



## High marks for Canada's real estate market

Canada may no longer be the most transparent housing market in the world, but it's close, according to a biannual survey of 81 countries.

Canada came in second behind Australia in the 2010 Jones Lang LaSalle Global Transparency index, which measures countries' legal and regulatory environments, market strength and real estate debt transparency, among other metrics. Canada ranked first in 2008.

"Canada differentiates itself on having a combination of a sound banking system, well-developed commercial real estate lending standards and stable property markets with relatively low vacancy and rental volatility," the report states.

The country's large, conservative financial institutions contributed to its high ranking, as did its relatively stringent protections for investors. Canada's largest investment banks are housed within its chartered banks, which have strong deposit bases and high capital reserve ratios, making bank runs and wholesale failures unlikely.

In addition, Jones Lang La-Salle notes that cashflow and collateral value of real estate loans are adequately monitored in Canada.

Canada and the United States (sixth place) were the only two countries in the Americas to score in the "highly transparent" category. The next closest, Chile, placed 34th ( "semi-transparent").

"The global recession which started in the United States has kept transparency levels stagnant as the flow of information, business and capital has declined," the report says.

Also in this third-tier category with Chile were Mexico, Argentina, Costa Rica and Brazil, the only major economy to register notable progress.

Fully one-third of the world markets surveyed showed no change or declined from the 2008 index. Among the countries that showed improvement were Turkey, China, India, Poland, Portugal, Romania, Greece and Hungary.

Algeria came in last place, one of three countries labeled "opaque." (The other two were Syria and Sudan.) Pakistan showed the largest decline from the 2008 survey.