

REAL ESTATE NEWS



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SOFT LANDING UNDERWAY IN MOST CANADIAN REAL ESTATE MARKETS

Royal LePage reports slowed price appreciation across the country, with notable exceptions

As the 2015 spring market gets underway, Canada's real estate market is experiencing a soft landing, characterized by slower than normal home price increases. Much higher price increases were observed in the country's two largest urban markets, which combined to send the national average values upwards, partially obscuring the broader national trend.

According to the recently released Royal LePage House Price Survey, the average price of a home in Canada rose between 3.8 per cent and 6.6 per cent year-over-year in the first quarter. When broken out by housing type, the survey showed a year-over-year average price increase of 5.3 per cent to \$451,463 for standard two-storey homes, while detached bungalows rose 6.6 per cent to \$405,895. During the same period, the average price of standard condominiums climbed 3.8 per cent to \$261,782.

The steady softening of prices in most markets across the country was first observed in the mid-year 2014 Royal LePage House Price Survey. In recent months, two unanticipated factors disrupted the natural housing price cycle: the steep decline in oil prices late in 2014 and the Bank of Canada's subsequent reaction in lowering the overnight rate early in 2015.

"Canadian home buyers, with the last decade's recession still top of mind, have been very sensitive to shifting, broad economic factors. The oil shock has been unsettling for the national economy, consumer confidence and by extension, the housing market," said Phil Soper, president and chief executive, Royal LePage. "That said, lower prices at the pump and the confidence boosting move by the central bank to lower interest rates have been supportive. With these factors combined, we have a soft-landing for



housing after several years of robust expansion. We define a soft-landing as a market in which home prices are flat or increasing slightly, giving the economy and family incomes, a chance to catch up."

"On balance, we believe we will not be seeing the kind of appreciation observed over the last three years any time soon, as markets work through the current cycle and align with broader economic conditions," continued Soper. "In terms of downside risk, we do not foresee a sharp decline in

home prices, particularly in today's low interest rate environment."

"What's essential to note is that Canada is a market of markets, each responding to a combination of local and national factors, where there are even notable differences in market activity between housing types and segments within the same vicinity. In particular, we will be keeping a close eye on the luxury segment, where in Toronto and Vancouver demand is among the highest on record, while dropping to a standstill in Calgary – one of the most dramatic contrasts we have seen between cities that for the last year have been on a parallel trajectory," concluded Soper.

Regional Market Summary

A delayed start in the Ottawa housing market led to a relatively flat first three months of the year, although quality listings continue to find buyers. The average price for standard two-storey homes and detached bungalows increased 2.0 per cent and 1.9 per cent year-over-year to \$407,000 and \$404,167, respectively. Standard condominiums also saw a modest increase in average prices, rising 1.4 per cent to \$262,167.

THE APRIL RESALE MARKET IN FULL BLOOM

Members of the Ottawa Real Estate Board (OREB) sold 1,570 residential properties in April 2015 compared with 1,419 in April 2014, an increase of 10.6 percent. There were 1,208 home sales in March 2015.

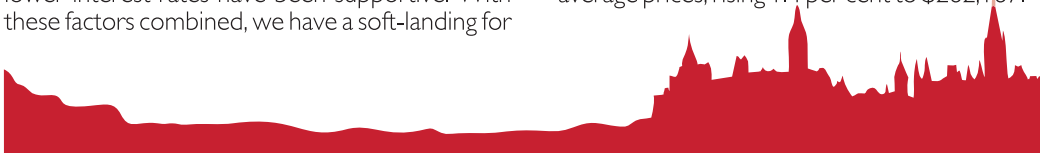
"Despite the late departure of the cold weather this April, buyers were out in full swing, propelling the Ottawa resale market into a busy spring selling season," said OREB's President. "Sales continued their steady pace upwards since the beginning of the year, with 362 more properties sold this April over March."

