



# THIS MONTH IN REAL ESTATE

CANADA

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# Commentary

Despite transitory effects from regulatory changes in the mortgage markets, the housing market's balanced position remains firm. Sales activity is up 38% from the recessionary low of December 2008, while average home prices continue to be skewed upward by a regulation-induced surge of multi-million dollar home sales in some of Canada's priciest and most active markets.

Canada's first-quarter economic growth accelerated to the fastest pace in a year. The economy expanded at a 3.9% annualized pace from January through March after a previous 3.1% expansion. Much of the gain can be attributed to businesses that are leading the recovery by investing to regain competitiveness after years of stagnant productivity growth. On a monthly basis, gross domestic product rose 0.3% in March, faster than the 0.2% forecasted. More robust growth also came as the country's currency traded above parity with the U.S. dollar for most of the past three months. While strong fundamentals and a solid banking system continue to bode well for Canada, drop-off in consumer and government spending and a host of developments outside of Canada continue to be cause for concerns.

Meanwhile, 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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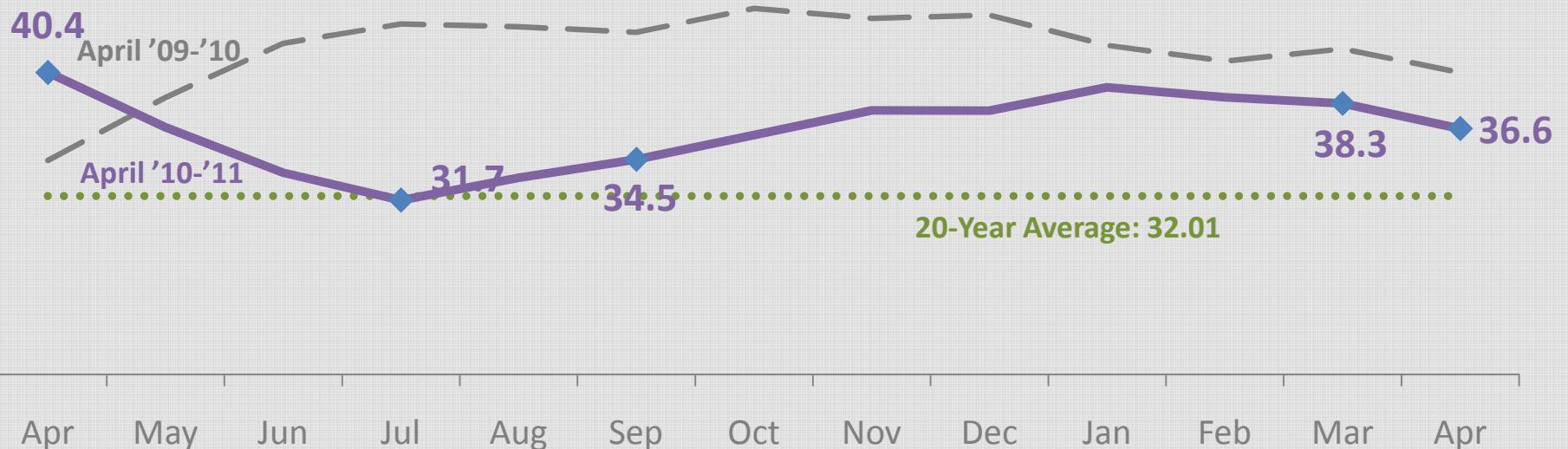


# Home Sales

## *In Thousands*



Resale housing activity was down 4.4% in April compared to a month ago, continuing to reflect changes to mortgage regulations that went into effect in March. As expected, declines were largest in some of Canada's priciest and most active markets such as Toronto and Vancouver. The effects could prove transitory as seen last April when the impending tightening of mortgage rules, speculation about higher interest rates and the imminent introduction of the HST in some provinces some sales activity forward.



