



# THIS MONTH IN REAL ESTATE

CANADA

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# Commentary

Despite lingering effects from regulatory changes in the mortgage markets, the housing market continues on a relatively balanced track. Sales activity is 47% 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.

The Canadian economy continues to show positive signs. Growth forecasts for the second quarter of 2011 were revised from 2.5% to 4.2%. Improvements in trade are expected to bolster household incomes and net worth. While still historically high, the Canadian currency is likely to hold steady, near parity, with the U.S. dollar. While the Bank of Canada has left the overnight interest rate steady, it is expected to raise it this summer.

Moving forward, rising interest rates, weaker job growth, and a strong currency are likely to keep sales activity and price appreciation stable and slower than seen previously during the recovery. Due to improved affordability, balanced markets, and low mortgage rates, there are great opportunities for both buyers and sellers.



# The Numbers That Drive Real Estate

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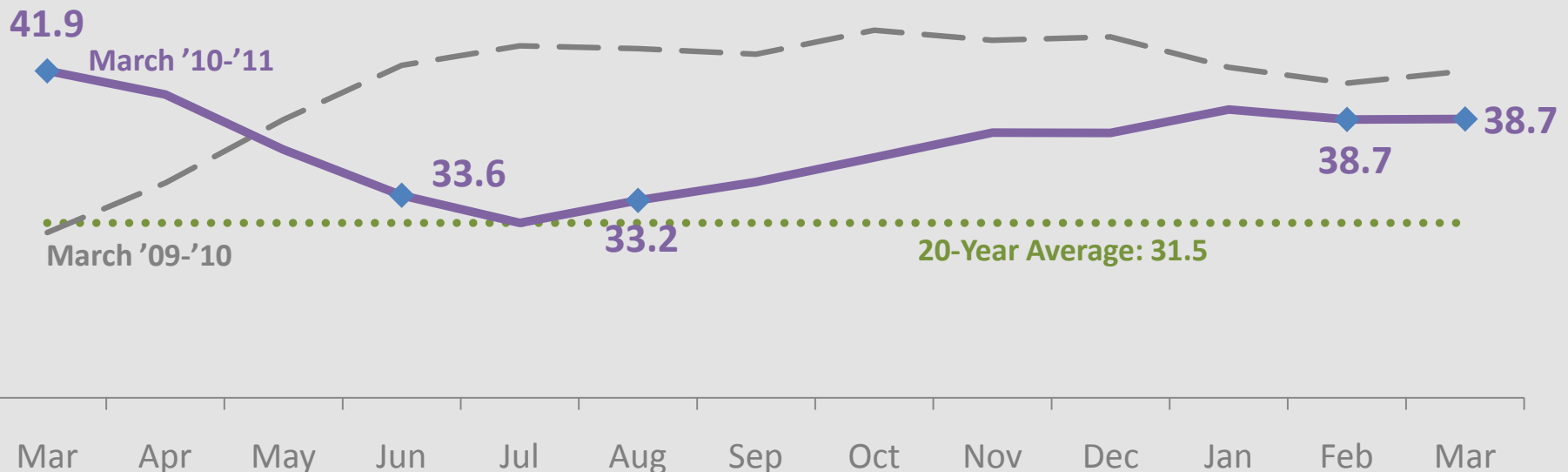


# Home Sales

## *In Thousands*



Resale housing activity remained stable from February to March, rising by just 0.08%. Beginning March 18, the maximum term for government insurance mortgages decreased from 35 to 30 years. This encouraged buyers in the priciest markets to purchase before the deadline to lock in lower monthly payments. Because the impact of this regulation appears to target upper-end homes in the most expensive areas of the country, its effects are generally expected to be minimal.



