



**Released:
April 9, 2010**

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Commentary

Canada's economy continues to show its resilience as a "string of indicators suggest Canadian economic growth is robust, and gaining strength."

Inflation has begun to rise, so to keep within the targeted 2 percent, the Bank of Canada plans to follow suit with raising its interest rate. It will not extend the conditional commitment to keep interest rates at historically low rates past the original expiration date this June.

The economy is looking stronger, the housing market is still hot, and confidence has risen. The government previously warned that the loonie's rise to parity with the U.S. dollar could pose potential setbacks for Canadian businesses that export. With much improved demand from the United States and a more entrenched recovery in Canada, the government's tone has changed. Flaherty has stated that the loonie "continues to keep the nation's economy competitive."

While things are certainly looking up from a year earlier, it's important to note that the commodity base of Canada's economy leaves it somewhat susceptible to external forces such as global demand, currency rates, and commodity prices.



The Numbers That Drive Real Estate

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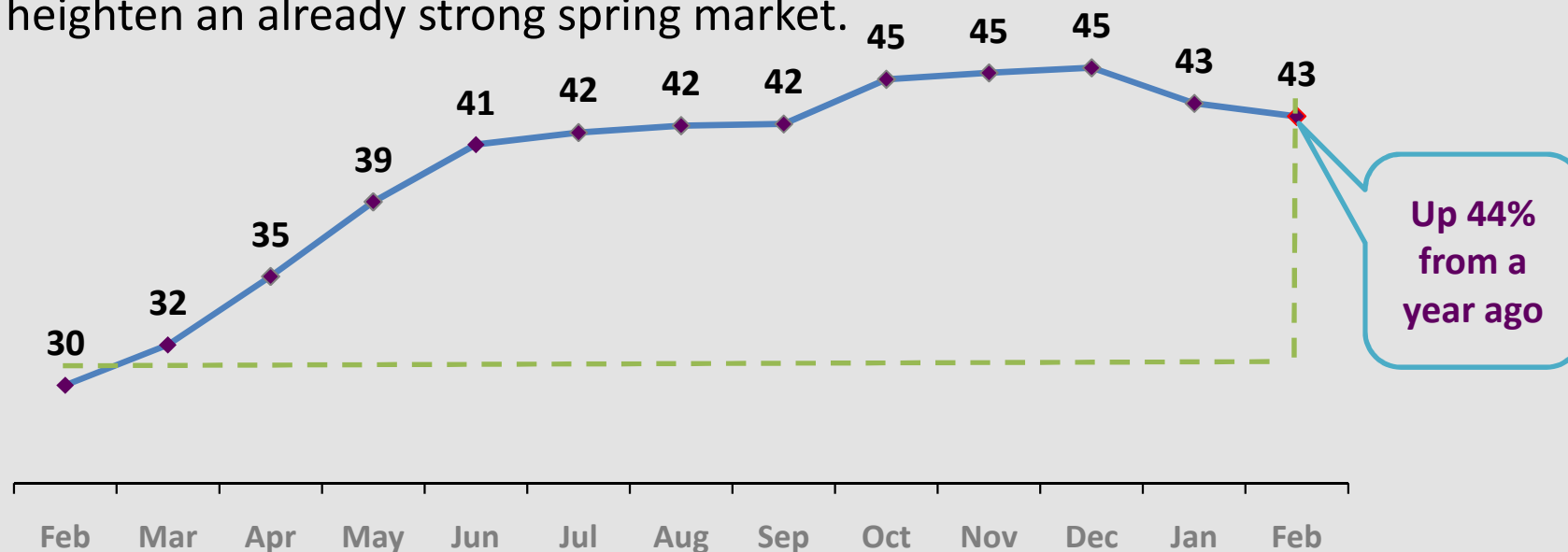


Home Sales

In Thousands



Existing home sales activity totaled 42,799 units in February. This stood 44 percent above activity in February 2009 and was 59 percent above the December 2008 level, when sales reached their lowest levels since June 2000. New, tougher mortgage rules (in effect April 19) the new harmonized sales tax in Ontario and British Columbia (beginning on July 1), and the prospect of higher short-term interest rates in the coming months will act as catalysts to push potential home buyers off the fence and heighten an already strong spring market.



