



**Released:
August 7, 2010**

Commentary	2
The Numbers That Drive Real Estate	3
Special Reports	9
Topics for Home Buyers, Sellers, and Owners	11

Commentary

Canada's housing market continues to swing back into balance. Coming off a hot market, home sales are falling in line with the historic average and home prices are falling in line with historic price-appreciation levels. Although not as exciting as the record-breaking activity seen earlier this year, this period of slower growth is necessary for long-term stability.

Likewise, the outlook for the Canadian economy, employment, and mortgage market remains upbeat, but tempered. The second month of record-breaking number of jobs created is a good indicator of strength. Canada will continue to be somewhat susceptible to global economic movements, and the Bank of Canada intends to monitor both the domestic and global economy as it makes further decisions about interest rate increases.

Overall, the outlook remains cautiously optimistic, but it is widely recognized that the Canadian economy remains strong, resilient, and stable compared to other major economies.



The Numbers That Drive Real Estate

Home Sales	4
Home Price	5
Inventory	7
Mortgage Rates	8

Brought to you by:
KW Research

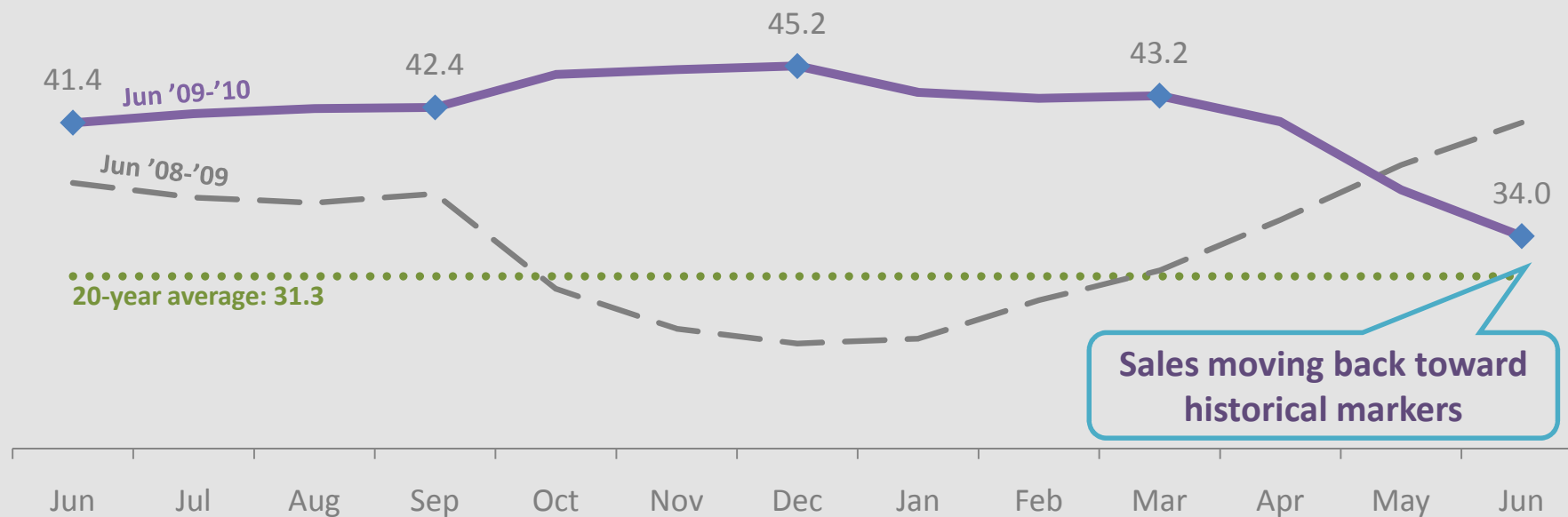


Home Sales

In Thousands



Existing home sales activity totaled 33,959 units in June, down 8.2% from the previous month as sales trend back toward the 20 year average. This departure from the seasonal norm is considered by some to be the effects of changes to mortgage regulations and rising interest rates that caused buyers to act in April that would have otherwise done so at a later date.



