-on-business/top-business-stories/is-the-slump-in-home-sales-nearing-bottom/article7372915/>]*

Bank of Japan hikes inflation target

The Bank of Japan today bowed to intense political pressure with a plan to fight deflation and juice its faltering economy.

The central bank and the country's new government said in a joint statement today that Japan's target for annual inflation will rise to 2 per cent from its current 1 per cent.

At the same time, the central bank unveiled forceful Fed-like plans to buy up assets. But, in a disappointing move for markets, that won't start until next year.

"Overall, it appears that any major changes in the policy framework will be left to the successor to Governor Shirakawa, whose term expires in April," said Julian Jessop of Capital Economics in London.

"This might provide a fresh focus for speculation about a more radical shift. But in the meantime, calling a policy 'bold' does not necessarily make it so."

Just yesterday, the chief of Germany's Bundesbank, Jens Weidmann, warned in a speech of the threat of a currency war, citing not only Japan, but others as well.

- Bank of Japan makes boldest attempt yet to lift economy
[<http://www.theglobeandmail.com/report-on-business/international-business/asian-pacific-business/bank-of-japan-makes-boldest-attempt-yet-to-lift-economy/article7617508/>]