



# This Month in Real Estate

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The national housing market remains firmly balanced. Year-to-date sales continue on pace with the ten-year average. According to Gary Morose, CREA president, "Canada's housing market remains stable amid continuing financial market volatility, contributing to Canadians' confidence in the economy and providing support for Canadian economic growth."

Although the Bank of Canada is anticipating a brief recession in Europe, it believes it will stay contained in the euro zone. This has called for a slight downward adjustment to expected growth over the next two years yet the overall picture for Canada continues to point toward steady and stable growth—a welcome signal in the context of turbulent economies around the globe.

A well-balanced housing market provides level playing field with opportunities for both buyers and sellers. Interest rates remain historically low and present buyers with extremely favourable financing so the time to act is now, because as global recovery regains its footing, rates will likely rise to keep inflation in check.



# The Numbers That Drive Real Estate

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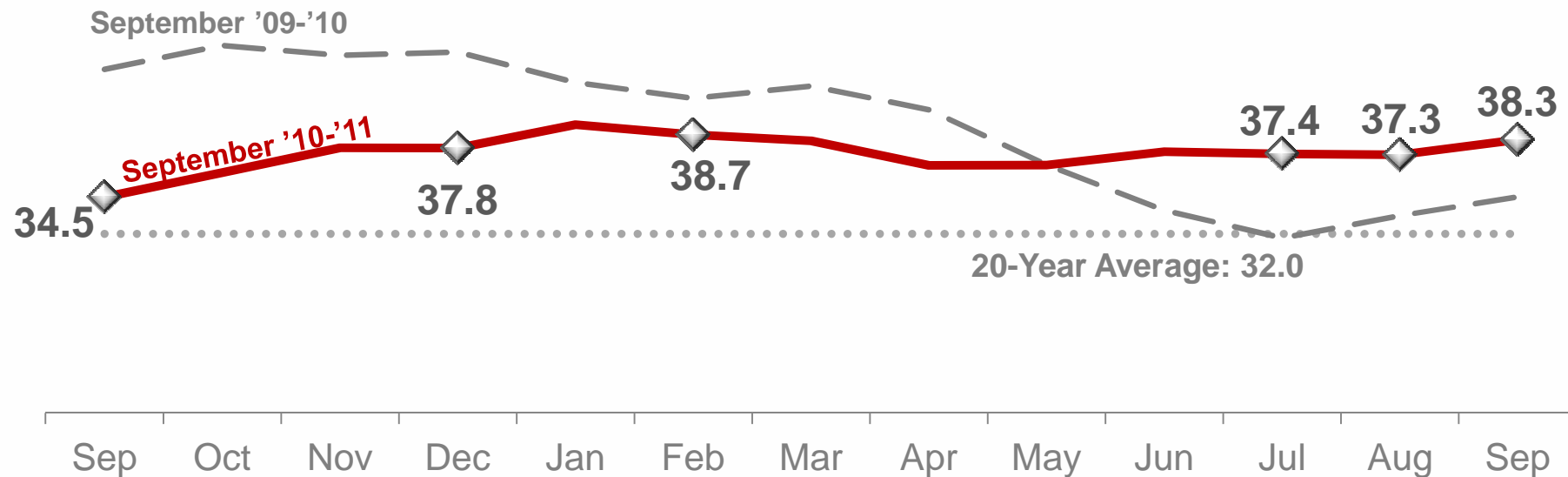
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# Home Sales

*In Thousands*



Resale housing activity ticked up slightly by 2.7% after three months of stability. Although it largely reflects a gain over the weakened activity one year ago, this marks the fourth time since April 2010 that sales were up year-over-year. Moving forward, sales are expected to remain stable.