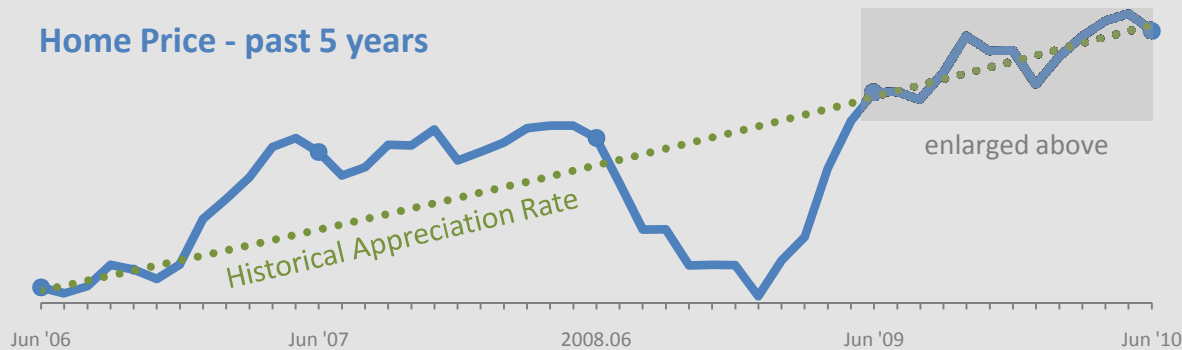
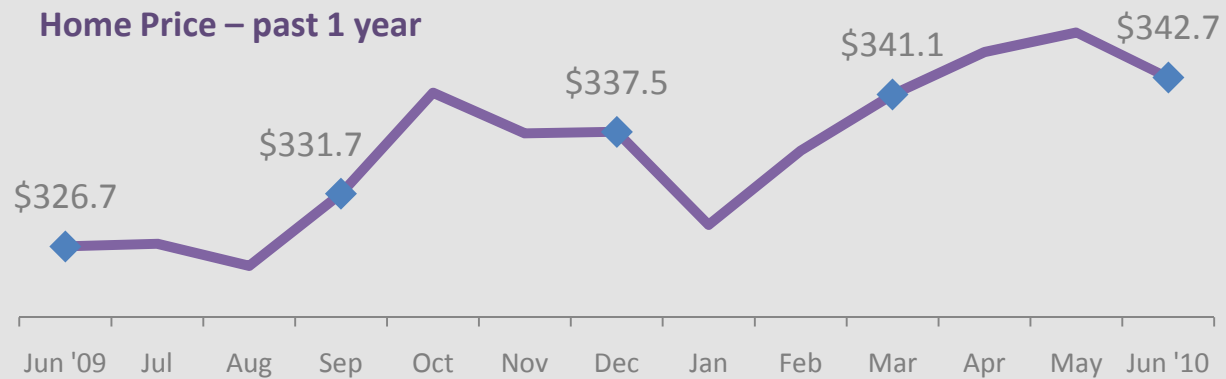


Home Price

In Thousands



The national average home price slid a slight 1.2% to \$342,661 in June from a month ago, but remains 4.9% above year-ago levels. Now that home prices have fallen back in line with the 30-year historic appreciation rate of 5.5%, economists and industry experts expect prices to increase at a slower rate as the market balances.



