



THE HOMEOWNER

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Median Canadian home price up over last year despite a decline in sales

According to the Royal LePage House Price Survey¹, home prices in Canada saw slowing year-over-year increases in the first three months of 2018.

On a quarter-over-quarter basis for the same period, home prices in many markets across the country remained relatively flat, with approximately half of the markets studied by Royal LePage posting slight declines.

The Royal LePage National House Price Composite², compiled from proprietary property data in 63 of the nation's largest real estate markets, showed that the price of a home in Canada increased 6.2 per cent year-over-year to \$605,512 in the first quarter of 2018. When broken out by housing type, the median price of a two-storey home rose 5.7 per cent year-over-year to \$715,726 and the median price of a bungalow climbed 4.5 per cent to \$501,985. Condominiums continued to witness the highest price appreciation rates among housing types studied, rising 10.3 per cent to \$418,245, driven by significant year-over-year price gains in the country's largest housing markets.

"We are experiencing a broad-based, residential housing correction in Canada, triggered by federal and provincial intervention," said Phil Soper, president and CEO, Royal LePage. "Strong house price gains in the first half of 2017 mask some of the recent market shifts when comparing year-over-year home value trends. As is the norm in our huge nation, regional themes play out differently, with economically expanding, affordable markets seeing less change than areas where home prices overshot. Regulators were concerned primarily with the large Greater Toronto Area market, and it is there we are seeing the most pronounced short-term changes."

The new Office of the Superintendent of Financial Institutions (OSFI) mortgage rules came into effect in January 2018, which include a financing stress test for borrowers with uninsured loans, intended to ensure that home purchasers can withstand higher mortgage payments as interest rates rise. At the outset of the quarter, sales activity levels fell at both national and regional levels year-over-year, in part due to an observed "pull-ahead" in transactions at the end of 2017, as buyers sought to solidify home purchases before the new rules came into effect.

"While we have recently seen both overshooting and corrections in Canada's largest markets, on a national basis we believe the Canadian housing market is amidst a long-term expansionary cycle supported by strong economic fundamentals," said Soper. "Canada's stature is rising on a global scale. Our cities continue to be ranked among the most desired places to live in the world. Our economy is strong, our unemployment levels are the lowest they've been in four decades and we have one of the fastest-growing populations among advanced economies. These factors combined are incredibly supportive of long-term housing demand and valuations.

To view the chart with aggregated regions and markets visit royallepage.ca/houseprices

For more information see royallepage.ca/mediaroom

¹ Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

² Beginning in the first quarter of 2018, seven real estate markets were added to the Royal LePage National House Price Composite. The new regions are smaller markets in Ontario, Alberta, Quebec and British Columbia. Due to the relative size of the markets, any change to the Royal LePage National House Price Composite is expected to be within 0.15 per cent.

June 2018

Ottawa market is Hot! Ask me for details...



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Build a better backyard.

Not only will you reap the immediate rewards, the right landscaping project is also a wise investment in your home's resale value.

Summer projects to boost your home's resale value

With summer approaching, you may begin thinking about which outdoor home improvement projects will provide you with the best return on your investment. It's best to start by doing research to identify a project that fits your time and budget.

1 Build a deck or patio. There are many designs and approaches to consider. Check your municipal building requirements as a building permit may be required for decks above a certain size and height.

2 Install a sprinkler system. On average, homeowners use 50 per cent more water than necessary on their lawns. Automatic lawn sprinkler systems are designed with busy homeowners in mind and allow proper irrigation through timing and water distribution. Although there is an initial cost for the installation, you could save money in the long run.

3 Landscape your property. Whether planning a garden or building a pond, landscaping often results in a significant return on your investment. However, you should always consult a trained professional before tackling a landscaping project to ensure you have the right materials and plants that will thrive in your space.

4 Build or replace a fence. Defining the limits of your property is important for a variety of reasons, including privacy, security and safety. Do your research to find what's right for your needs, and if appropriate, consult with a neighbour as you may be able to complete the project together.

5 Reshingle a tired roof. A strong, durable roof is an essential component of your home's overall health and functionality. A new roof is especially important if your current roof is showing signs of wear including raised shingles or water seepage. A good roof is a good investment. Do your research, find the best contractor and select the best materials within your budget.

The first-time homebuyer's path to homeownership

First-time homebuyers know it is important to weigh their options before embarking on the Canadian dream of owning a home but many do not know where to start. Here are the milestones potential homebuyers pass to make sure they are making the right purchase.

