

REAL ESTATE NEWS



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CREA UPDATES RESALE HOUSING FORECAST

The Canadian Real Estate Association (CREA) recently raised its outlook for homes sales this year as it reported a 11.1% jump in August sales compared with a year ago.

The industry organization said it now expects sales of 449,900 homes this year compared with a June forecast of 443,400.

CREA reported 454,573 sales in 2012.

The association said sales across the country have improved more quickly than it expected likely due "the transient influence" of buyers with pre-approved financing buying before their lower pre-approved rates expire.

The association said B.C. accounted for nearly half of the increase to the 2013 forecast, while the sales outlook for across the Prairies was also raised.

The national average home price is forecast to increase 3.6% to \$376,300 this year, driven by gains on the Prairies and in Newfoundland and Labrador.

Price gains in B.C. and Ontario are expected to come in just below the national average while Quebec and New Brunswick are forecast to gain less than one per cent.

Prices in Nova Scotia are expected to slip less than one per cent. "The environment for home prices in Quebec, New Brunswick, and Nova Scotia will likely be shaped by ample inventory levels relative to sales," CREA chief economist Gregory Klump said in a statement.

"The balance between the two indicates that buyers have an abundance of listings from which to choose in those provinces, which could keep pricing prospects in check until sales draw down inventories."

Sales in 2014 are expected to total 465,600.

For August, home sales totalled 40,350, from 36,316 a year ago, when the federal government tightened mortgage lending rules and sent a chill through the housing market.

However, since then, Canadian home sales have bounced back helped by interest rates, which until recently have remained near record lows.

"Recent increases to fixed mortgage rates caused sales to be pulled forward as buyers with pre-approved financing at lower rates jumped into the market sooner than they might have otherwise," Klump said.

"That pool of homebuyers has largely evaporated so demand may soften over the fourth quarter. The outsized year-over-year gains may persist, however, due to weak sales toward the end of last year."

The national average price for a home sold in August was \$378,369, up 8.1% from a year ago.

If the greater Toronto and Vancouver regions are excluded from the national average price calculation, the year-over-year increase is 4.8%.

CREA said 325,180 homes had been sold by the end of August, 2.9% below the pace set in the first eight months of 2012.

The national sales-to-new listings ratio edged up to 54.6% for August compared with 54.1% in July.



OTTAWA MARKET HEATS UP AS FALL SETTLES IN

Members of the Ottawa Real Estate Board (OREB) sold 1,119 residential properties in September 2013 compared with 995 in September 2012, an increase of 12.5 percent. There were 1,219 home sales in August 2013.

"As a result of the new mortgage rules introduced last summer, we saw continuous decreases in units sold in the first half of 2013. Since July 2013, the Ottawa resale market has started to heat up again" said OREB's President. "The number of residential and condo units sold has increased since last year. Condo units sold are up 15 per cent, while residential units sold are up 11.8 per cent. Also, impending mortgage rate increases may be causing many first-time home buyers to buy now before the rates increase", he added.

The average sale price of residential properties, including condominiums, sold in September in the Ottawa area was \$346,342, a decrease of 1.2 per cent over September 2012. The average sale price for a condominium-class property was \$257,059, a decrease of 3.4 per cent over September 2012. The average sale price of a residential-class property was \$371,370, a decrease of 0.5 per cent over September 2012.

"As Ottawa and surrounding areas continue to grow and expand, Ottawa continues to be a healthy, balanced market," the President added.

Call today for real estate advice and information!

REAL ESTATE NEWS

PAYBACK ON YOUR RENOVATION INVESTMENT

When you are renovating your home with an eye to possibly selling it down the road, it is a good idea to spend a little time researching the impact of the work on the value of your home.

Homeowners can now get a better idea of the return on investment they can expect for a variety of home improvements through RENOVA, an interactive web-based guide provided by the Appraisal Institute of Canada, free of charge (www.aicanada.ca, Client Resource Centre).

RENOVA lists 25 popular renovation projects. Homeowners can enter the amount of money they plan to spend on a particular improvement, and the program will calculate the expected return on the investment.

Kitchen and bathroom renovations continue to top the list, as they have for years, and homeowners can expect to recoup 75% to 100% of the investment on resale. Among lower-priced improvements, a fresh coat of exterior and interior paint may also return up to 100% of the cost.