Data released on July 15, 2010

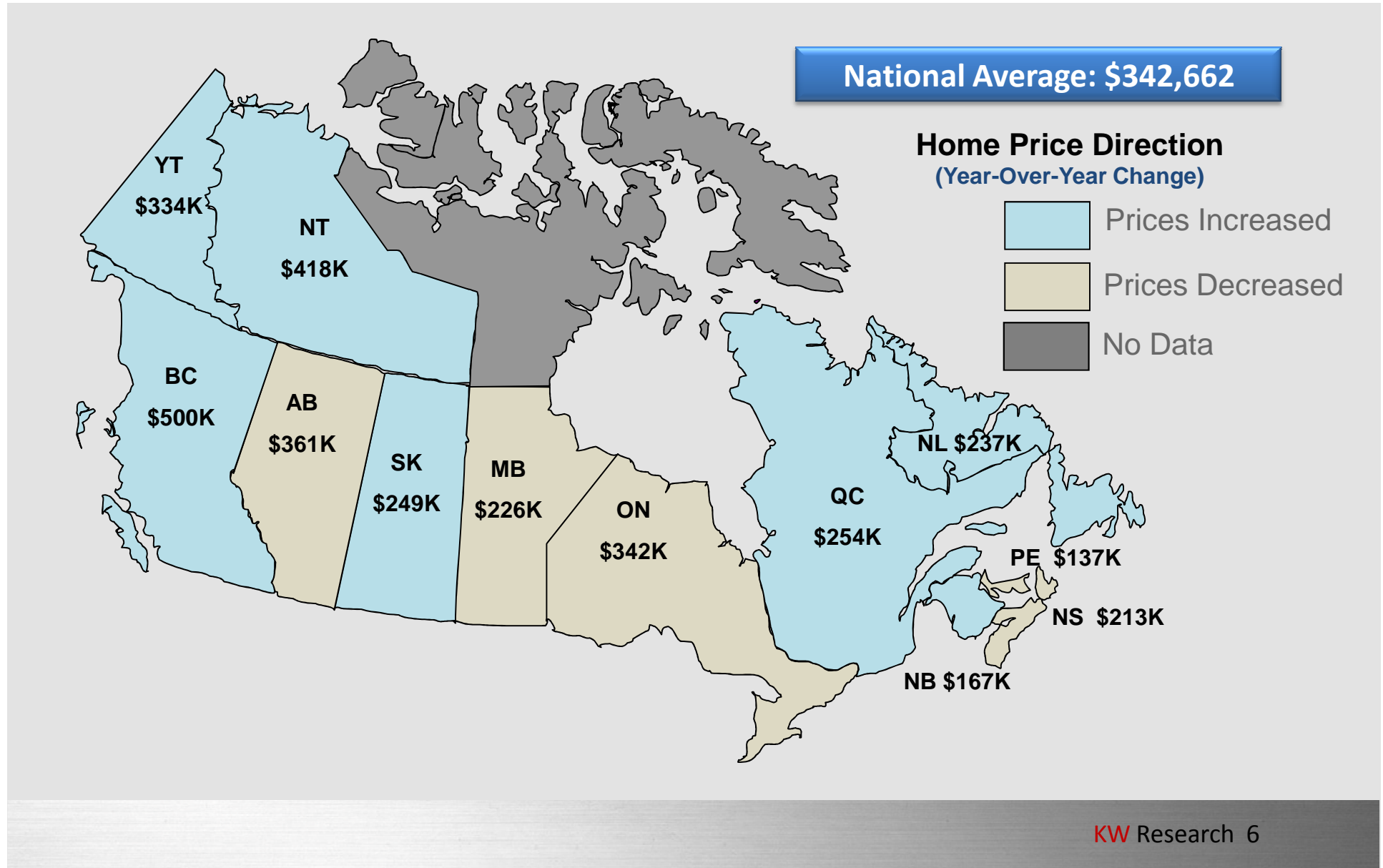
Sources: The Conference Board, CREA, Royal Bank of Canada