Data released on March 15, 2010

Sources: Conference Board, The Canadian Real Estate Association, Royal Bank of Canada

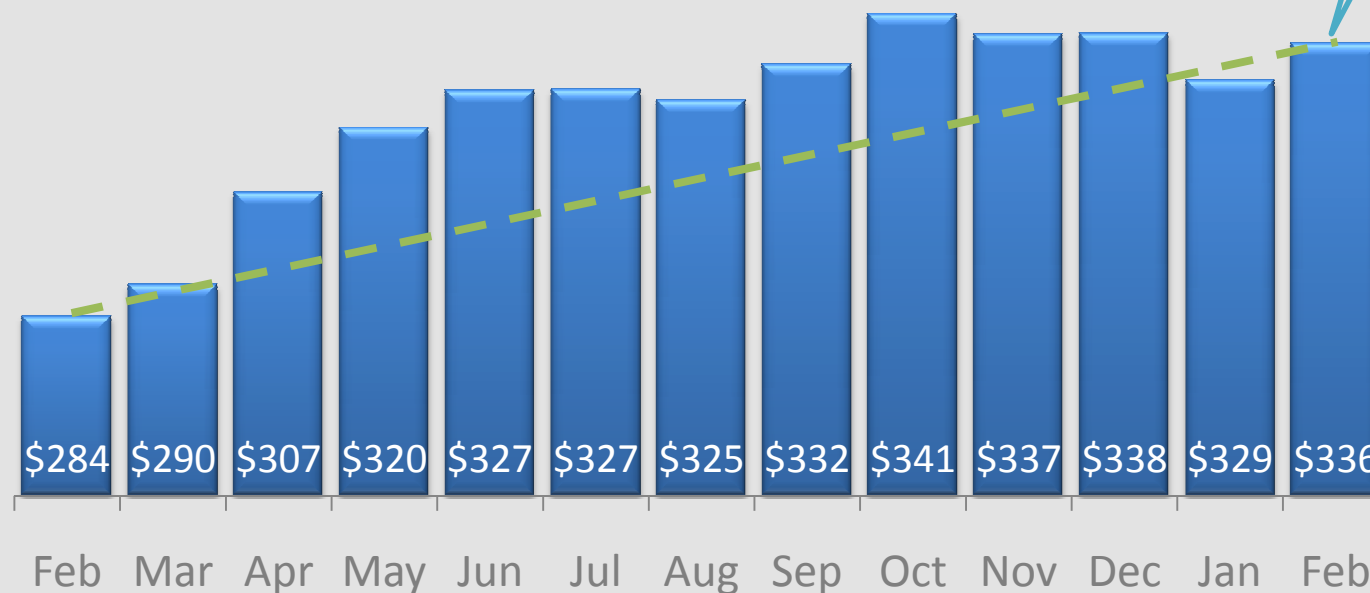


Average Home Price

In Thousands



Low supply and strong demand continued to boost prices. The national average home price was \$335,655 in February, up 18 percent from February 2009 and 22 percent more than January 2009 (when prices fell to the lowest level in almost three years).

