

REAL ESTATE MONTHLY

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CREA BOOSTS ANNUAL RESALE HOUSING FORECAST

The Canadian Real Estate Association (CREA) has revised its 2011 forecast for home sales activity via the Multiple Listing Service® (MLS®) Systems of Canadian real estate Boards and Associations, and extended it to 2012.

Sales in the second half of 2010 rebounded faster than CREA had previously expected. "The hand-off going into 2011, together with the highs and lows for sales activity posted in 2010, provided guidance for CREA's revised forecast," said Gregory Klump, CREA Chief Economist.

"Home buyers recognize that low mortgage interest rates represent a once in a lifetime opportunity. At the same time, they expect that rates will rise, so they're doing their homework in order to understand what it could mean in terms of higher mortgage payments down the road before they make an offer," said Georges Pahud, CREA President. "The housing market and buyer psychology is different now than it was at the beginning of last year, so buyers and sellers would do well to consult their REALTOR® to understand local market trends."

The upward revision to CREA's forecast for 2011 reflects recent improvements in the consensus economic outlook and a further expected improvement in consumer confidence.

National sales activity is now expected to reach 439,900 units in 2011, representing an annual decline of 1.6 percent. In 2012, CREA forecasts that national sales activity will rebound by 3 percent to 453,300 units, which is roughly on par with the 10-year average.

"Recent additional changes to mortgage regulations will further ensure that buyers don't buy more home than they can afford when interest rates inevitably rise," said Klump. "The announcement of the new changes to mortgage regulations will likely bring forward some sales into the first quarter that would have otherwise occurred later in the year, particularly in some of Canada's more expensive housing markets. This is expected to produce a milder version of the volatility in sales activity that we saw last year which resulted from additional transitory factors."

Three transitory factors contributed to volatility in sales activity last year: changes in mortgage regulations, the early withdrawal by the Bank of Canada of its conditional commitment to keep interest rates on hold until the second half of 2010, and the introduction of the HST in British Columbia and Ontario during the summer of 2010.

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Resale homes sold more quickly in February 2011

Members of the Ottawa Real Estate Board (OREB) sold 936 residential properties in February 2011 compared with 1,030 in February 2010, a decrease of 9.1 percent. There were 675 sales in January 2011.

"Once again we're seeing sales numbers very close to the five-year average for February, which is 962 sales. It's important to note that the homes that sold last month did so far more quickly than in January, spending an average of just 33 days on the market. As well, prices rose slightly more than they had in the previous two months which indicate we still have a very steady market here in Ottawa," said OREB's President. "This tells us that there is a demand for resale homes in Ottawa, and that when buyers see the home they want, they're going after it, perhaps even going up against other bidders", she added.

The average sale price of residential properties, including condominiums, sold in February in the Ottawa area was \$338,408, an increase of 6.7 percent over February 2010.

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CREA expects that home sales activity will gain traction after dipping in the second quarter as the economic recovery and job growth continue, incomes grow, and consumer confidence further improves. "Even though mortgage interest rates are expected to rise later this year, they will still be within short reach of current levels and remain supportive for housing market activity. Strengthening economic fundamentals will keep the housing market in balance, which will keep home prices stable," said Klump.

The national average home price is forecast to rise 1.3 percent in 2011 and 2012, to \$343,300 and \$347,900 respectively. Average price is expected to rise modestly in most provinces, reflecting the continuation of a healthy balance between supply of, and demand for, homes listed for sale.

PREVENTING FALLS ON STAIRS

When seniors fall, the consequences for their health can be both severe and long-lasting. However, many of these falls can be prevented with a little careful planning and a few simple strategies. To help you protect your health, mobility and independence, Canada Mortgage and Housing Corporation (CMHC) has a number of tips on how seniors can help reduce the risk of falls on stairs at home.

Avoid visually distracting patterns on the tread (the horizontal part of a step) that can make it difficult to distinguish one step from another.

Improve the lighting on steps and stairs.

For steps with short treads or a high rise (the vertical height of a step), keep any coverings thin and tightly affixed to maximize the useable tread space.

For winding or curved stairs, be sure to provide a handrail on both sides, especially where the stairway includes combinations of rectangular and tapered treads.

Steps that are non-uniform in size are an especially common cause of missteps and falls.

Use a slip-resistant, rough finish on stairs that are prone to getting wet.

Make sure to fasten all coverings on stairs securely.

Don't place any objects or loose rugs on steps, landings or at the top or bottom of the stairway.

Position handrails at about adult elbow height, and extend them on both sides for the full length of the stairway as well as beyond the top and bottom of the stairs.

Always be cautious, deliberate and not rushed when taking the stairs. Hold on to the handrails, wear shoes or slippers that fit properly and have a non-slip sole, remove reading glasses, switch on stair lights and — most importantly — always take your time, especially when using an unfamiliar stairway.

For more information or a free copy of the "About Your House" fact sheet Preventing Falls on Stairs or other fact sheets on owning, maintaining or renovating your home, visit www.cmhc.ca or call CMHC at 1-800-668-2642.

