Real Estate Monthly

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House Price Increases Forecast to Continue Through To Year's End

Canada's real estate market is poised to maintain the momentum gained from a solid second quarter through to the end of 2008, according to a House Price Survey and Market Survey Forecast report just released by Royal LePage Real Estate Services.

"Canada's resale housing market proved resilient in the second quarter. In fact, we have been pleasantly surprised that strong fundamentals, such as enduringly positive employment numbers and reasonable mortgage rates, have countered increasingly pessimistic consumer sentiment, based primarily on the American housing recession," said Phil Soper, President and Chief Executive Officer, Royal LePage Real Estate Services.

Added Soper: "After several years characterized by a persistent shortage of listings, home buyers have felt the pressure of bidding wars and take-it-or-leave-it counter offers ease during 2008; home sellers have had to come to grips with the longer time that it is taking to sell properties, but can take comfort in a market that continues to support reasonable price increases. Our research indicates that all markets will continue to perform well, albeit at a tempered pace."

The national average house price is forecast to rise by 3.5 percent, to $318,000 by year's end. Home sale transactions are projected to decrease by 11.5 percent to 461,000 unit sales by the end of 2008.

Examining figures from the second quarter, the highest average price appreciation occurred in detached bungalows, which rose by 5.6 percent to $351,587, followed by standard two-storey properties, which rose to $418,943 (5.2 percent), and standard condominiums, which increased to $248,408 (3.9 percent), year-over-year.

Montreal, Toronto and Ottawa all experienced strong second quarters and are poised to continue to see prices appreciate. In all three cities, listings rose during the second quarter, compared to the same period last year. The increase in inventory has translated into fewer, albeit still occurring, multiple offer situations. Homes priced appropriately had listing periods that often lasted one to two weeks during the second quarter; a relatively short period of time by historical standards.

Ottawa's resale housing market is optimistic, with average prices anticipated to rise and market activity to remain steady, through to the end of 2008. Bolstered by the combination of a robust and unwavering local economy, and high consumer confidence, ***Ottawa's real estate market maintained its title as the country's most stable market during the second quarter.***

Eye on Ottawa Real Estate

Members of the Ottawa Real Estate Board (OREB) sold 1,390 residential units in July compared with 1,451 in July 2007, a decrease of 4.2 percent. There were 1,691 sales in June 2008.

"It's normal for the Ottawa market to have fewer sales in July, after the busy spring market cools off a little. Also, listing inventory has declined, so the market is becoming more balanced, and a balanced market is an ideal environment in which to buy or sell a property," said OREB's President-Elect. "Condominium sales are holding steady at 2007 levels, and the average sale price of residential properties sold continues to rise. The Ottawa real estate market's fundamentals of affordability, buyer demographics, interest rates and gradual price growth are all favourable," he added.

The average price of residential properties, including condominiums, sold in July in the Ottawa area was $294,410, an increase of 9 percent over July 2007.

Call today for real estate advice and information!

Not intended to solicit properties already listed for sale.

Real Estate News

Air Conditioning Tips and Advice

Every summer, the heat and humidity drives homeowners to turn up their air conditioners. If you've got an older unit, maybe it's time to think about replacing it with a new, more energy-efficient one.

Older air conditioners — both central and room — use 30 to 70 percent more electricity than newer energy-efficient models, driving up peak demand and costing you more. In addition, older units can corrode or rust, leading to refrigerants, HCFCs and CFCs leaking and causing environmental damage and pollution. Air conditioners contain refrigerants like freon, that create the cooling effect. These are ozone-depleting substances and have global restrictions to ensure that they are not released into the atmosphere.

Bigger isn't always better

Window and portable units are effective for cooling small spaces and cost a lot less than central AC, which cools the entire home. kitchen.The size of the air conditioning unit that you need is entirely dependent on your home. Contractors bidding on central AC installation jobs often incorrectly estimate the tonnage needed. Some HVAC contractors over-estimate their clients' needs to make absolutely sure that their clients have "plenty of cooling capacity," or sometimes simply to sell whatever unit they happen to have sitting on the truck or back at the shop.

The fact is, bigger is not better. An AC unit that's too big is a waste of money to purchase, inefficient to operate, and isn't comfortable. An oversized unit will turn on and off more often, which is annoying and wasteful. So how do you make sure that you don't get sold more cooling capacity than you should have?

Make sure your HVAC contractor performs a load calculation using industry-recognized methods to determine the proper size unit. It's important to take more than just household square footage into account. It's total home air volume that counts. The calculation also needs to take into account local climate conditions, and conditions unique to the house — such as the number of south-facing windows.

Remember, too, that newer houses are more energy-efficient. They have better insulation and quality of windows and greater air tightness, which all greatly affect the amount of cooling power that you need.

Are ducts being checked?

There should be enough ducts, and they should carry enough air to ensure an adequate supply of cool air to every room — and, just as important, to ensure enough warm air gets back to the air conditioner. Also, the ducts should be as air tight as possible.

The ducts should flow through the conditioned space in your house. If they go through the attic, they should be insulated.

Efficiency is important

Once you figure out how big an AC unit you need, you'll want to get the most efficient unit you can. This is measured in something called SEER — Seasonal Energy Efficiency Rating. The higher the number, the more energy efficient the unit is.

Old units might have a SEER of 5. You want to go as high as you can — 16 or 18 is great. A SEER of 10 will use half the electricity of a SEER 5 unit, and you'll pay for the price difference in energy savings in a few years.

Save energy

Air conditioners are one of the biggest consumers of energy in your home, so you want to make sure that yours is the most energy-efficient that it can be. But even a very high-efficiency air conditioner will perform as badly as an inefficient one if it isn't installed correctly.

Tips:

- Keep your blinds closed to avoid passive solar heating that will make your AC work harder.
- Close your windows and doors when the AC is on.
- Do laundry and run dishwashers — which create heat — in the evening when it's cooler to avoid peak hours.
- Make sure the condensing unit of your central AC is placed where it will be shaded from the sun.
- Keep the outdoor condensing unit clear of leaves and debris; it will cause the unit to work extra hard and wear out sooner. Make sure that there is enough space around the outdoor unit to avoid airflow restriction through the coils.
- Keep landscaping away from the AC unit.
- Try to place the condenser in a place that won't disturb you or your neighbours — it can be noisy.
- Use a programmable thermostat and set it to turn on your AC before you come home, so you're saving energy while you're at work during the day.