Home Prices by Province and Territory



7 out of 12 provinces and territories experienced an increase in home price



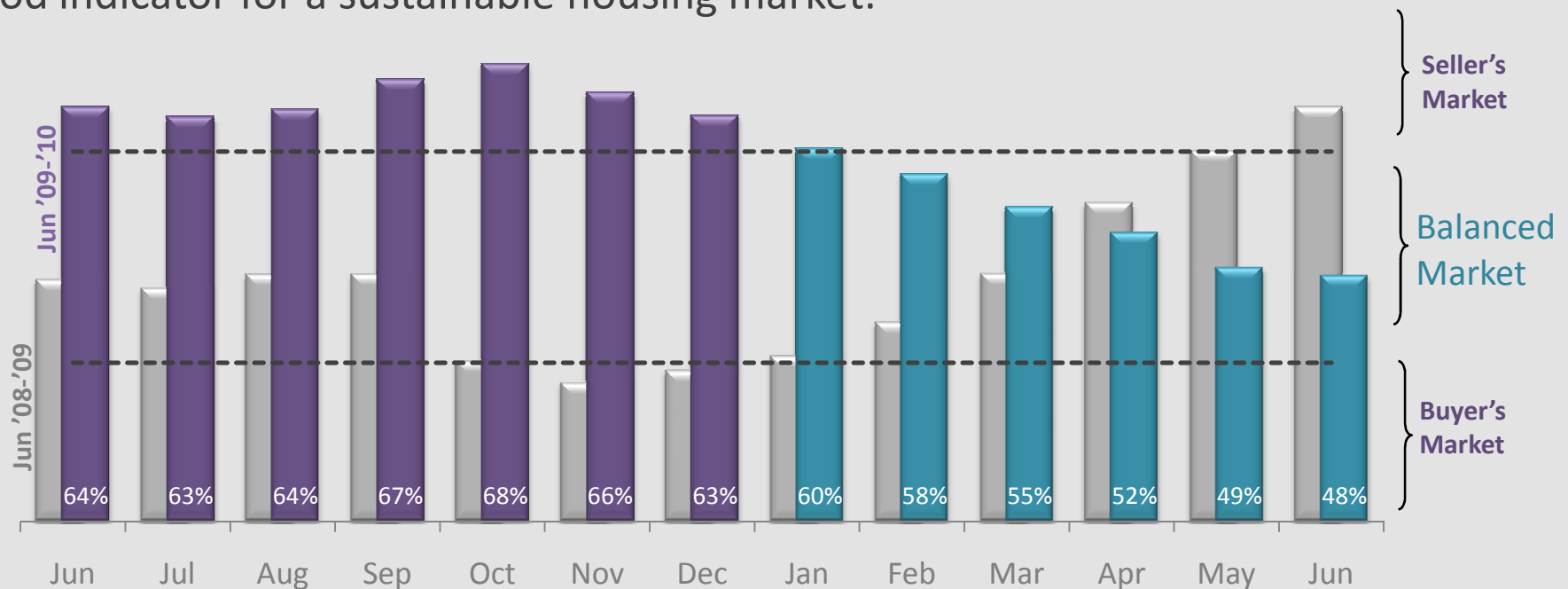


Inventory — Number of homes available for sale

Sales-to-New Listings Ratio



The number of months of inventory measures the amount of time it would take to sell all the homes on the market at the current pace of sales if no new homes become available. There were 6.9 months of inventory in June, which is close to the level seen in March of 2009 when the market began its ascent from balanced conditions into a sellers market. The market is back in balanced territory which is a good indicator for a sustainable housing market.





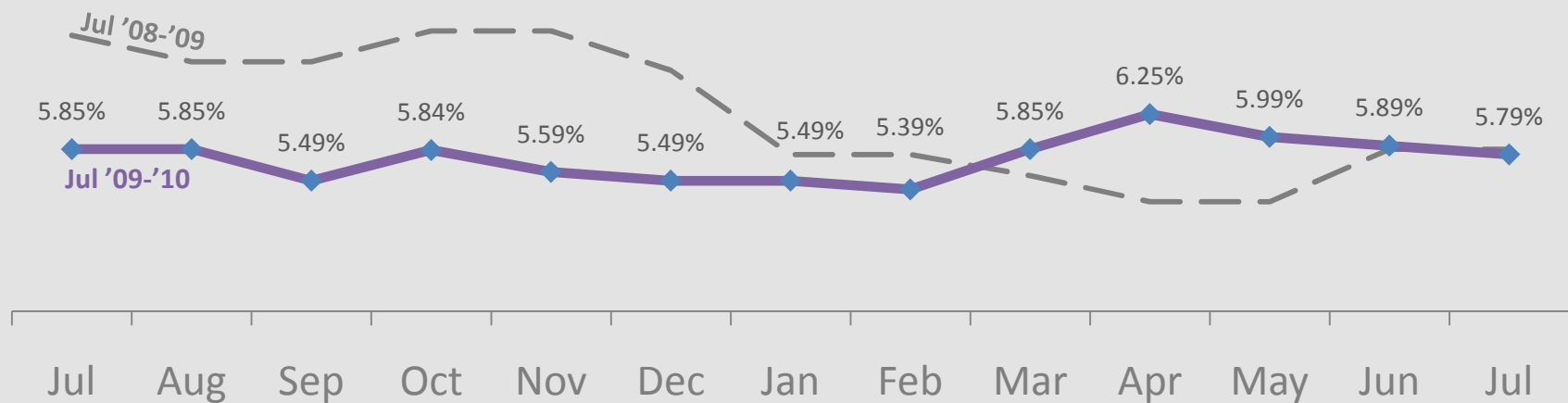
Mortgage Rates

Average for 25-year amortization, 5-year term



Mortgage rates fell slightly to 5.79% for the month of July from 5.89% in June. Interest rates are expected to increase as recovery continues to gain a firmer footing. Now could be a great time to lock in a historically favorable 5 year fixed mortgage rate.

