



# This Month in Real Estate

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The national housing market remains firmly planted in balanced territory. Year-to-date sales continue on pace with the ten-year average. According to Gary Morose, CREA president, “Through their actions, home buyers are showing that they remain confident about the stability of the Canadian housing market, and recognize that the continuation of low interest rates presents an excellent opportunity to buy their first home or trade up.”

While debt levels around the world remain a downside risk to the outlook, Canada's gradually improving domestic landscape provides a margin of safety. “Despite an increased focus on external risks, the Bank still expects Canada’s economy to post stronger growth in the second half of the year, supported both by business and household spending.” The key will be to do so without elevating household debt to unsustainable levels.

The balanced market provides a fair playing ground with opportunities for both buyers and sellers. For the time being, interest rates remain historically low and present buyers with extremely favourable financing, but 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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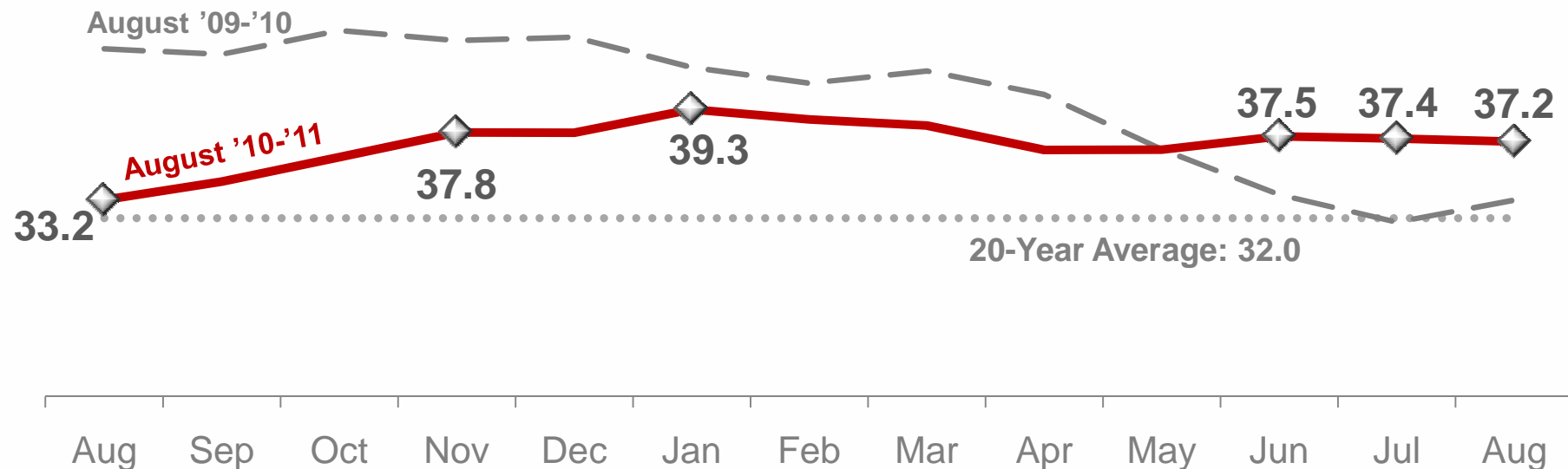
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# Home Sales

*In Thousands*



Resale housing activity remained steady for the third month in a row and is a testament to the strength of the housing market, particularly given the recent volatility in the financial markets around the world. Although it largely reflects the weakened activity one year ago, this marks the third time since April 2010 that sales were up year-over-year. Moving forward, sales are expected to remain stable.