- 1 Determine your net worth.** Take your assets (cash, investments, savings, vehicles and other items you own) and subtract your liabilities (car loans, lines of credit, overdrafts and credit cards). A positive number is a good sign that you may be ready to purchase your first home.
- 2 Obtain mortgage pre-approval.** There are many different mortgage options available on the market today. Thoroughly investigate the terms and rates available, and once you have settled on a rate, term and amortization period, apply for a pre-approved mortgage with your lender. Mortgage pre-approval presents you as a serious purchaser, to both real estate agents and sellers.
- 3 Hire a real estate agent.** Top agents have extensive experience and demonstrate dedication and commitment to helping their clients. A real estate agent will have knowledge of accurate, real-time market data to leverage your negotiating position, as well as access to properties often even before they are listed.
- 4 Be realistic.** Choose a home that is within your means. Keep in mind that you will need to set aside extra funds for ongoing home maintenance and potential increases in utilities, taxes and mortgage rates.



How to find the perfect neighbourhood

What truly distinguishes a house from a home is the community and environment that surrounds it. There are many factors that go into buying the perfect home. While choosing the right property is very important, a neighbourhood plays a crucial role in creating lasting memories. Here are a few tips to help you find the right fit:

Make a list. Start by jotting down a list of the desired lifestyle factors that are most important to you and your family. Remember to leave no stone unturned — consider location, proximity to work and schools, amenities and local attractions.

Get out and explore. While lists are helpful, nothing beats experiencing an area for yourself. Once you have narrowed down the most important factors, be sure to visit at least a couple of locations that match the description. Though a neighbourhood may look good on paper, in reality it may leave a lot to be desired.

Call in the pros. Often, the best way to find the perfect neighbourhood is by contacting a professional. Experienced real estate agents are aware of great areas suited to any need, can and will help narrow your home search and save time.





Restoring hope and rebuilding lives

Royal LePage is the only national real estate company in Canada with its own charity. For 20 years, the Royal LePage Shelter Foundation has been dedicated exclusively to supporting women's shelters and violence prevention programs. Many Royal LePage agents donate a portion of their commissions to the Royal LePage Shelter Foundation when they help clients buy or sell a home. Royal LePage offices also host special events, such as galas and golf tournaments, to raise funds and awareness for their local women's shelter. Royal LePage Canada covers all of the foundation's administrative costs so 100% of all funds raised go toward the cause.

Did you know?

Violence against women happens in all cultures and religions, in all ethnic and racial communities, at every age, and in every income group.

Every **6** days
in Canada,

on average, a woman is
murdered by her current
or former partner.³



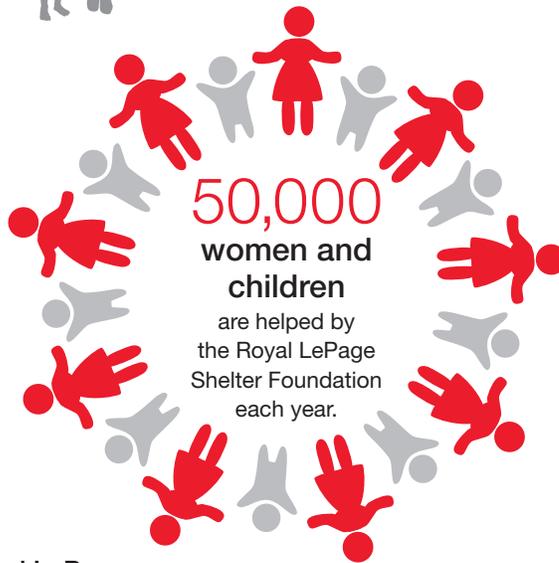
National partner of
sheltersafe.ca
the only online resource
that provides contact info for all
women's shelters in Canada.



On any given day in Canada,
**6,300 women
and children**
are living in an emergency shelter
to escape domestic violence.²

**\$7.4
billion**

Spent by Canadians
collectively each year
to deal with the aftermath
of spousal violence.⁴



51%

of Canadian women over
age 16 have experienced
at least one incident of
physical or sexual violence.¹

**\$27
million**

Total funds raised by
the Royal LePage Shelter
Foundation in support
of local women's shelters
and domestic violence
prevention and education.

To learn more about the Royal LePage
Shelter Foundation, or to make a donation,
please visit royallepage.ca/shelter.

1. The Violence Against Women Survey, Statistics Canada, 1993. Although more up-to-date data would be preferable, no future Statistics Canada survey asked women about their life-time experience of violence. www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3896&Item_id=1712
2. "Shelters for abused women in Canada, 2014," Juristat, Sara Beattie and Hope Hutchins, Statistics Canada, November 30, 2015. statcan.gc.ca/pub/85-002-x/2015001/article/14207-eng.htm
3. "Homicide in Canada, 2011," Juristat, Samuel Perreault, Statistics Canada, December 4, 2012. statcan.gc.ca/pub/85-002-x/2012001/article/11738-eng.pdf
4. An Estimation of the Economic Impact of Spousal Violence in Canada, 2009. Department of Justice Canada, January 25, 2013. justice.gc.ca/eng/rp-cj-jp/fv-vf/rr12_7/index.html