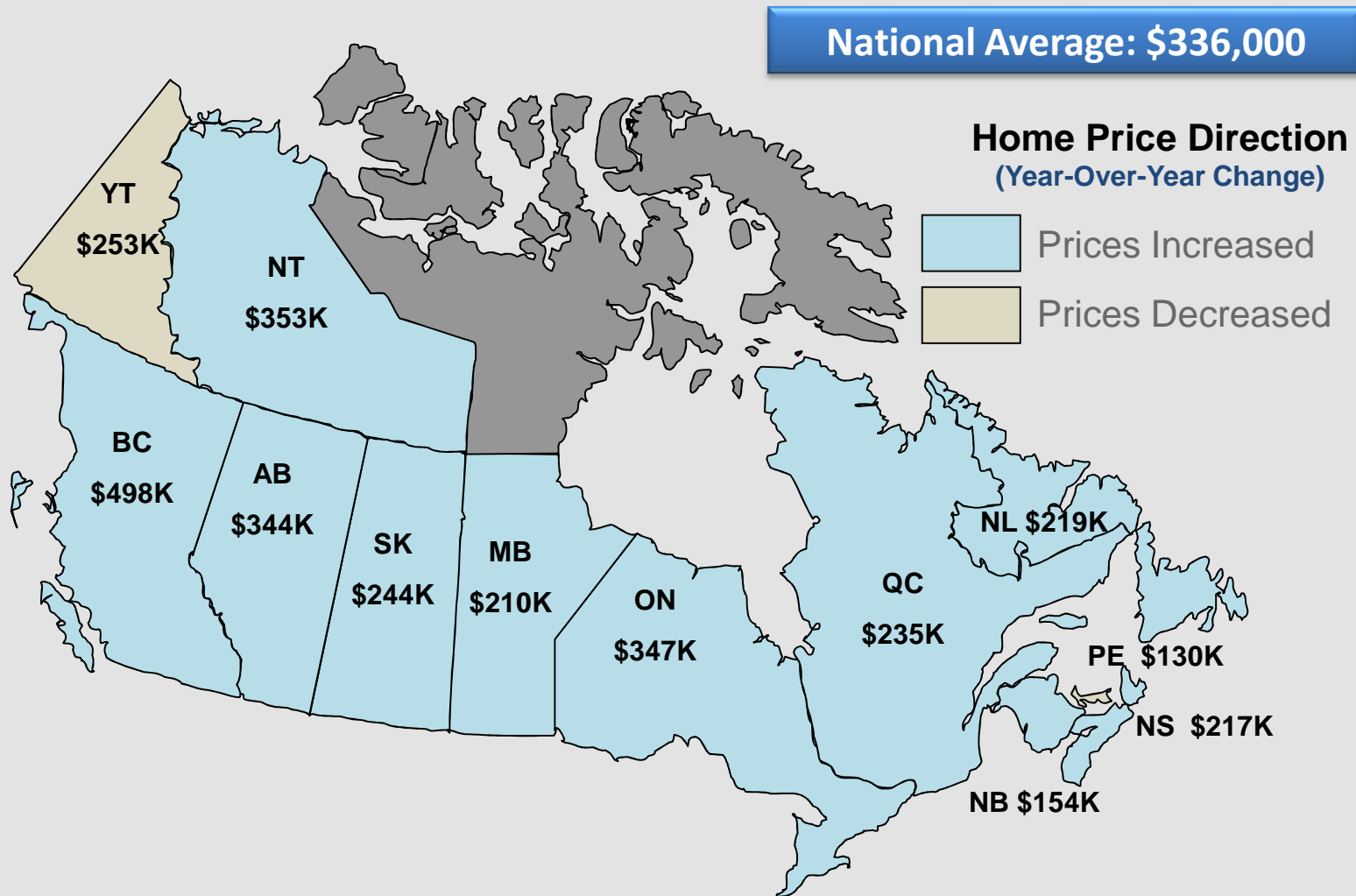




Home Prices by Province and Territory



10 out of 12 Provinces and Territories Experienced an Increase in Home Price



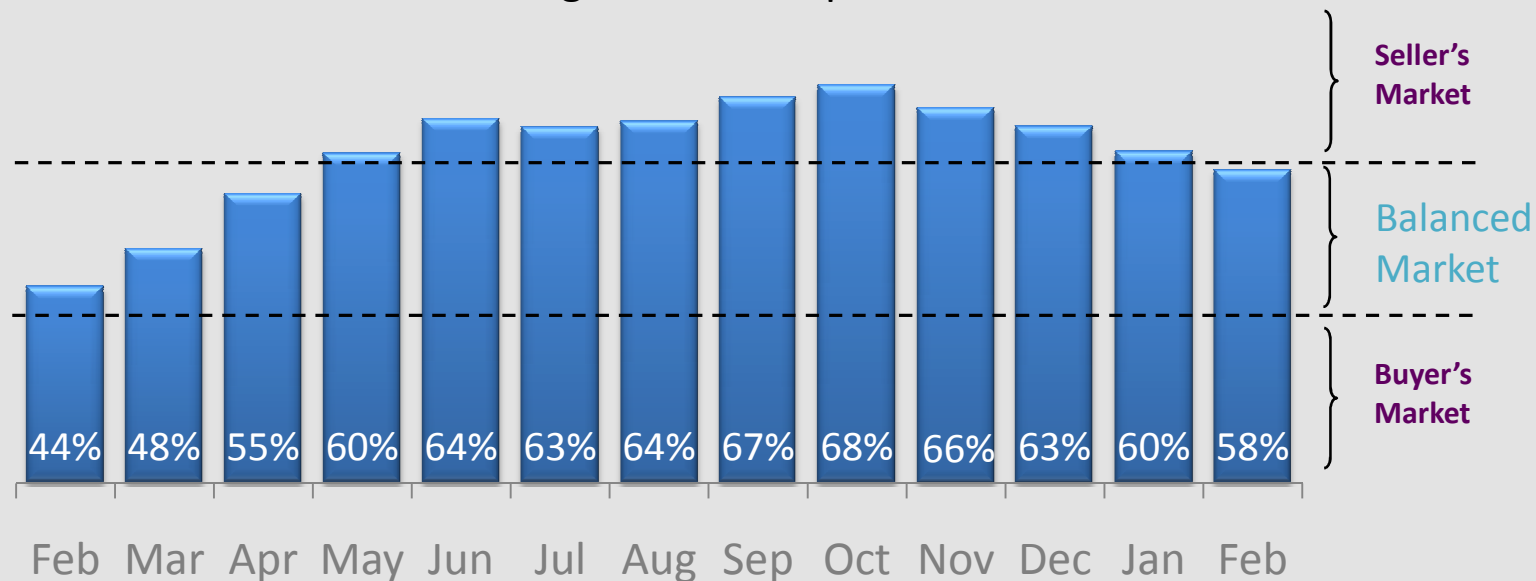


Inventory — *Number of homes available for sale*

Sales-to-Listings Ratio



While new listings edged up 2.4 percent to 73,849 units from January 2010, the highest level since October 2008, strong resale housing demand continued to draw down inventories. At the end of February, there were 15.4 percent fewer homes listed for sale than a year before. Even after three consecutive months of slowly building supply, inventory levels remained near record lows with 4.7 months of homes available for sale. As national sales activity has slowed in recent months while new listings continued to rise, the housing market has become more balanced with a sales-to-listings ratio of 58 percent.



