



# This Month in Real Estate

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# Commentary

The housing market's balanced position remains firm as it transitions from an extended period of strong growth during the early 2000s to one of moderate and sustainable momentum. While an unusually high number of multimillion dollar home sales in some of Canada's priciest markets continues to skew average home prices upward, these sales are impacting the overall average price less than earlier this year.

Two forces are expected to balance out in the market moving forward: the upward momentum of the economy and higher interest rates. As the economy continues to strengthen with sustainable growth, economists anticipate an increase in demand from rising employment and household incomes. Continued immigration will likely also add to demand. Interest rates are expected to rise slowly but steadily by 2 percentage points by the end of 2012. This will temper demand by increasing the cost to own a home but is not anticipated to "deep freeze" the market.

In summary, improved affordability, balanced markets, and low mortgage rates are proving favorable to both buyers and sellers.



# The Numbers That Drive Real Estate

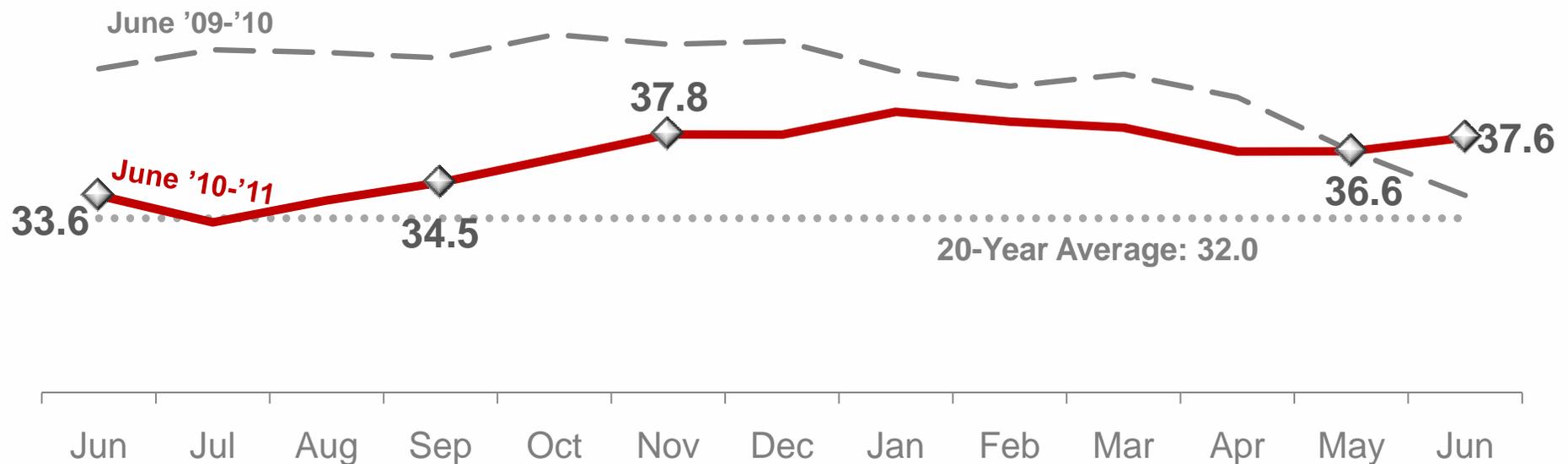
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# Home Sales

*In Thousands*



Resale housing activity increased by 2.6% from May to June, and for the first time since April 2010, was above year-ago levels. Sales are expected to continue on a steady path after a period of robust growth over the past decade.