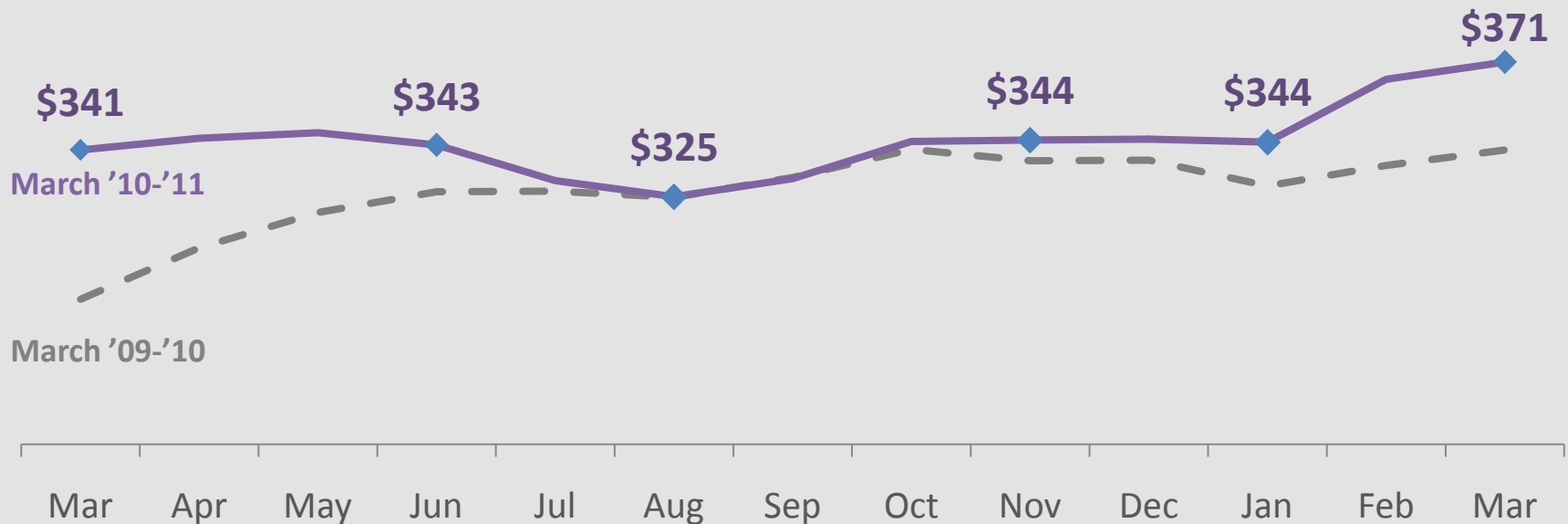


# Home Price

## *In Thousands*



Home prices continued to climb in March. The average home price was \$371,053—up 8.6% from a year ago. According to Gregory Klump, CREA chief economist, prices continued to be skewed upward by a record number of multi-million dollar home sales in the Vancouver area. Otherwise, Klump stated that prices remained relatively stable, rising by just 4.3%. Overall, long-term stability is expected to resume after the impact of the changing mortgage regulations winds down.