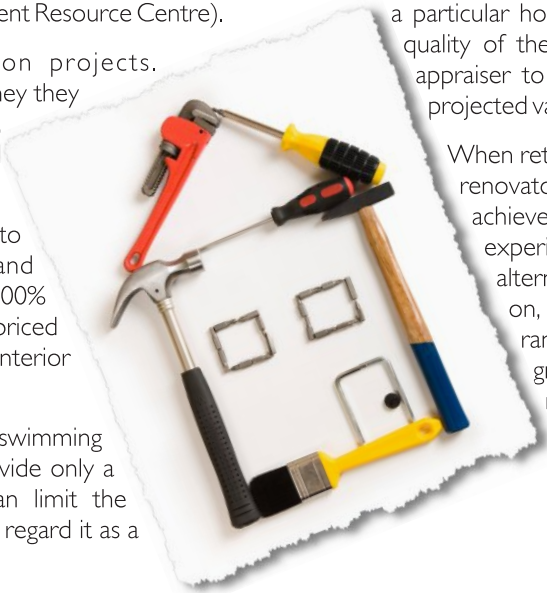
At the other end of the spectrum, installing a swimming pool, a whirlpool tub or a skylight may provide only a modest return, if any. In fact, a pool can limit the marketability of your home, as some buyers regard it as a liability.

For many common improvements, such as a basement renovation, rec room addition, flooring upgrade and window replacement, homeowners can expect a return of 50% to 75%. For some exterior work, e.g. landscaping, fencing and paving, the return is less, from 25% to 50%.

The Appraisal Institute cautions that RENOVA is a guide only. Many factors determine the value and return on renovation investment for a particular home, notably location, the neighbourhood and the quality of the work and materials. You may want to hire an appraiser to identify the current value of your home and its projected value after renovation.

When return on investment is a consideration, a professional renovator can help you develop a plan that allows you to achieve your renovation goals without over-investing. An experienced renovator can suggest a range of designs, alternative approaches, less expensive materials, and so on, to keep your project within a comfortable price range. You end up getting the best of both worlds—a great place to live, and a reasonable expectation of recouping your investment, when it is time to move.

This backgrounder has been prepared by the Canadian Home Builders' Association.



REAL ESTATE BROKERAGE OPERATIONS ACQUIRED IN 4 REGIONS OF ONTARIO

Royal LePage Real Estate Services (Royal LePage) recently announced the acquisition of Prudential Real Estate operations in four regions of Ontario, Canada that will operate under the Royal LePage banner, effective September 30, 2013.

"We are delighted to have these teams of highly regarded professionals join our company," said Phil Soper, President and CEO, Royal LePage. "In each of these regions — Ottawa, Kingston, Niagara and Oakville — Royal LePage is already the leading real estate firm. This position of market leadership has been further strengthened with this bold move."

• In Ottawa, Ontario, Royal LePage TEAM Realty will merge with the Prudential operations at 1296 Carling Avenue. Broker/Owner Kent Browne and his management team are very excited to welcome this outstanding group of Realtors™ to Ottawa's leading brokerage. Royal LePage has No. 1 market share in Ottawa and region.

• In Kingston, Ontario, Royal LePage ProAlliance Realty will merge their brokerage with Prudential Town Centre Realty operations under the ProAlliance banner. Broker/Owner Mark Rashotte is looking forward to working with Mary Campeau and her team of sales representatives, who have a vast knowledge of the Kingston area. This will further strengthen ProAlliance's No. 1 market share position in a broad area of east-central Ontario.

• In Fort Erie, Ontario, Royal LePage Niagara Real Estate Centre is pleased to announce that it will be opening a new location with the acquisition of Prudential's Ridgeway operations. The Royal LePage leadership team of Margie Spence, and sons Brad and Ryan Johnstone, look forward to working with the new team, and expanding the No. 1 market share position the business enjoys across the entire Niagara region.

• In Oakville, Ontario, Royal LePage Real Estate Services will merge operations with the large Prudential team located at 280 North Service Road West. Broker of Record and senior executive responsible for Royal LePage's corporate brokerage businesses, Gino Romanese, welcomes manager Michael Stothers and his team to the number one brokerage in Oakville and Ontario.



"Building on Royal LePage's cross-Canada momentum, these mergers are a clear win for our new Realtors™ and their clients," said Mr. Romanese.

Mr. Soper concluded, "No Canadian firm can match the incredible growth of Royal LePage over the past decade. That these high performing real estate brokers and agents would choose to join our company does make sense for their careers; nonetheless, we are grateful that they have placed their trust in us and intend to repay that trust by helping them to offer their clients peerless advice, counsel and service."