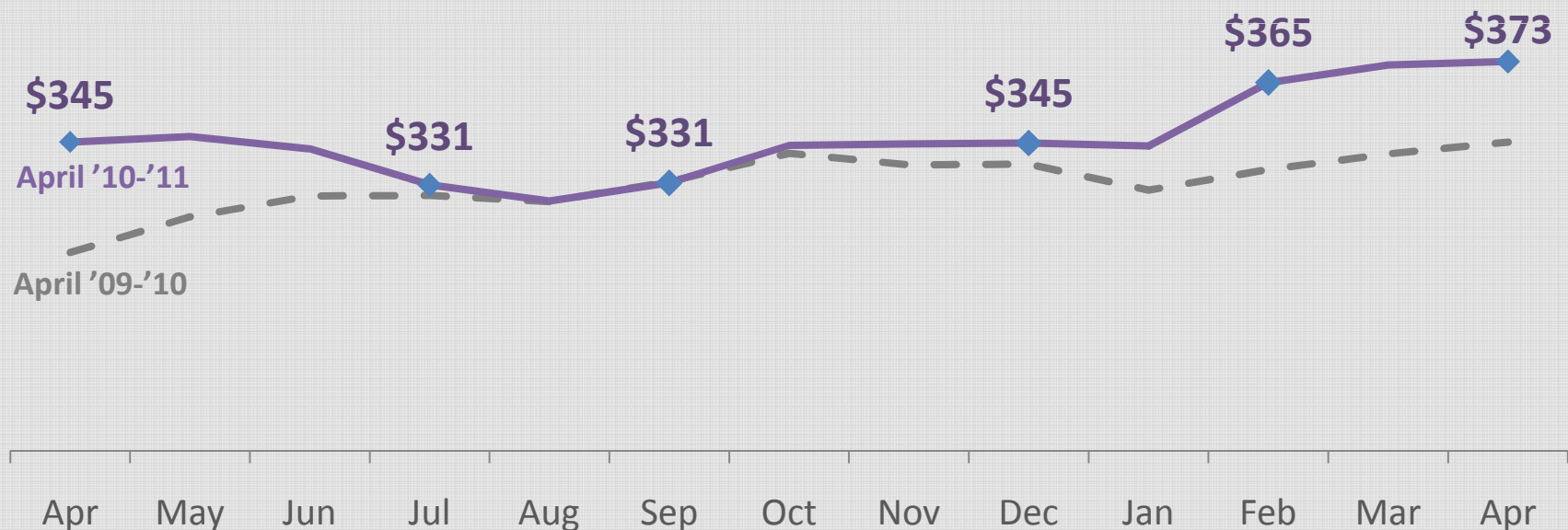


# Home Price

## *In Thousands*



The average home price in April stood at \$372,544—up 8% from a year ago. April marked the third consecutive month in which the national average price was up by 8% from year-ago levels. Home prices continued to be skewed upward by the surging multi-million dollar property sales in selected areas of Greater Vancouver. However, demand for these properties has moderated, which has slowed the upward momentum in the average price of homes. Overall, long-term stability is expected to resume after the impact of the changing mortgage regulations starts fading.