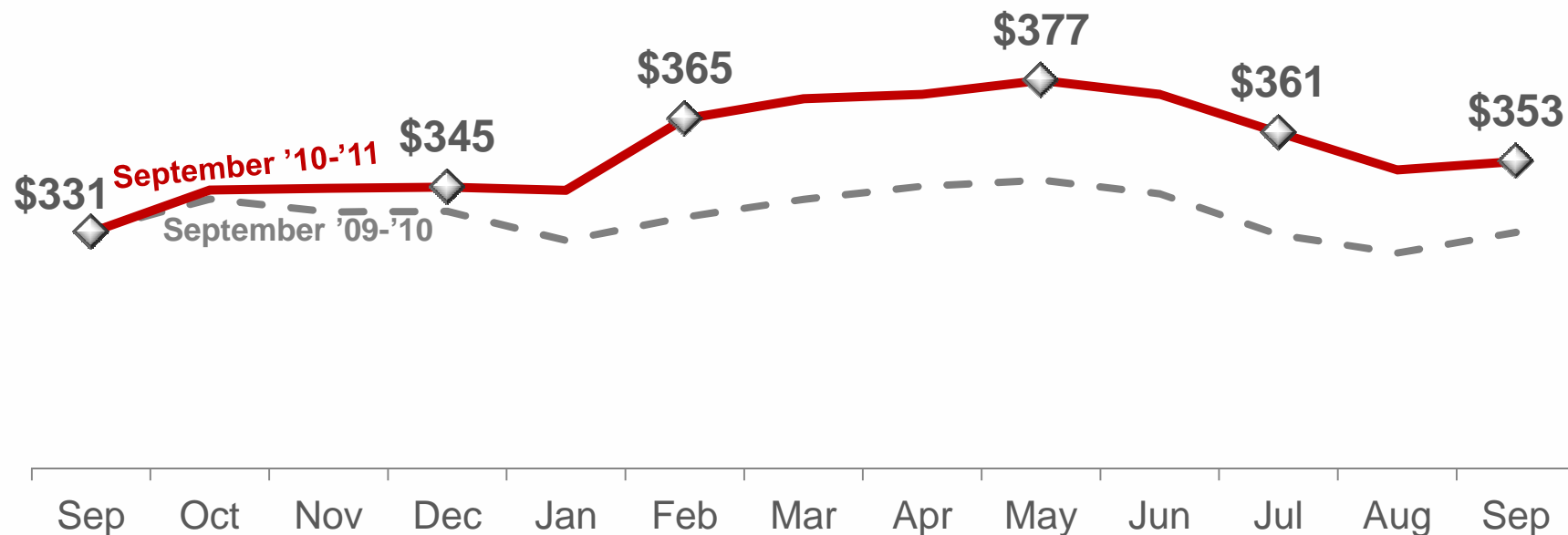


# Home Price

*In Thousands*

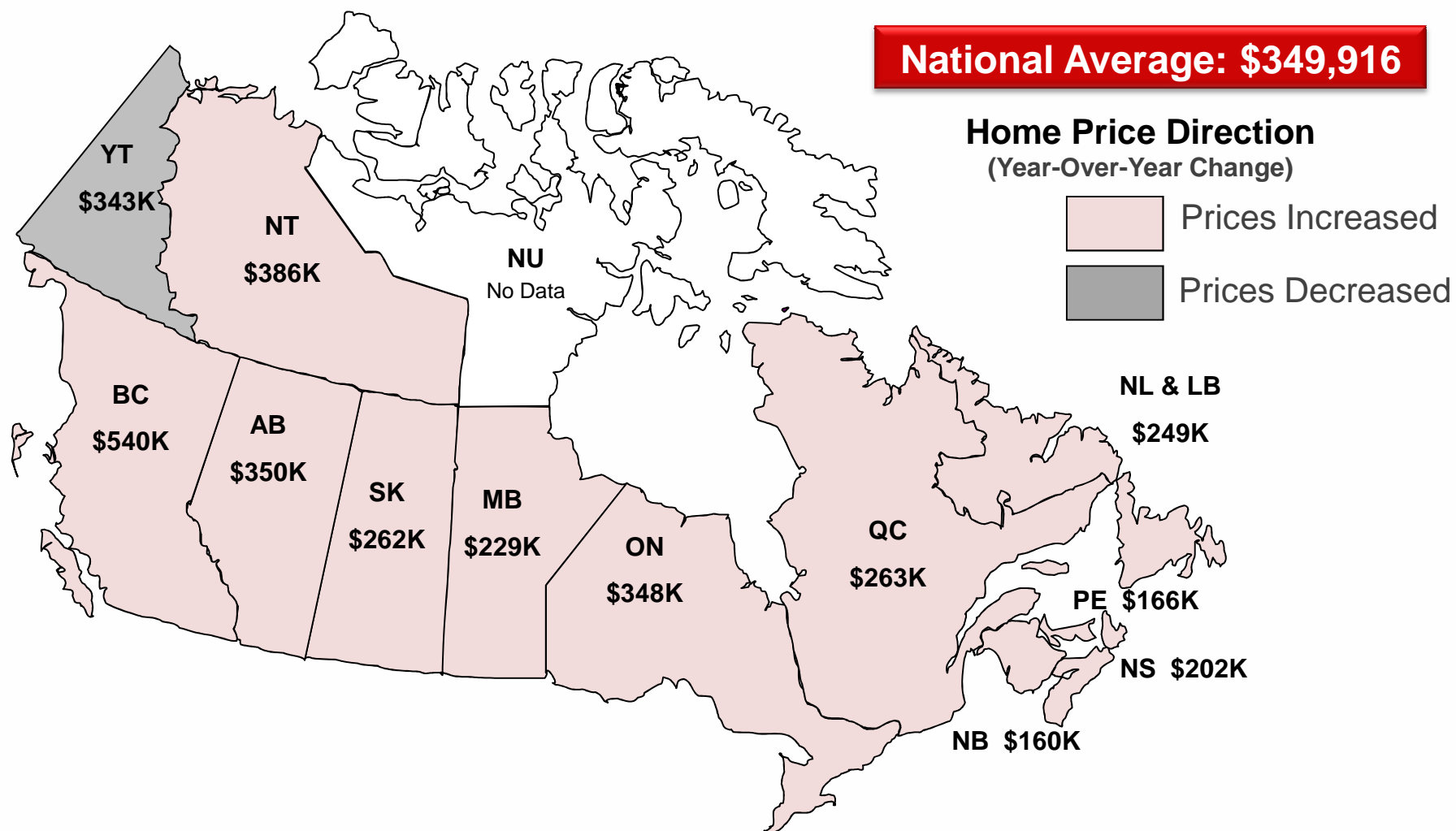


The average home price in September stood at \$352,581—up 0.7% from last month, yet still up 6.5% over last year. Earlier this year, elevated sales of higher-end homes skewed the national average price higher. The drop in average price compared to earlier this year is more a result of sales in the most expensive markets coming back in line with normal levels, rather than a depreciation of overall home values. This should have a minimal, if any, effect on buyers and sellers.



