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# Commentary

The housing market continues on a relatively stable and balanced track. Sales activity is 46% above the recessionary low of December 2008 and not far behind the recovery high of December 2009. Home prices rose, while sales remained on par with the previous month.

Positive signals of slow and steady growth continue in Canada. GDP in January showed solid growth, which was on par with expectations. Manufacturing output related to automobiles was a significant portion of this growth. Strong auto sales in the United States and Canada signal more growth in the coming months.

Moving forward, rising interest rates and weak job growth are factors that are responsible for keeping sales activity and price appreciation stable and slower than seen during the recovery. Mortgage regulation changes will likely spur upward momentum in home sales this spring. Due to improved affordability, balanced markets, and record-low mortgage rates, there are great opportunities for both buyers and sellers.



# The Numbers That Drive Real Estate

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# Home Sales

*In Thousands*



Resale housing activity slowed 2% from January to February. This slight decline represents the first month-to-month drop in home sales since the July low but they are up 22% since then. Historically low interest rates and a rush to buy before another round of mortgage-regulation tightening will continue to support the market in the first quarter of 2011.



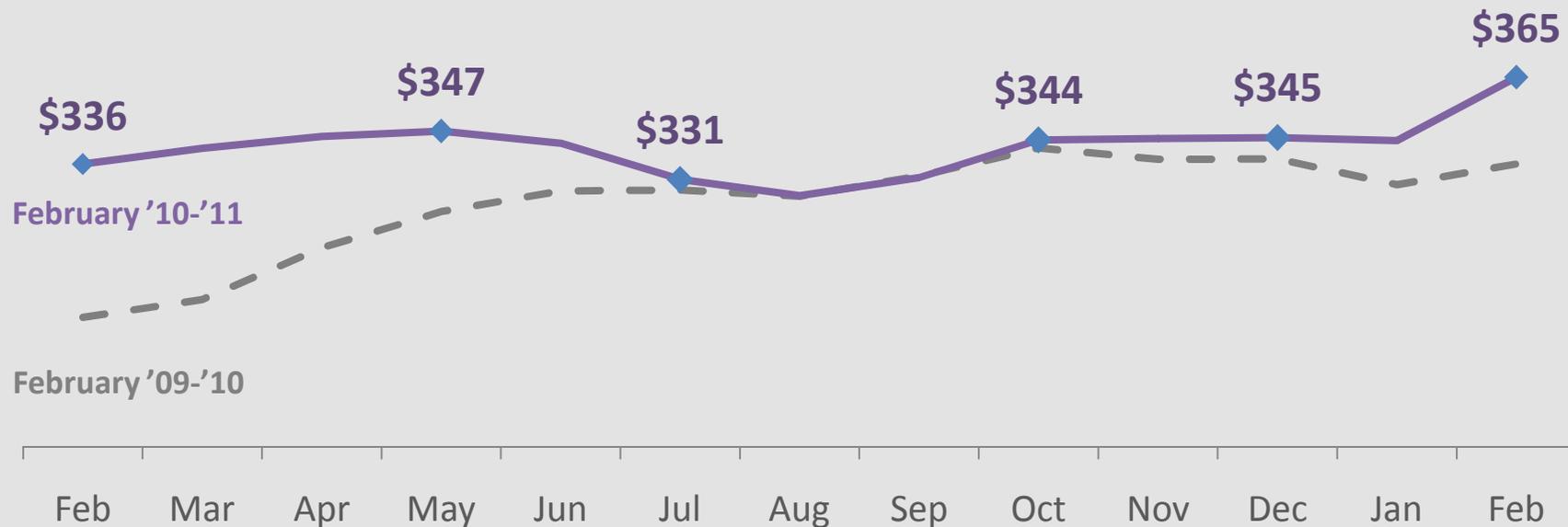


# Home Price

## *In Thousands*



Home prices reached a new high in February. The average home price was \$365,192—up 8.76% from a year ago. Gregory Klump, CREA chief economist stated that prices were skewed upward by a record number of multi-million dollar home sales in the Vancouver area. Otherwise, Klump states that prices remained relatively stable, declining by just 3.4%. Moving forward, stability is likely to continue as new listings pick up and interest rates increase.