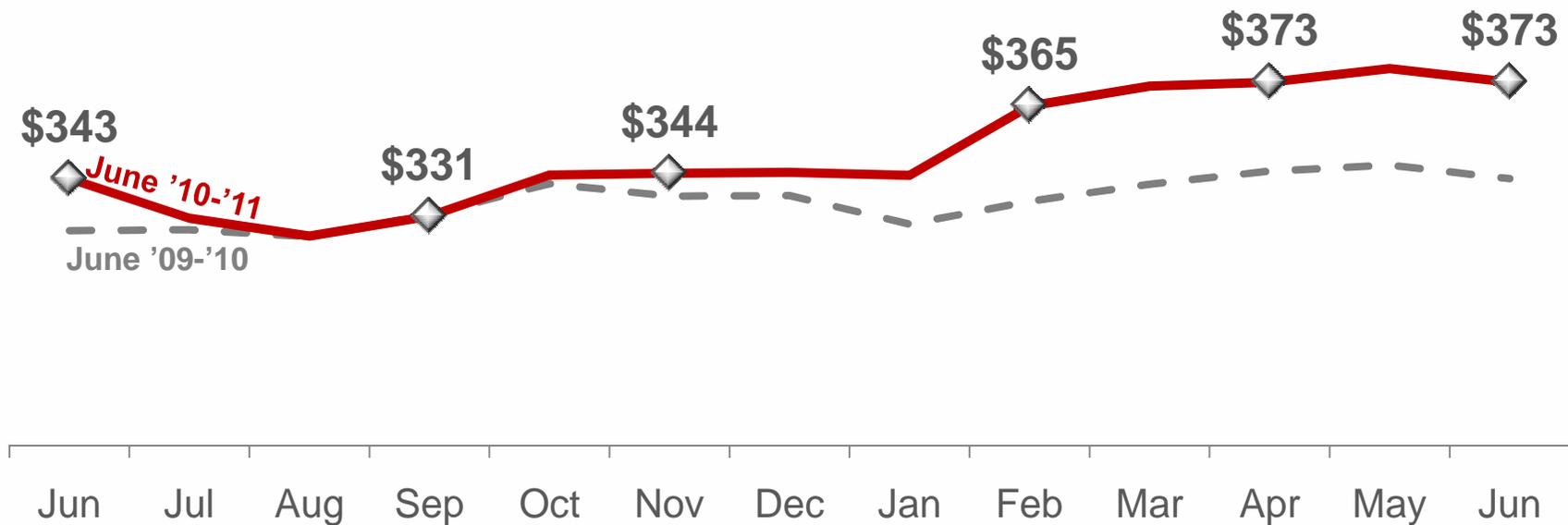


# Home Price

*In Thousands*

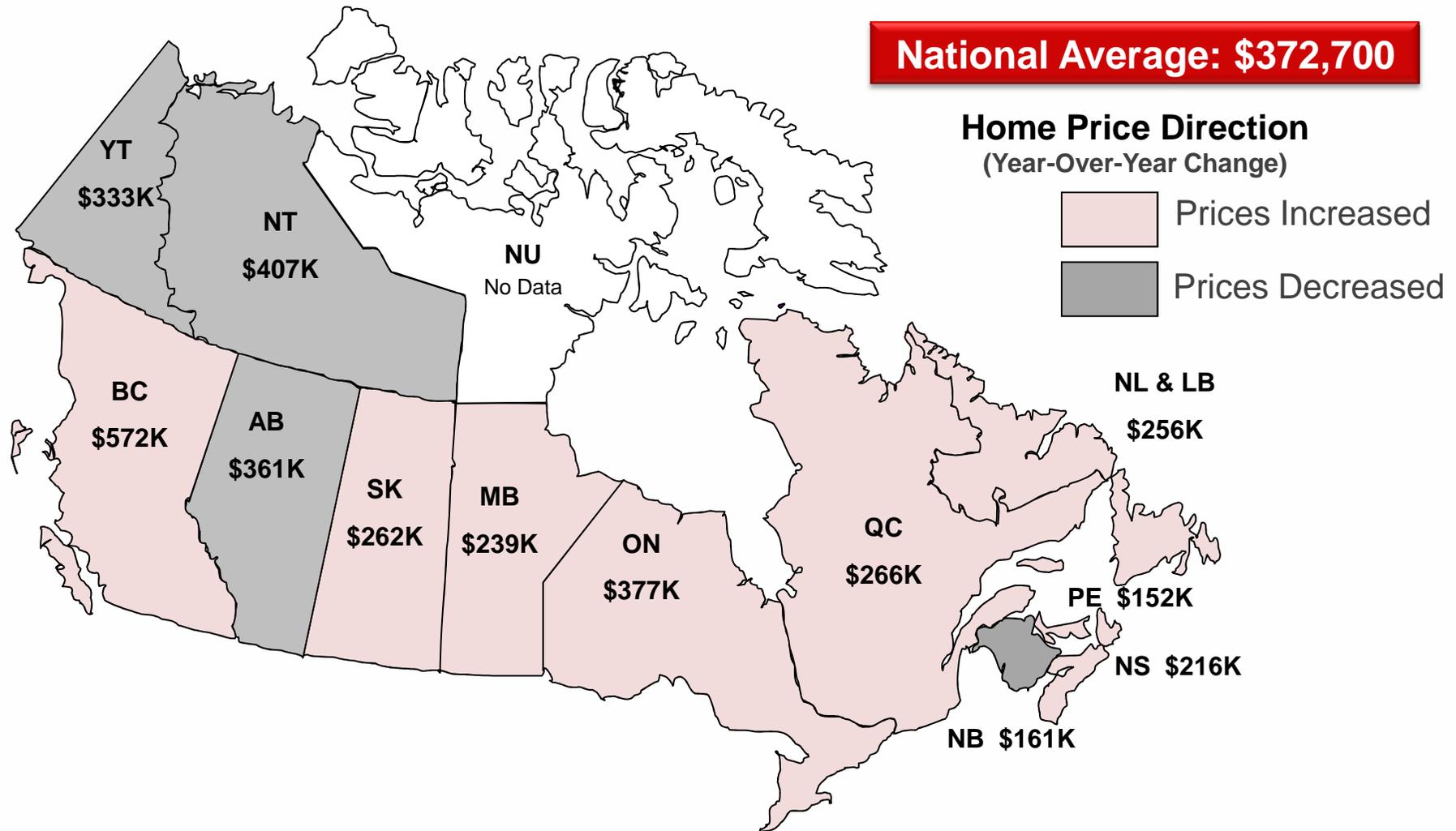


The average home price in June stood at \$373,700—up 8.7% from a year ago. This June marked the fifth consecutive month in which the national average price was up 8% year over year. An 18% increase in Vancouver home prices accounts for half of the increase for Canada as a whole during the first half of 2011. Overall, long-term stability is expected to resume. The Royal Bank of Canada anticipates a slower but healthy 4.2% increase in overall prices during 2011 compared to 2010.



