

# What's in Store for the Canadian Housing Market?

Although stricter mortgage lending rules were expected to throw a wrench into Canada's hot housing market, home prices have remained stable, sales are expected to increase and home construction is projected to gain even more momentum by the end of the year.

## The market is still considered balanced.

Three out of five local markets had a sales-to-new listings ratio of between **40-60%**, indicating a balanced market.<sup>2</sup>

## Homes prices will remain affordable.

Home prices have levelled off due to tighter mortgage lending rules and consumers cautious about taking on more debt.<sup>2</sup> However, housing in **75%** of Canada will remain affordable even in the event of a two-percentage point spike in mortgage interest rates.<sup>3</sup>



The average national sales price rose **2%** in January 2013 from the previous year, reaching **\$354,754**.<sup>4</sup>

## Sales are expected to increase.

The sale of existing homes will remain strong and stable in most markets, rising to between **433,300** and **489,700** in 2013.<sup>5</sup> The increase has already begun: home sales rose **1.3%** from December 2012 to January 2013.<sup>1</sup> Additionally, home sales are expected to remain stable in **81%** of markets.<sup>6</sup>

## What's the average price of a home in Canada?<sup>7</sup>

The average national price of a:

Condominium:	Bungalow:	Two-storey home:
<b>\$237,600</b>	<b>\$363,400</b>	<b>\$410,600</b>

## Residential construction is set to rise.

Housing construction activity is expected to gain momentum by the end of 2013.<sup>8</sup> The increase in residential construction permits began in 2012 on the strength of the thriving homebuilding sector.<sup>2</sup>

There's a **6.6 month** supply of homes for sale, indicating that we're in a transitioning market.<sup>1</sup>

Sources: 1. The Canadian Real Estate Association  
2. Financial Post  
3. Montreal Gazette  
4. CBC News  
5. Canada Mortgage and Housing Corp

6. Advisor.ca  
7. Royal Bank of Canada  
8. Canadian Association of Accredited Mortgage Professionals





# Homeownership is a Goal for Most **Canadians**

The Canadian homeownership rate has reached nearly **70%**.<sup>1</sup> Not even austere lending rules can prevent Canadians from the dream of being a homeowner: **33%** of renters say that they plan to purchase a home in the near future.<sup>2</sup>

## Why do Canadians move?<sup>3</sup>

1. They want a larger or better residence.
2. They want to build personal equity.
3. They seek security or to move to a better neighbourhood.



Homeowners are better off financially and have a higher net worth than non-homeowners.<sup>2</sup>

## Homeownership is a good long-term investment

More than **83%** of Canadians are confident that real estate is a good long-term investment.<sup>2</sup> For many, homeownership is an investment that allows them to build wealth over the course of their lives. And although the housing market may weather some storms, many view owning a home as the cornerstone of financial stability and security.<sup>3</sup>

Sources: 1. CBC News  
2. Canadian Home Builders' Association  
3. London Free Press

Contact me to learn more about the local real estate market.



# Canadians and their home mortgages

In general, Canadians pay off their loans an average of **8 years sooner** than the original amortization period requires.

**83%** of Canadians are comfortable with the loan-to-value ratio of their mortgages.

**32%** of mortgage holders paid more into their mortgage than required in the past year, while 6% took equity out of their homes in the past year.

**33%** of 18-34 year old mortgage holders and **34%** of 35-54 year old mortgage holders accelerated the pay down of their mortgage in order to shorten the life of the loan.