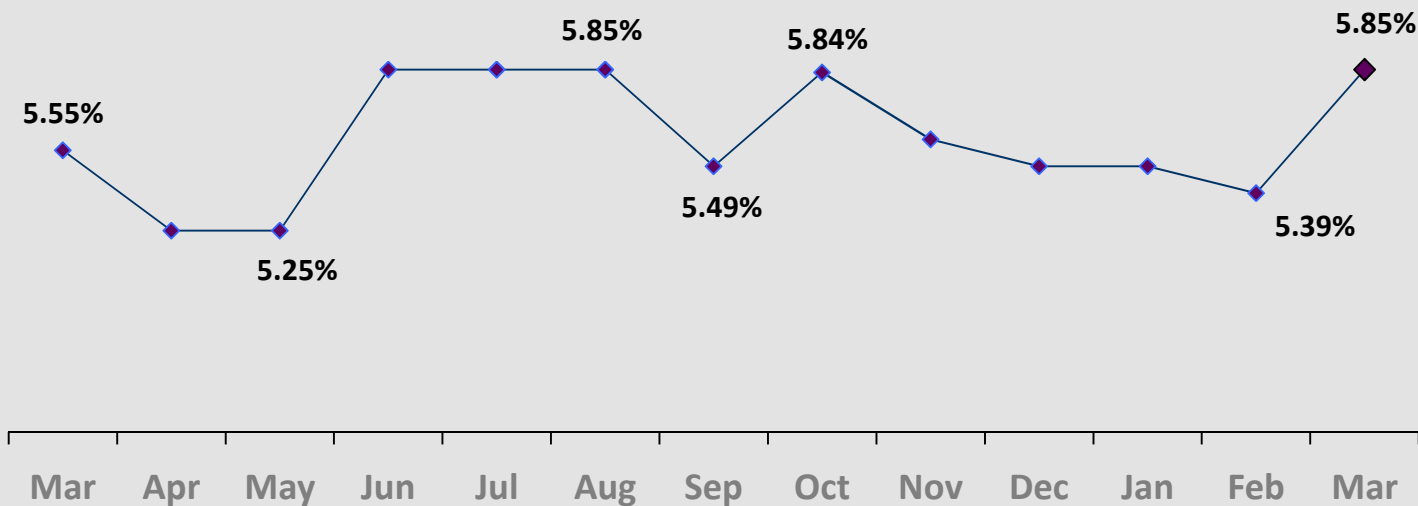


Mortgage Rates

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



In March, the 5-year conventional mortgage rate rose to 5.85 percent. With rates on the upswing indicating that the housing market is poised to cool off, the projected, gradual softening of the market will add to a more sustainable long-term affordability level for many Canadians.





Recent Key Events

2010 Budget

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2010 Budget: Continued Stimulus and Plans to Balance

In early March, the government outlined their plans for the 2010 budget. Experts believe a steady hand in an uncertain global economic environment will help maintain Canada's position as one of the strongest economies.

Flaherty plans to spend the remaining \$19 billion of the \$47 billion two-year stimulus package as outlined in last year's budget.

Although the actual deficit number has been widely debated in the press, the government plans to return to a balanced budget in the coming years through targeted cuts in public service spending, freezing foreign aid, limiting military spending, and raising employment insurance premiums.

Lower corporate income taxes are still on target to be adjusted from 19 percent to 15 percent along with a commitment to free and open trade, as shown through a lack of tariffs, are intended to make Canada an attractive place for businesses to invest.

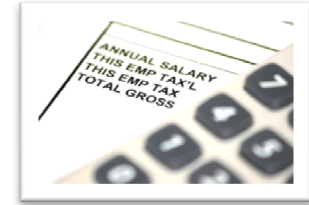


Topics for Home Buyers, Sellers, and Owners

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Mortgage Insurance Changes



Over the past year, Canada's housing market has proven to be robust. Although the most recent indicators point to a balanced market, the government is taking steps to ensure the stability of the market with efforts to prevent a bubble.

The following changes to mortgage insurance will take effect on April 19:

1. Even if borrowers opt for an adjustable rate mortgage, they must qualify for the current fixed-rate mortgage.
2. The maximum equity a borrower can withdraw during a refinance has been lowered from 95 percent to 90 percent of the property value.
3. Down payment requirements have quadrupled for investors who do not intend to occupy the property from 5 percent to 20 percent.

For more details, check out this [article](#).

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 area.

Talk to your Keller Williams agent for assistance interpreting the conditions in your local market.



Keller Williams associates are equipped with all the knowledge and information to help navigate you through the process of buying or selling a home in this challenging market.

About Keller Williams Realty



Founded in 1983, Keller Williams Realty, Inc., is an international real estate company with more than 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.

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