.....
35-year average: 9.94%





Special Reports

**Bank of Canada Raises Key
Interest Rate**

10

Brought to you by:
KW Research



Bank of Canada Raises Interest Rate

Since 2007, the Bank of Canada has either cut rates or kept rates steady. In order to stay close to the 2% target inflation rate, the Bank raised rates 0.25% for the second time in July, following closely behind the first rate increase the previous month. The rate now stands at 0.75%.

While the Canadian economy, and job growth particularly, has been strong lately, the Bank cautioned that it expects economic growth to continue at a slower pace for the remainder of the year. Thus far, the recovery has been driven largely by consumers. Earlier in the year, many chose to take advantage of low interest rates and purchased sooner than they otherwise would have. Going forward, consumers are expected to play a smaller role, while business investment and trade take the lead. This is a good signal for the long-term stability and growth of the economy.



Topics for Home Buyers, Sellers, and Owners

First-Time Buyers

12

First-Time Buyers

10 things to keep in mind while looking for your first home

Interest rates at favorable levels and a wider selection of homes than earlier this year provide an opportunity for first-time buyers to enter the market.

1. **Know what you can afford** before you fall in love with your dream home.
2. **Get a mortgage qualification** to firm up an offer and ensure you and the bank are on the same page about what you can afford.
3. **Consider additional expenses** that come with owning a home but not with an apartment like property tax, insurance, and repairs.
4. **Be flexible on the little things** . It would be wonderful to find a home with everything you want, but those are hard to come by – distinguish nice-to-haves and must-haves early.
5. **Have imagination** and look beyond paint colors, wallpaper, or other easy and affordable things you can change.
6. **See through the smoke** and don't overpay for minor and relatively inexpensive upgrades or for the seller's exquisite furnishings – the house will look different with your decor.
7. **Don't compromise on the big things**, such as enough bedrooms to accommodate additions to the family or space for an office if you work from home.
8. **Always inspect** even if the surface looks great; it's important to know if anything major is wrong and what it will cost to fix.
9. **Hire an agent** who will represent your best interest.
10. **Think about the future** in regard to the neighborhoods, surroundings, schools, and developments.

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 all the knowledge and information to help navigate you through the home-buying or selling process in any market.

About Keller Williams Realty

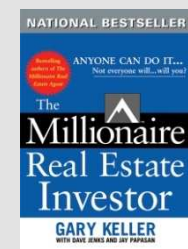
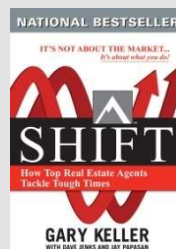


Founded in 1983, Keller Williams Realty, Inc., is an international real estate company with more than 77,000 associates and 677 offices located across the United States and Canada. The company began franchising in 1991, and following years of phenomenal growth and success, became the third-largest U.S. residential real estate firm in 2009.

The company has succeeded by treating its associates as partners and shares 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 program, and technology offerings.

www.kw.com





The opinions expressed in This Month in Real Estate are intended to supplement opinions on real estate expressed by local and national media, local real estate agents and other expert sources. You should not treat any opinion expressed on This Month in Real Estate as a specific inducement to make a particular investment or follow a particular strategy, but only as an expression of opinion. Keller Williams Realty, Inc., does not guarantee and is not responsible for the accuracy or completeness of information, and provides said information without warranties of any kind. All information presented herein is intended and should be used for educational purposes only. Nothing herein should be construed as investment advice. You should always conduct your own research and due diligence and obtain professional advice before making any investment decision. All investments involve some degree of risk. Keller Williams Realty, Inc., will not be liable for any loss or damage caused by your reliance on information contained in This Month in Real Estate.