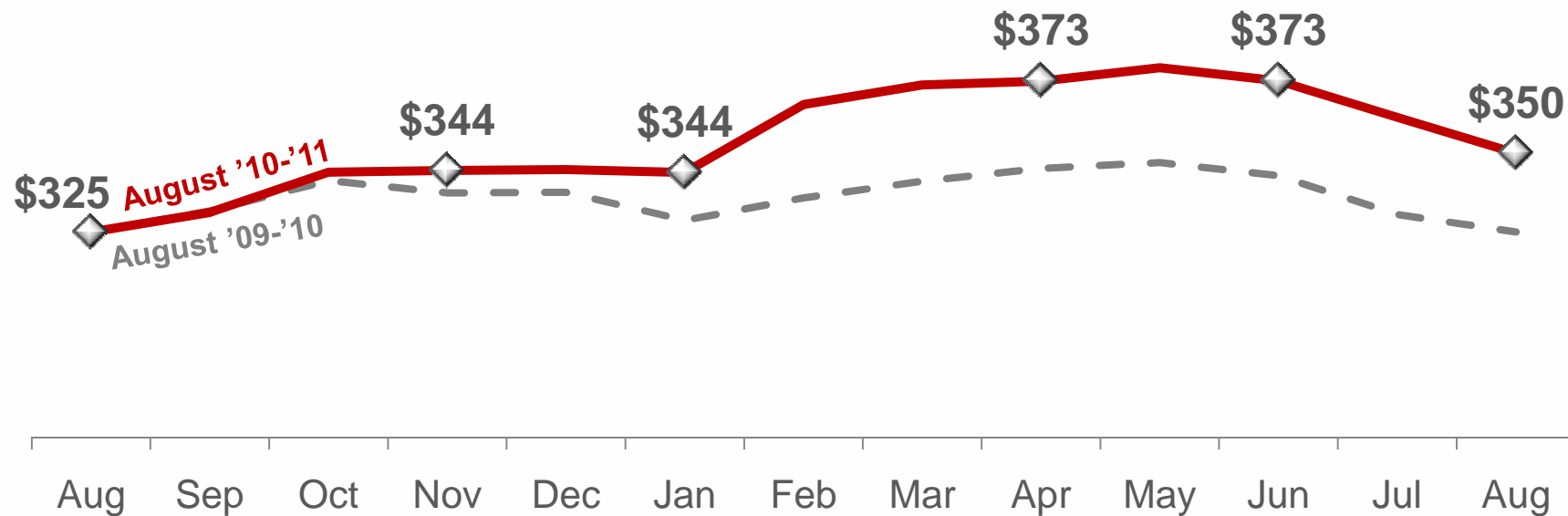


# Home Price

*In Thousands*

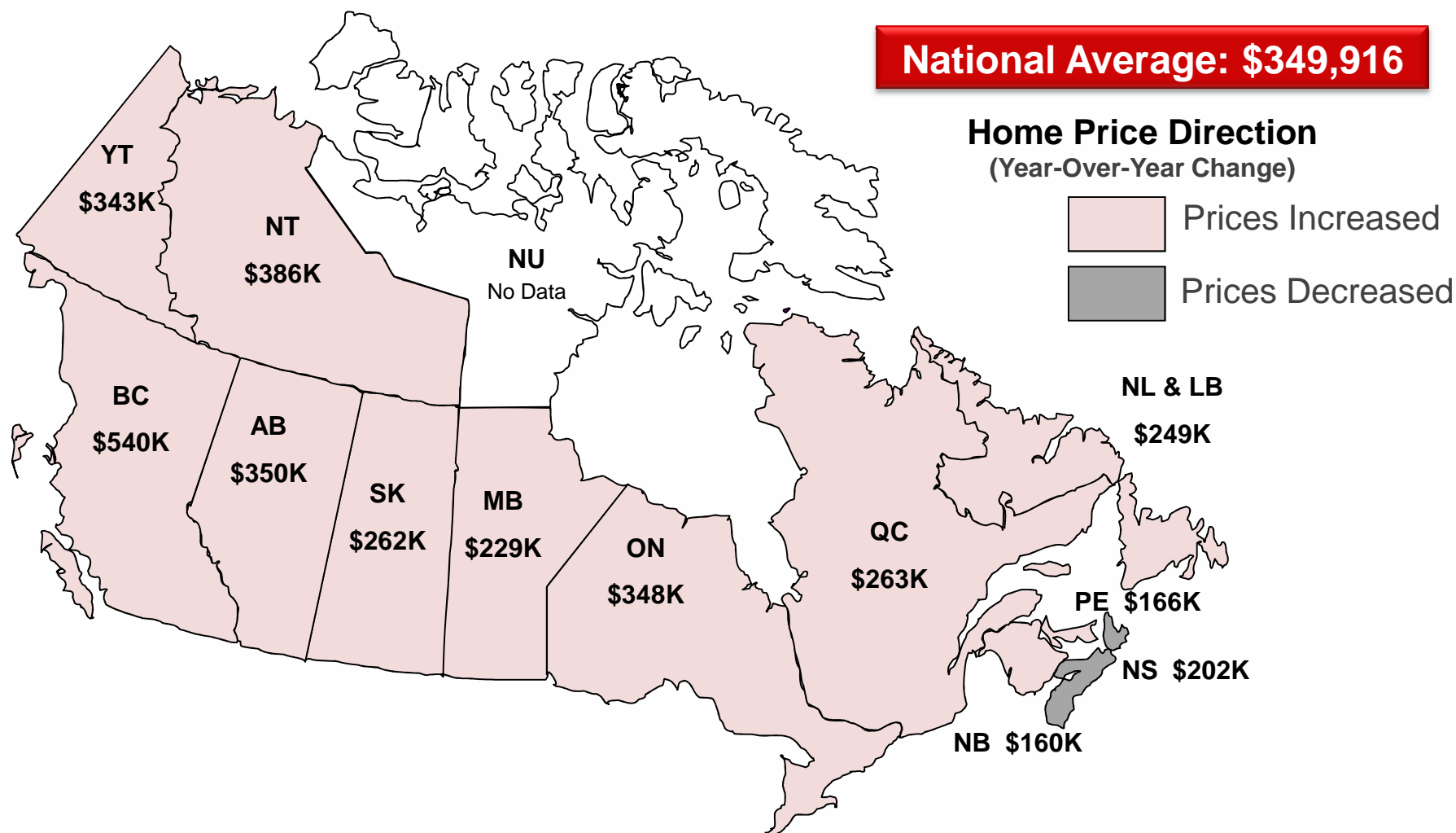


The average home price in August stood at \$349,916—down 3.1% from last month, yet still up 7.7% over last year. Earlier this year, elevated sales of higher-end homes skewed the national average price higher. The drop in average price is more a result of sales in the most expensive markets coming back 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*

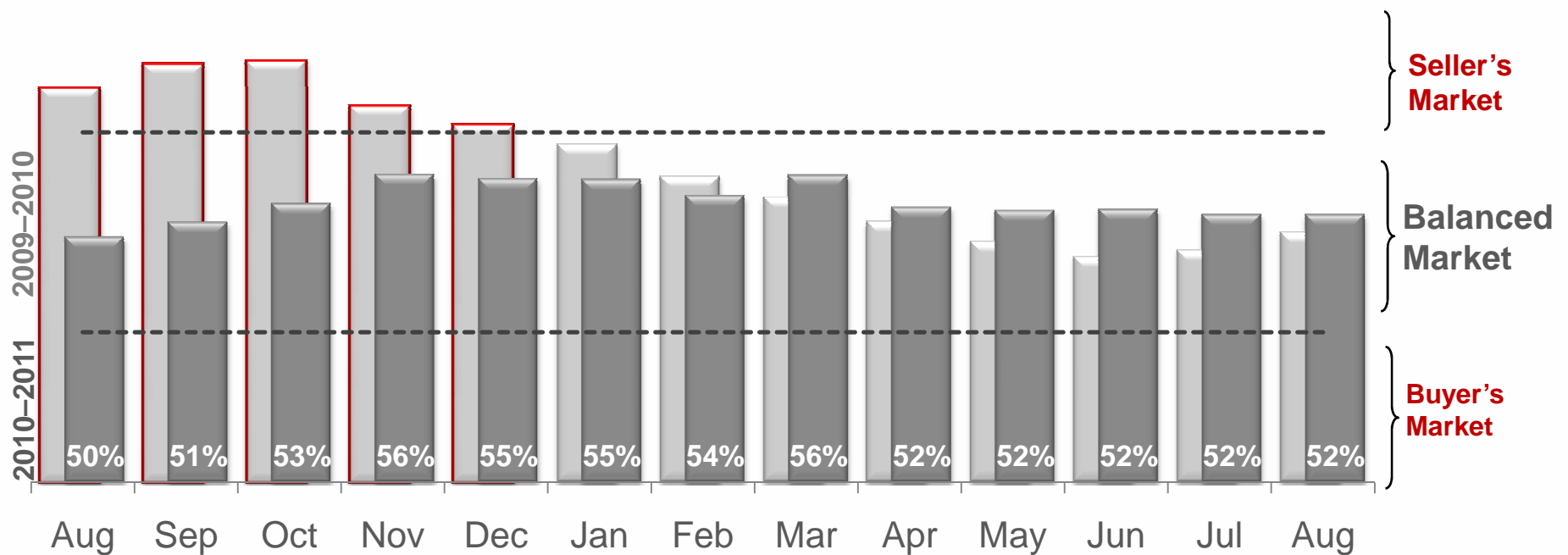


# Inventory — *Number of homes available for sale*

## *Sales-to-New Listings Ratio*



The national housing market remained firmly planted in a balanced market in August, as marks the fifth month of a sales-to-new listings ratio of 52%. More than 70% of all local markets were balanced—more than any other time on record. 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. Although rates are up from record lows in December and January, 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	4.35%
5-Year Mortgage	5.39%
Historical Average	9.78%





# Special Report

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# 10 Tips in 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 remember 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 staging** 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 get a complete inspection** 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 a real estate sales representative** who will represent your best interests.
10. **Think about you future** quality of life 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 your real estate market.

**Talk to your KW associate for assistance interpreting the conditions in your local market.**

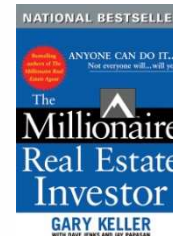


KW associates are equipped with the knowledge and information to help navigate through the home-buying or selling process in any market.

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