# Home Prices by Province and Territory

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

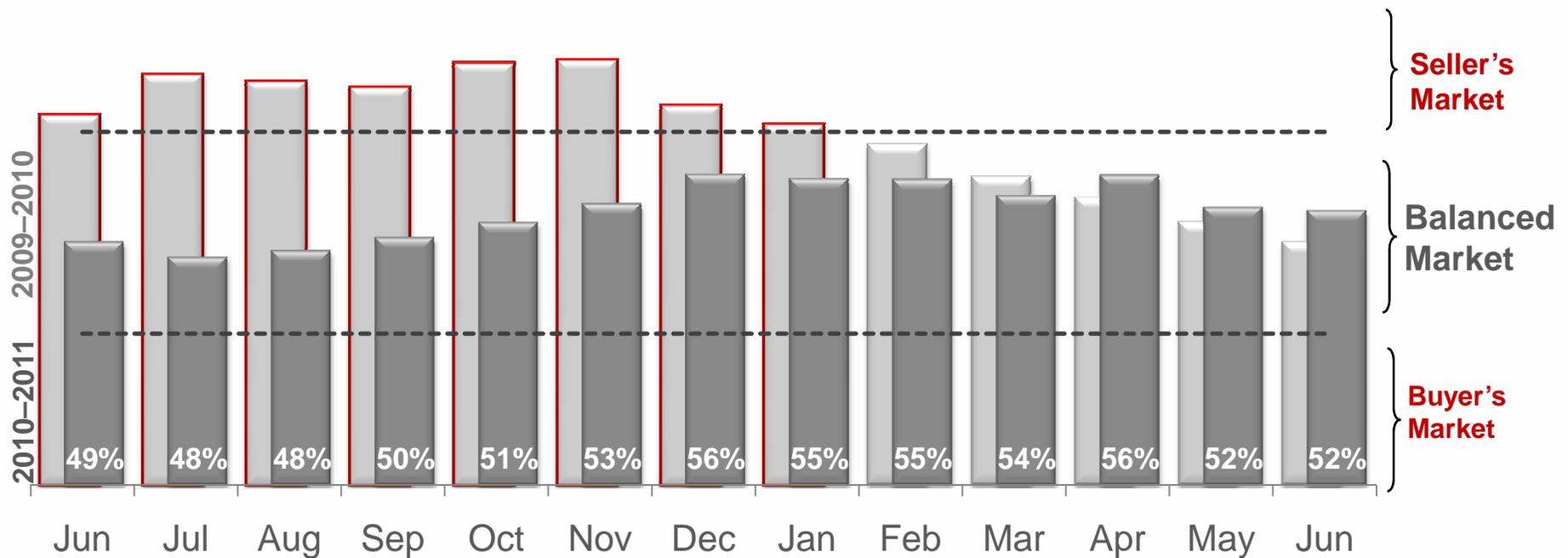


# Inventory — *Number of homes available for sale*

## *Sales-to-New Listings Ratio*



The national housing market remained steadily in balanced territory in June, as illustrated by the sales-to-new listings ratio. More than three-fifths of local markets in Canada were balanced in June with the remainder classified as seller's markets. The months' supply of homes on the market remained stable and is currently at 6 months. Balanced inventory is a good sign for the housing market moving forward.



# Mortgage Rates

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



Low interest rates and stabilizing home prices are bringing homeownership within reach for an increasing number of Canadians. As widespread global recovery gains a stronger footing, rates are expected to increase to keep inflation near the 2% target. Rates have already started to return 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	5.39%
Historical Average	9.78%



# Special Report

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# Energy Saving Tips

Summertime is fun time! It's also the peak season for electricity use in Canada. To avoid energy bill shock and enjoy an energy-efficient summer, follow these tips:

1. **Have your central air conditioning checked annually** by a professional HVAC technician to ensure it is functioning at its best capacity.
2. **Replace the air filters every three months** to keep dust out of the ducts, especially if you've had renovations done in your home.
3. **Keep the vents clear** of carpets, drapery, and furniture, and close the vents in rooms that you don't use often.
4. **Install a programmable thermostat.** This will allow you to turn the temperature up during the day when nobody is home and at night when the temperature goes down. Turning the thermostat up by 1° C can lower your electricity bill by up to 5%.
5. **Use ceiling or room fans** as they can do a good job of cooling your house while using a lot less energy than central air units.
6. **Top up the insulation** in the attic and seal air leaks around windows and doors. This will help save energy in both summer and winter.
7. **Get rid of old inefficient appliances.** While the federal government has cancelled the ecoENERGY retrofit program, many provinces and municipalities still offer incentives.

For more information on incentives available in your area, check out [Natural Resources Canada's Incentives and Rebates](#).

# 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 your real estate market.

**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.

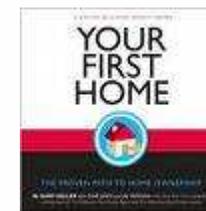
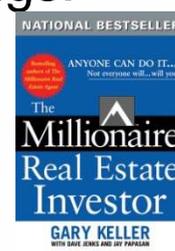
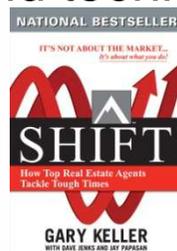
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The company has succeeded by treating its associates as partners and sharing its knowledge, policy control, and company profits on a systemwide basis.

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