# Home Prices by Province and Territory

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

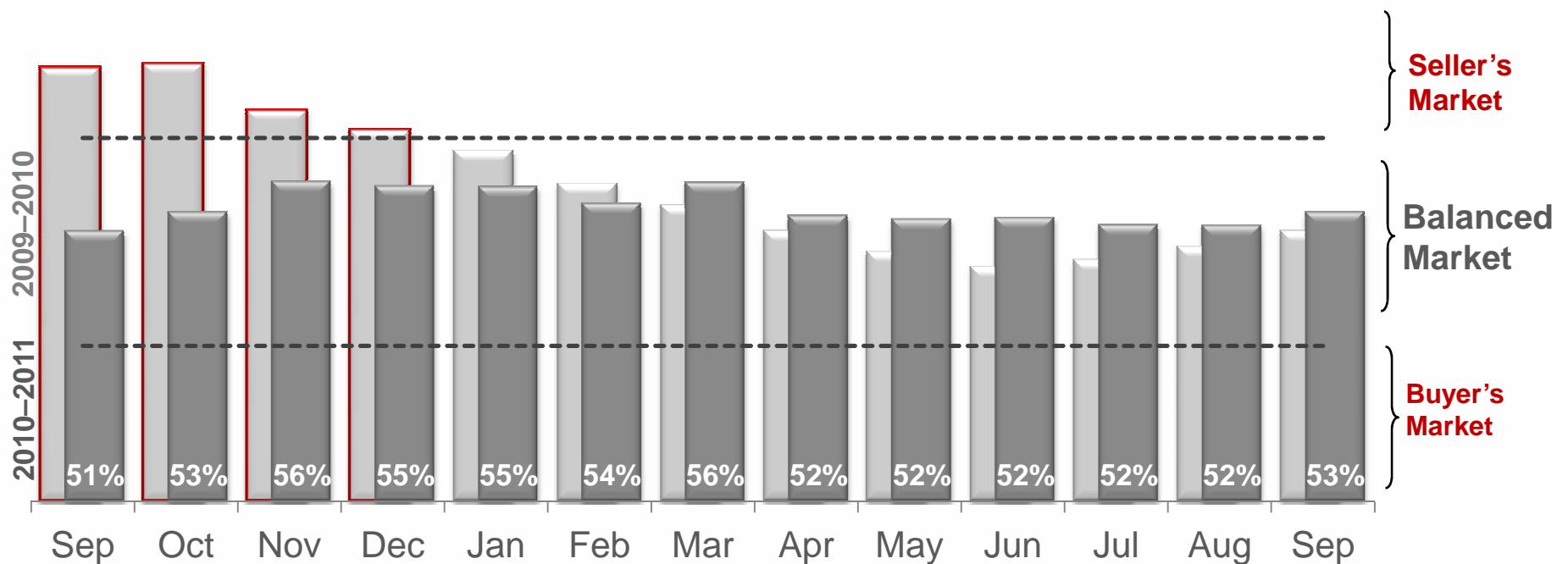


# Inventory — *Number of homes available for sale*

## *Sales-to-New Listings Ratio*



The national housing market remained balanced in September, and marked the first increase in sales-to-new listings ratio to 53% after five consecutive months at 52%. Balanced inventory indicates a greater likelihood of a steady and stable market in the coming months, which 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 home ownership within reach for an increasing number of Canadians. When widespread global recovery gains a stronger footing, rates are expected to increase to keep inflation near the 2% target. The Bank of Canada has lost urgency for additional rate hikes, given the increasing concerns over debt levels in Europe and weakening economic indicators in the United States. The low rates offer increased affordability for home buyers.

Type	Rate
1-Year Mortgage	3.50%
3-Year Mortgage	4.05%
5-Year Mortgage	5.29%
Historical Average	9.78%





# Special Report

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# Green Your Home



Did you know that the housing and building industry accounts for nearly 40% of the world's energy and raw material consumption? Our ability to “green our homes” truly has the ability to change the world. The principles of green are really about understanding priorities for a well-lived life—living healthy, being smart with money, and acting more sustainably.

We typically spend more than 80% of our nonworking or commuting hours inside our homes. Because we spend so much of our lives inside, it only makes sense we make a healthy inside zone the first priority. Here are a few DIY tips from *Green Your Home* to get you started:

- 1. Cross-Ventilate.** An average adult takes in more than 14,000 breaths—or about 3,000 gallons of air—a day! Surprisingly, you are more likely to breathe polluted air inside your home than outside—even in cities like Los Angeles, which aren't known for air quality. Opening one window won't cut it... you need cross-ventilation so the breeze actually blows through your home, taking the pollutions back out with it. Open a front door and a back door, or one window upstairs and one downstairs.
- 2. Lighten Up.** Simply swapping out the five most commonly used incandescent bulbs for CFLs or LEDs in your home can save you \$60 to \$100 a year. Combined with well-designed artificial lighting, natural lighting is also a great way to boost efficiency.
- 3. Low Flow.** American families use about 400 gallons of water a day, and 70% of that is used inside the home. The majority is used in the bathroom: the average person flushes the toilet 2,500 times a year. Transform your home's toilet from water-waster to water-miser for cheap. Place a brick or 2-liter plastic bottle filled with water into your toilet's tank. The volume of these objects means less water will be needed to fill your tank—you've just created your own low-flow toilet. Also, be sure and have a leaky or running toilet fixed by a plumbing professional immediately.

For more tips, buy your copy of *Green Your Home* now at [www.kellerink.com/greengreenyourhome](http://www.kellerink.com/greengreenyourhome)

# Bank of Canada: Interest Rates Stay Steady



At its most recent meeting, the Bank of Canada kept the interest rate steady for the ninth consecutive time.

Although the Bank expects Canada's strong economic fundamentals to insulate the country at large, it noted several risks across the globe. Namely, it now expects a brief recession in Europe.

Although additional risk is expected to remain contained on the eastern side of the Atlantic, this has prompted a revision of growth expectations for Canada. Projected gross domestic product (GDP), a major indicator of economic growth, fell from 2.8% to 2.1% for 2011 and from 2.6% to 1.9% for 2012.

The Bank will likely be in no hurry to hike interest rates in this environment. While noting additional risk, it's important to trust in the relative strength and stability of the domestic economy.

# 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.**

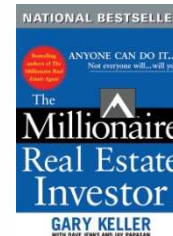


KW associates are equipped with the knowledge and information to help navigate through the home-buying or selling process in any market.

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