April's sales included 258 in the condominium property class, and 1,312 in the residential property class. The condominium property class includes any property, regardless of style (i.e. detached, semi-detached, apartment, stacked etc.), which is registered as a condominium, as well as properties which are co-operatives, life leases and timeshares. The residential property class includes all other residential properties.

"The average cumulative days on market has improved even more in April, coming in at 74 days, compared to 83 in March," said OREB's President. "Properties are moving faster and inventory is plentiful, with just under 9,000 residential properties, including condos, available for sale going into May", he added.

The average sale price of a residential-class property sold in April in the Ottawa area was \$403,239, an increase of 0.9 percent over April 2014. The average sale price for a condominium-class property was \$265,371, an increase of 2.7 percent over April 2014. The Board cautions that average sale price information can be useful in establishing trends over time but should not be used as an indicator that specific properties have increased or decreased in value. The average sale price is calculated based on the total dollar volume of all properties sold.

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REAL ESTATE NEWS

REMODELING TIPS TO MAKE YOUR HOME LOOK MORE SPACIOUS

Making a small or medium-size home feel more spacious is quite a challenge. However, it is not necessary to change the entire look of the house by doing major, expensive, and time-consuming renovations to create more space. There are ways to do it without burning a huge hole in your pocket and within a reasonably short period of time.

A few, simple yet practical changes can not only create a more spacious look for your home but also make every important area of the house fully functional. The best way to initiate the process is to involve all the members of the family in the planning process, so that their needs and convenience can also be factored in.

Here is a general list of changes that can be done to any room of your home to create a spacious look:

- Place the furniture and other decor in consultation with a professional interior decorator. Furniture and lightning placed inappropriately can make even large spaces look tiny.
- Large pieces of furniture must always rest against the longest wall of the house. Always buy small pieces of furniture, as they can be fitted according to the size of the room and are also easy to move around. Bulky furniture limits your remodeling options significantly.



- Do not have any light fixtures installed on the ceiling, as it would make the ceiling appear lower than what it actually is. Put them on the walls instead. Use lights that do not cast shadows.

- The color of the ceiling must always be lighter than those of the walls to give the room an appearance of being spacious.
- A clutter-free room makes it appear naturally bigger. Create a neat and tidy look for your room by disposing unwanted items and keeping the essentials in an organized manner.

Use Loft and Cellar as Storage Space

If your house has a loft, you can easily create a good amount of space for storing things that you do not use frequently. This can free actual floor space and make your rooms look bigger than they actually are. You can also start cleaning up the cellar and soon you will have a new place for junk.

Creative Furniture Arrangements



Be innovative with furniture arrangements. Don't go by the rules because every room has its own limitations and opportunities that can be easily leveraged by using your own

ideas and creativity. For example, you don't have to have a sofa set in your living room just because everyone else does. Go for big, comfortable armchairs instead or something else that can utilize your floor space better. An unexpected setup might make your space more useful because traditional arrangements cannot be expected to work for all types of rooms.

Lighten Up Kitchen in Every Possible Way

Counter tops in kitchens and bathrooms that are light in color can make surfaces seem more spacious. There is no need to carry out an expensive revamp of the whole room. It is possible to just redo the counter tops, maybe over the weekend. Dark colored tiles also create a look of cramped space. Tiles and even storage pieces that are light in color can be added to the kitchen furniture to blend with the existing wall color to create a feel and look of large space.

Invest in Foldable Furniture

If you love to host guests over weekends, you will surely need more furniture. However, that does not mean you have to fill your living room with tables and chairs. Choose folding tables, chairs, banquet tables, and other foldable type furniture that can be stowed away in the loft or basement after the party. This way, you can play a great host without the hassle of having unwanted furniture lying around when you don't need them.



Go Vertical

Try to make optimum use of vertical space, so that your floor space looks clear. There are innovative designs available in shelving units that offer space for keeping bulky items away.



A small house can be turned into a spacious looking home by following some simple, yet creative interior decoration methods. If you make the best use of space, color, and creative skills, there are wonderful and budget-friendly ways of making small spaces look spacious.