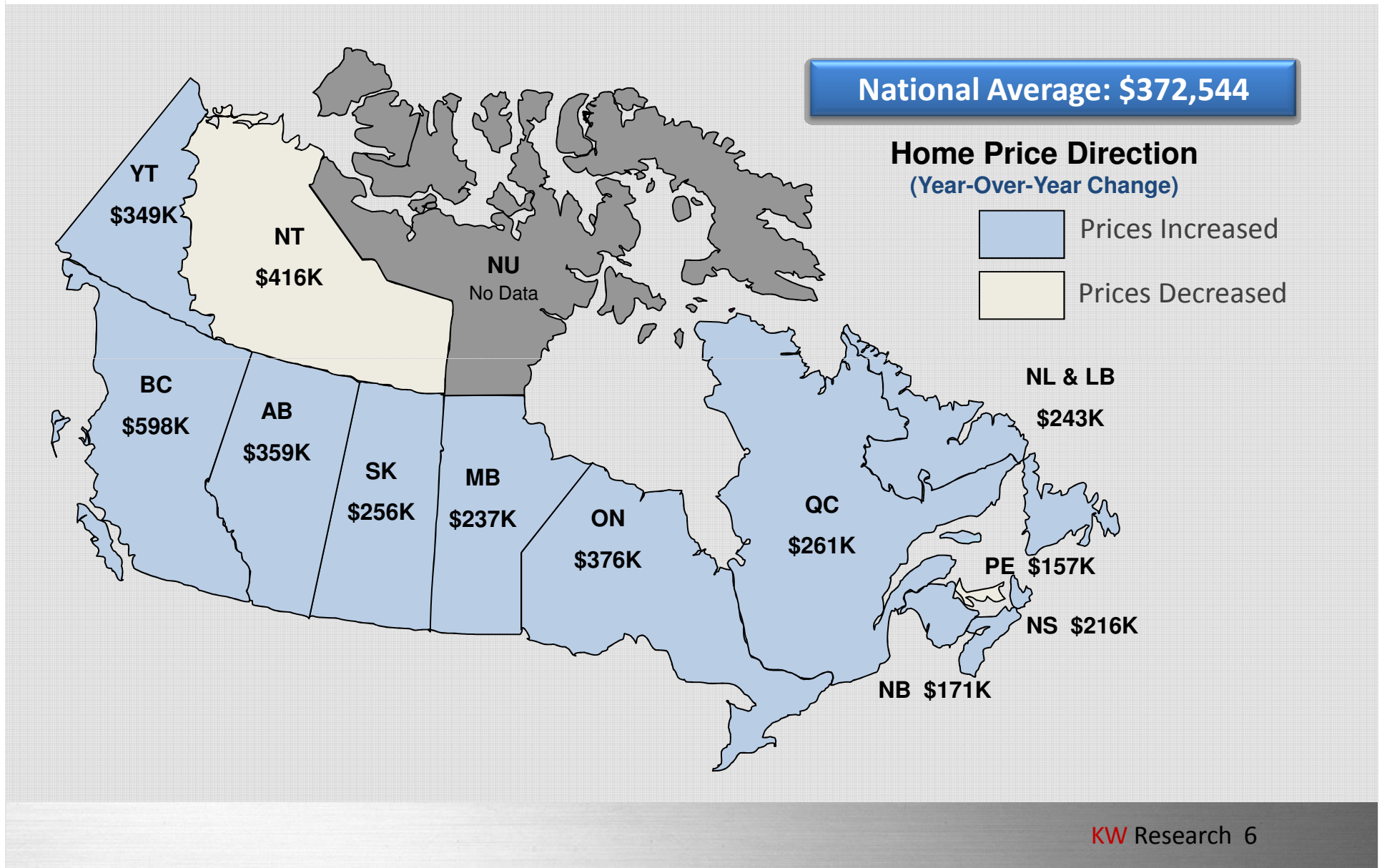




# Home Prices by Province and Territory



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





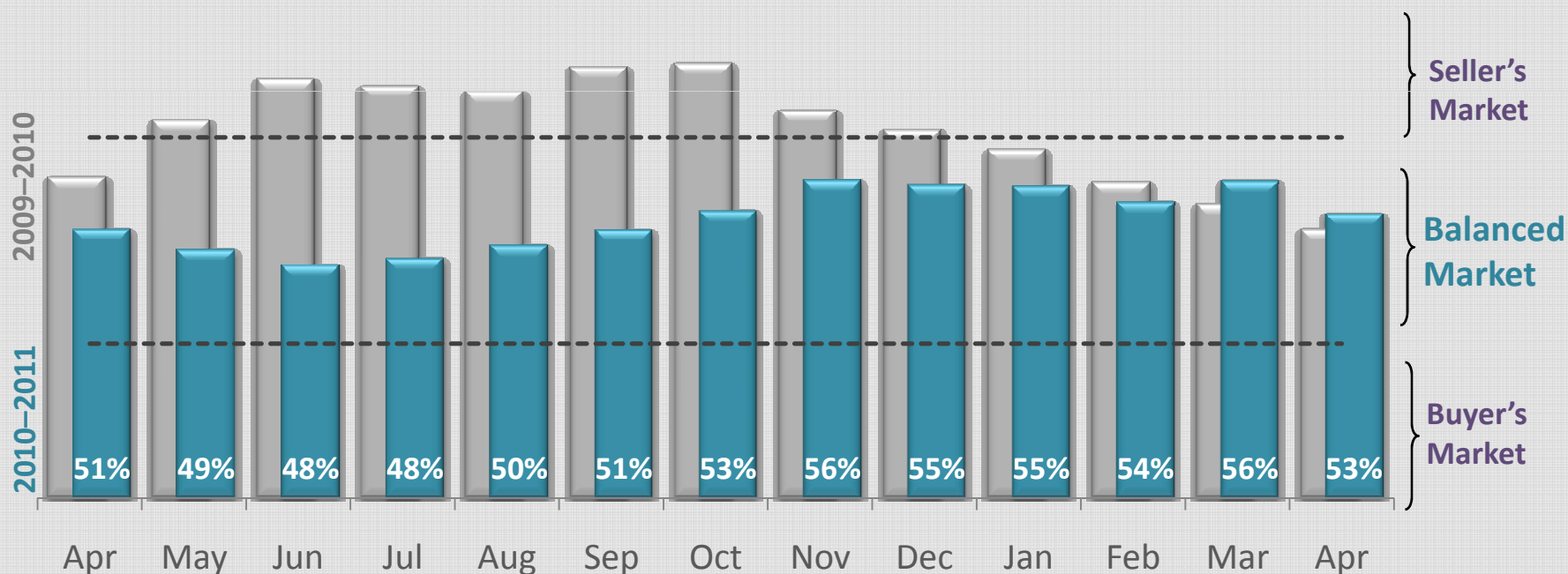


# Inventory — Number of homes available for sale

## Sales-to-New Listings Ratio



The national housing market moved further into balanced territory in April, as illustrated by the sales-to-new listings ratio. More than two-thirds of local markets in Canada were balanced in April with almost half of the remainder classified as sellers' markets. The months' supply of homes on the market remained stable and is currently at 6 months compared to 5.7 months in March. 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 continue to keep homeownership within reach for an increasing number of Canadians. As widespread global recovery gains stronger footing, rates are expected to increase to keep inflation in check near the 2% target. In fact, rates have already started to 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	5.59%
Historical Average	9.78%





# Special Report

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# Prelisting Prep Works to Maximize Your ROI

Repeated buyers, especially move-up buyers, tend to want their next home to be in great condition. Usually when homes are located in a neighborhood that attracts move-up buyers, homes need to be in pristine condition to stand out from the rest. This can be achieved by getting the home pre-inspected for the buyer. Research shows that 8% of sellers have a prelisting inspection before setting home on the market.

