

REAL ESTATE NEWS



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CANADIANS PILING UP “GOOD DEBT,” REPORT SAYS

The average amount of debt Canadians now hold rose significantly to about \$93,000 in June from \$76,140 a year earlier, according to a recent report released by the Bank of Montreal. The report, which looks at major contributors to overall household debt in the country, found credit card debt and mortgage debt listed as the top two types.

Of the Canadians surveyed, 80 percent said they are in debt. While the percentage stayed the same as last year, so-called “smart purchases” such as home purchases, home repairs/renovations and education expenses topped the list of debt sources for Canadians.

Forty-nine percent of Canadians said buying a home was a significant contributor to their current debt, with 34 percent saying it was the main factor. Home sales are up 6 percent in the first half of 2015 from the same period a year ago, according to BMO Economics, with hot housing markets adding fuel to debt levels.

The Real Estate Board of Greater Vancouver recently reported sales of existing homes in the region soared 30 percent in July compared with a year earlier, causing benchmark prices to rise more than 11 percent. The Toronto Real Estate Board reported home sales rising 8 percent to hit a new July record, with prices jumping 9.4 percent for the year.

“Home sales remain resilient across most of the country, led by soaring transactions in Toronto and Vancouver,” said BMO

Nesbitt Burns Inc. economist Sal Guatieri. “Of growing concern, however, is that rapidly rising house prices in these two cities could encourage some households to take on larger mortgages than they can handle when interest rates rise.”

One-third of Canadians said a home renovation or repairs also contributed to their debt. Part of this was due to an aging population spending more to fix their homes, Mr. Guatieri said.

Educational expenses like tuition, supplies and textbooks rose 3 percent in the past year, with one-third of Canadians under 35 having debt from student loans. “Given the angst about high debt burdens, it’s somewhat comforting to know that Canadians are generally accumulating good debt-to-finance investments in their homes and educations, as opposed to bad debt such as discretionary spending on vacations and entertainment,” Mr. Guatieri said.

But there is still concern over debt accumulated from spending on items such as vacation (28 percent), entertainment (22 percent) and home electronics (20 percent).

Auto sales also contributed to 46 percent of Canadians’ debt levels, with car purchases at record highs, supported by inexpensive credit and extended loan terms.



STRONG SUMMER PERFORMANCE FOR OTTAWA'S RESALE MARKET

Members of the Ottawa Real Estate Board (OREB) sold 1,279 residential properties in August 2015 compared with 1,200 in August 2014, an increase of 6.6 percent. There were 1,436 home sales in July 2015. The five-year average for August sales is 1,234.

“Ottawa Real Estate Board members had a busy August, with units sold coming in higher than the five-year average and a healthy increase from last year’s sales,” said OREB’s President. “In addition to an increase in units sold, inventory levels of residential and condominium properties dropped by 5.3 percent since last month, and cumulative days on the market was an average of 89 days.”

August’s sales included 259 in the condominium property class, and 1,020 in the residential property class. The average sale price of a residential-class property sold in August in the Ottawa area was \$379,946 a decrease of 0.1 percent over August 2014. The average sale price for a condominium-class property was \$244,801, a decrease of 7.3 percent over August 2014.

“It is important to note that the increase in units sold is for both residential and condominium properties,” said OREB’s President. “Although, we continue to see an increase in the number of condominium units sold in comparison to 2014, and the year-to-date condominium sales are now close to on par with last year.”

“The majority of buyers in Ottawa continue to buy properties in the \$300,000 to \$400,000 price range, closely followed by the \$200,000 to \$300,000 range. In addition to residential and condominium sales, OREB members assisted clients with renting 295 properties in August, and over 2,000 since the beginning of the year.”

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REAL ESTATE NEWS

ROYAL LEPAGE SHELTER FOUNDATION TEAMED UP WITH CHARITY CHALLENGE FOR TREK TO MACHU PICCHU

Phil Soper, President and Chief Executive Officer, Royal LePage Real Estate Services gives a heart-felt thank you to all of the Royal LePage Machu Picchu trekkers who raised more than half a million dollars for the Royal LePage Shelter Foundation

"It was difficult: really difficult. Yet when they considered the challenges facing the women and children that they raised hundreds of thousands of dollars to support, they knew it was worth every blister and oxygen-starved gasp.

The first group of Andean trekkers from Royal LePage arrived back at their homes across Canada August 24; two groups of their peers will follow in the days to come. They were part of the Machu Picchu Challenge for Shelter, a unique fund raiser for a wonderful cause.

We are so very proud of the sixty-some women and men who together raised close to half a million dollars in support of the Royal LePage Shelter Foundation, the nation's largest charity dedicated to eradicating domestic violence, and supporting those who are victims of it.



Photo by Cory Permack

Over an eight day period, these brave souls traveled from Lima, Peru, to Cusco, high in the Andés Mountains, and then embarked on a multi-day trek through the mountains to the fabled lost city of the Inca, Machu Picchu. Sleeping in small tents on the hard ground in sub-zero temperatures, they climbed from 6am to dark, crossing a pass at close to 15,000 feet (4,500 meters), almost twice as high as the summit at Whistler ski resort in B.C.

We will be hearing their stories for some time, I'm sure. There were touching encounters with curious Quechuas children; amazing animals to behold; and the acute pain of strenuous exertion at great altitude. Some of the busy Realtors® admitted to neglecting to carefully read the years' worth of preparatory communications from organizers Shanan Spencer-Brown, Carly Neill and Sharon Promm on how to ready themselves for the physical stress they would face; some didn't believe a country so close to the equator could be that cold. Others came equipped

with enough technical clothing and gear to summit Aconcagua. No matter, they all sucked it up and if need be, bought alpaca wool sweaters from native merchants, and soldiered on. Most encountered at least a mild bout of Montezuma's Revenge somewhere along the way. And the trials of the trail didn't discriminate by age or gender. Trekkers ranged in age from 16 years to early seventies. Rumor has it that the more experienced in years the trekker, the more likely they took their training seriously. Ah, the bounty bestowed upon the wise!

No doubt the friendships made on trail will last a lifetime. Certainly the good deeds done in raising such a huge sum for our cause will help make Canadian neighbourhoods safer and happier places for years to come.

My deepest thanks to the Peruvian guides and to operator Charity Challenge,

who took our teams to the top, and then brought them back safely. To the organizers, who invested many hours over many months on this labour of love.

And to those of you who participated, either step by step through South America, or through your financial contributions in support of our trekkers." **-Phil Soper,**



Photo by Kate Soper