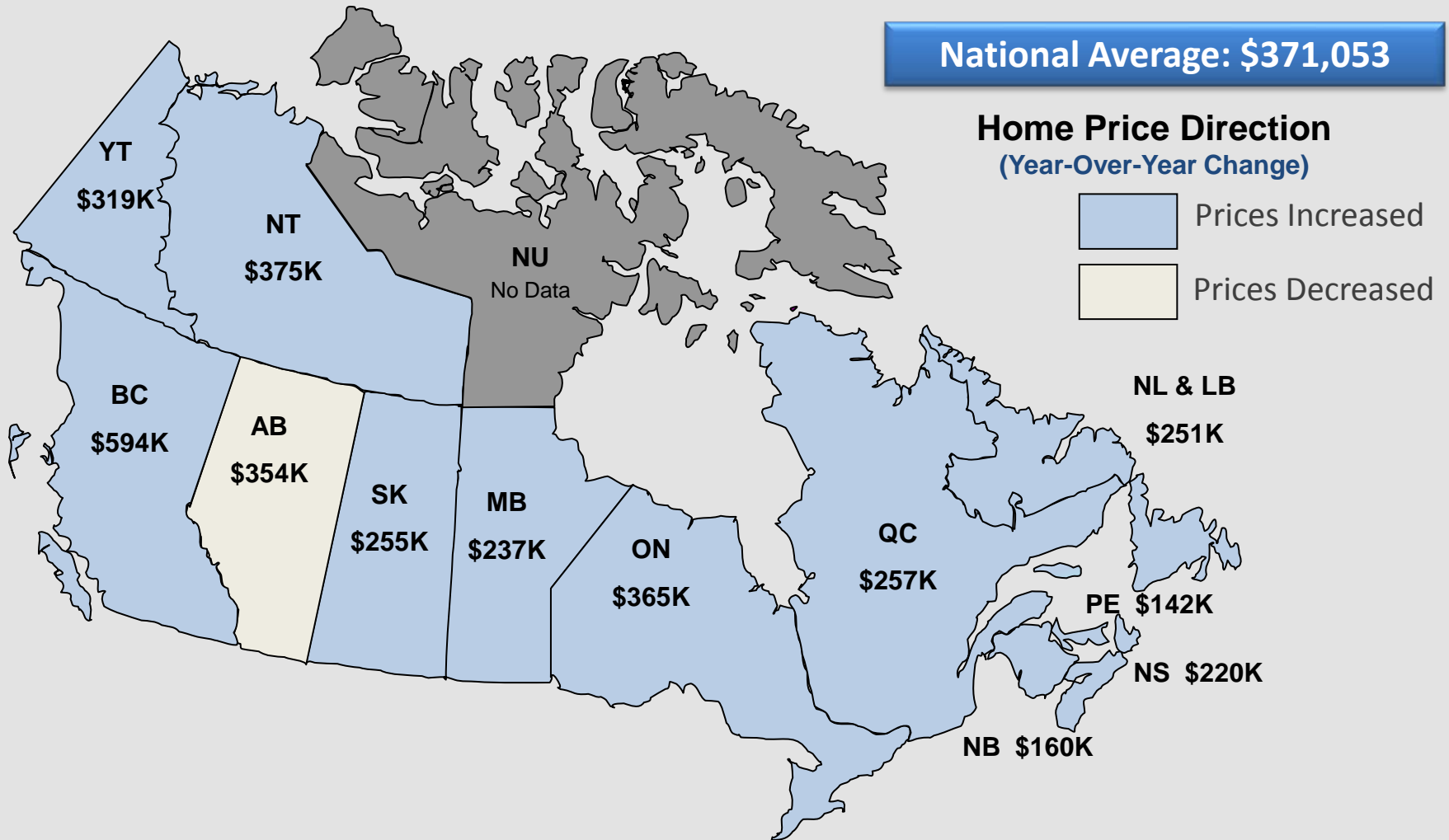




# Home Prices by Province and Territory



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



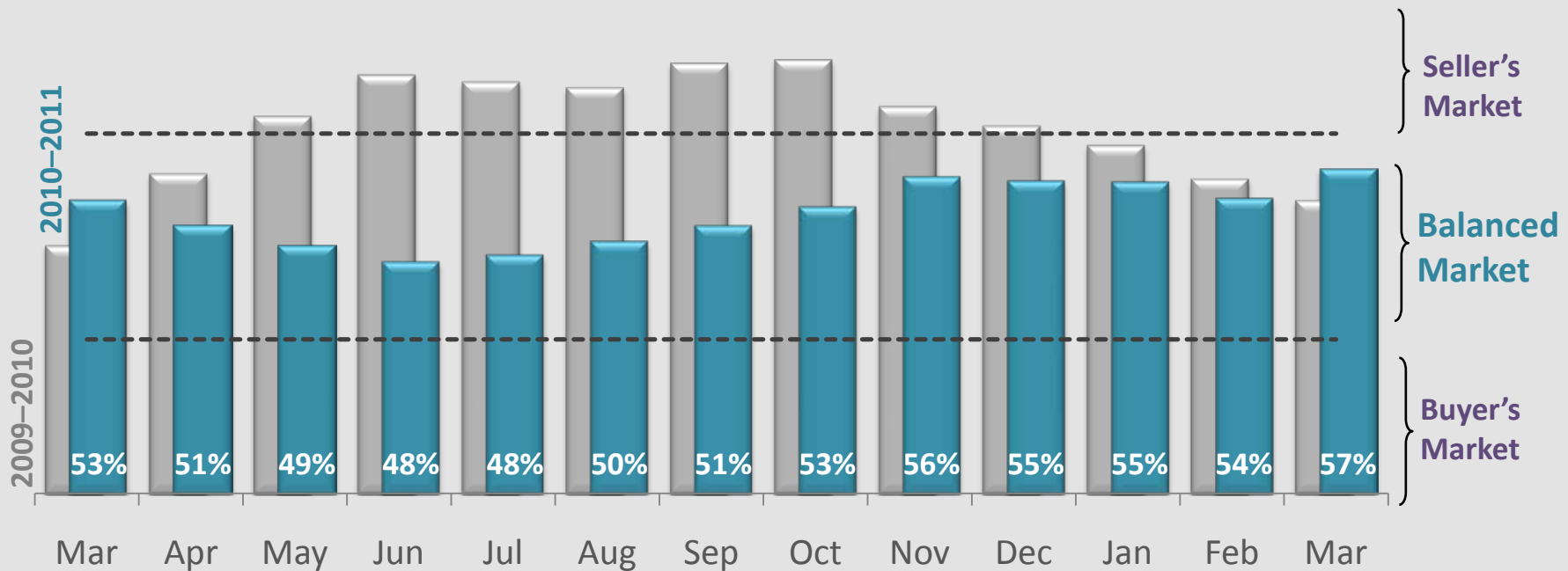


# Inventory — Number of homes available for sale

## Sales-to-New Listings Ratio



The national housing market remained in balanced territory in March, as illustrated by the sales-to-new listings ratio. The number of months' supply of homes on the market remained stable and is currently at 5.6 months compared to 5.7 the previous month. 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 a 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	3.70%
3-Year Mortgage	4.55%
5-Year Mortgage	5.69%
Historical Average	9.88%





# Special Report

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**KW** Research

# Staging

Staging is an increasingly important component, not only in selling a home but also in attracting buyers to tour it in person. Even with all of the commonly accepted advantages of staging, only about 1 in 3 sellers stage their home.

The Internet is one of the main sources of information buyers use during the home search process, and staging is key to showing the home at its best online.

Rooms that sellers stage most often:

1. Living Room: 73%
2. Kitchen: 64%
3. Master Bedroom: 58%
4. Dining Room: 49%
5. Master Bath: 45%
6. All Rooms: 37%
7. Office: 16%

The cost of staging is minimal compared to the benefits: more showings and ultimately a higher percentage of asking price.

# 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.

# About Keller Williams Realty

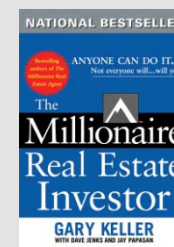
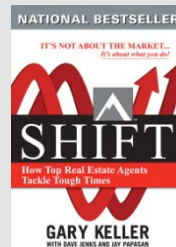


Founded in 1983, Keller Williams Realty is an international real estate company with more than 80,000 associates and 686 offices located across the United States and Canada. The company began franchising in 1991, and following years of phenomenal growth and success, now stands as one of North America's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

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

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