*49% of buyers end up purchasing a home in excellent condition while 40% purchase in good condition*

*47% of sellers enhance their front yard appearance by making changes up to five weeks in advance before listing the home for sale. Sellers tend to spend between \$150 and \$1,000 when improving their curb appeal.*

It is fundamental for sellers to make essential repairs to their homes before listing, and curb appeal is particularly important. This is often a first step to getting buyers in the door. Boosting the curb appeal tends to result in more offers and faster sales.

# 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

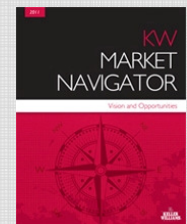
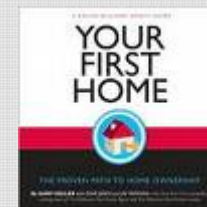
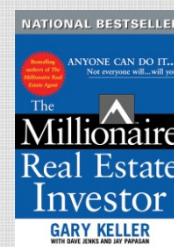
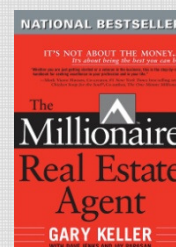
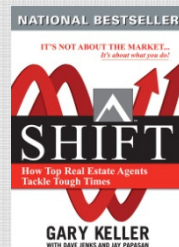


Founded in 1983, Keller Williams Realty is an international real estate company with more than 80,000 associates and 686 offices located across the United States and Canada. The company began franchising in 1991, and following years of phenomenal growth and success, now stands as one of North America's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