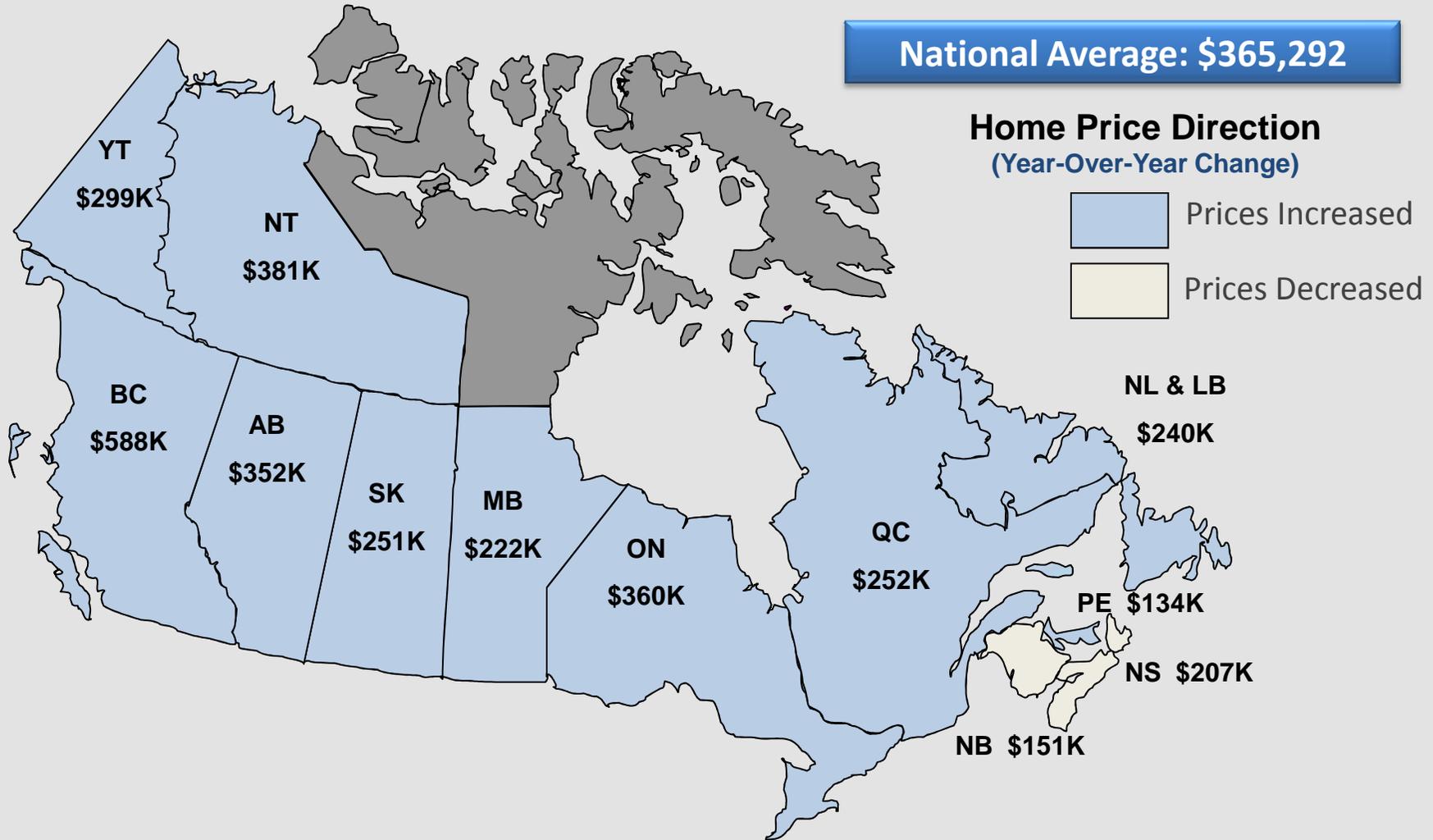




# Home Prices by Province and Territory



9 out of 12 provinces and territories experienced an increase in home prices



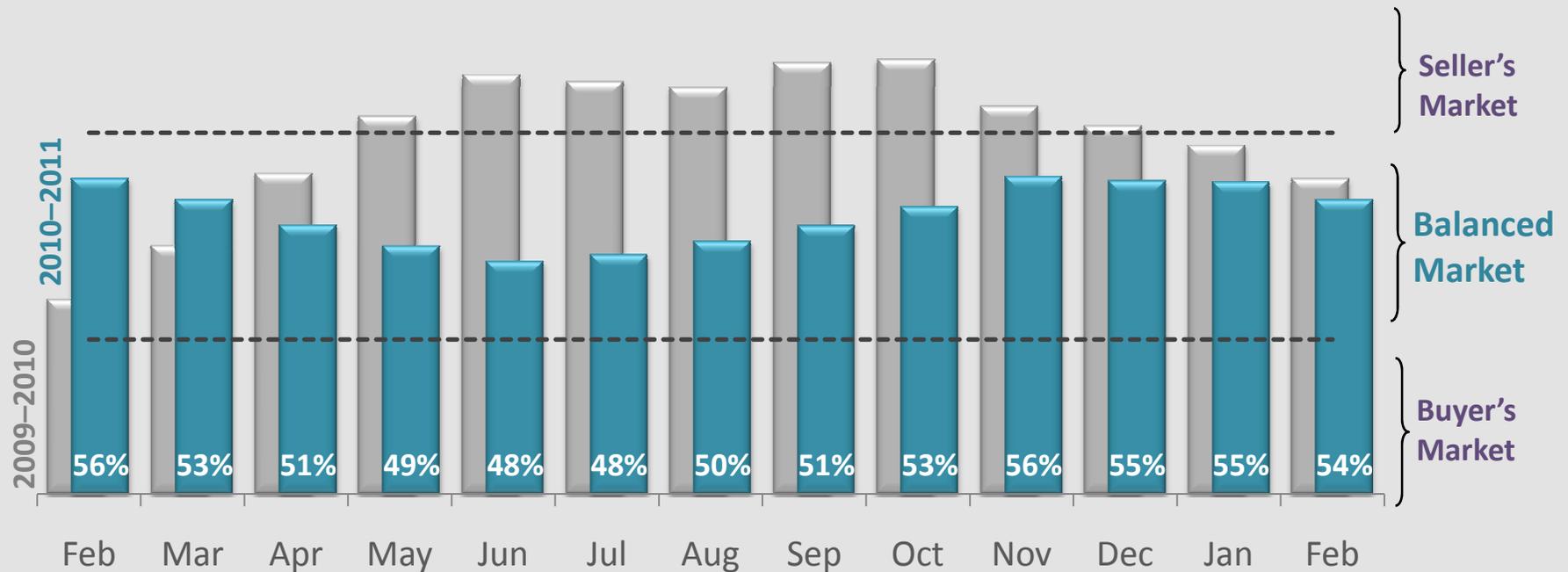


# Inventory — Number of homes available for sale

## Sales-to-New Listings Ratio



The national housing market remained in balanced territory in February. The number of new listings rose by just 1.5% compared to the previous month. The stability of the number of months' supply of homes on the market remained stable, increasing to 5.7 months from 5.5. Balanced inventory bodes well for the housing market moving forward.





# Mortgage Rates

*Average for 25-Year Amortization, 5-Year Term*



Low interest rates and stabilizing home prices continue to open up homeownership to an increasing number of Canadians. As widespread global recovery gains further footing, rates will increase to combat inflation and keep it near the 2% target. In fact, rates already have come back up to last year's level from record lows in December and January.

Type	Rate
1-Year Mortgage	3.50%
3-Year Mortgage	4.35%
5-Year Mortgage	5.34%
Historical Average	9.88%



# Special Report

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# Deciding to Buy

When first-time home buyers decide they are ready to buy, it is essential for them to begin the process by carefully assessing their values, wants, and needs—both for the short and for the long term. This is a critical step since consultation sessions normally start with the buyers' values. Afterward, buyers can explore their wants and needs and, once defined, determine actual criteria.

A recent study shows how important the following home-buying factors were to buyers:

1. List Price: 72%
2. Location: 69%
3. Neighborhood: 55%
4. Floor Plan: 37%
5. Square Footage: 28%
6. Schools: 22%

By having the home-buying criteria in mind before walking into a consultation, buyers are off to a better start when meeting with their real estate agent. The consultation allows buyers to fill in any missing gaps within their values, wants, and needs.

# Your Local Market

Although it is important to stay informed about what is going on in the national economy and housing market, many different factors impact the real estate market in your own area.

**Talk to your KW associate for assistance interpreting the conditions in your local market.**



KW associates are equipped with the knowledge and information to help navigate through the home-buying or selling process in any market.

# About Keller Williams Realty

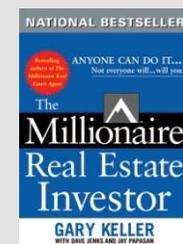
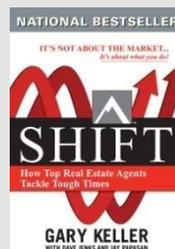


Founded in 1983, Keller Williams Realty, Inc. is an international real estate company with more than 80,000 associates and 686 offices located across the United States and Canada. The company began franchising in 1991, and following years of phenomenal growth and success, now stands as one of North America's leading real estate companies.

The company has succeeded by treating its associates as partners and sharing its knowledge, policy control, and company profits on a system-wide basis.

Focusing on helping associates realize their fullest potential, Keller Williams Realty is known as an industry leader in its family culture, unmatched education, profit-sharing business model, phenomenal coaching programs, and technology offerings.

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