

# Real Estate Monthly

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## Optimistic Outlook for the Canadian Housing Market

**E**xceptional strength in Canada's resale housing market in the first six months of the year has prompted the Canadian Real Estate Association (CREA) to more than double its forecast for sales increases in 2007, the second time this year that the association has revised its predictions upward. National home sales are now forecast to rise by 8.1 percent in 2007 to 523,100 units and set new annual records in most provinces. In May, it had forecast a 2007 sales increase of 3.6 percent, which was an update on its original 2007 forecast issued in February, when CREA had predicted that sales this year would drop by 1.6 percent from 2006.

"The housing market has caught everyone by surprise," said CREA Chief Economist Gregory Klump. "Everyone expected a gradual cooling in the second quarter, but (the market) heated up instead. We've changed our forecast to reflect reality." Mr. Klump added that the market has now seen two consecutive record-breaking quarters. "Resale housing activity was a juggernaut in the second quarter of 2007."

Next year, sales are expected to edge slightly lower, but still reach the second highest annual level on record in almost all provinces. CREA had initially called for sales activity to cool by 2.8 percent in 2008, but now forecasts a 2 percent decline.

The Canadian housing market has shrugged off the problems that have been experienced in the United States, said Ann Bosley, CREA president. "Canadian lenders have launched some alternative mortgage options in the past year, but they appear to be more conservative and are unlikely to overdo any subprime lending, which has been the problem affecting the U.S. housing and borrowing markets," she said.

The average residential price is forecast to set new records over the next two years in all provinces, CREA said. More balanced conditions across the country will return as new listings rise further. "Home-buying sentiment remains upbeat in all regions and mortgage financing is still within reach for many potential home buyers," Mr. Klump said. "The resale housing market will become more balanced as rising prices and higher mortgage interest rates gradually impact affordability."

### Focus on Ottawa Home Sales

According to statistics just released by the Ottawa Real Estate Board (OREB), 1,316 homes were sold in August, compared with 1,245 in August 2006, an increase of 5.7%. There were 1,455 sales in July 2007.

"After a sizzling July, the August market settled down a bit, but remained steady, with year-to-date home sales now edging close to the 11,000 mark," said OREB's President. "Also, people buying homes have plenty of choice – at the end of August, there were almost 4,000 homes on the MLS® market in Ottawa."

The average price of residential properties, including condominiums, sold in August in the Ottawa area was \$267,014, an increase of 2.5% over August 2006.

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## Countdown to the Big Move

### What's the Best Way to Prepare for Your Move?

#### Four weeks before moving

- Decide what you want to take, what you want to throw out, and what you want to donate to charity or sell.
- Start using up frozen food and staples. Don't buy any more than is necessary before moving.
- Start planning your trip. Make airline reservations. Book hotels and rental cars.
- Arrange for important school, medical, financial and legal records to be transferred.

#### Three weeks before moving

- Arrange to have your pets transported or boarded. Start preparing your plants for the move.
- Get back any items that you have lent (and give back any items that you have borrowed). Pick up any items that are being repaired.
- Dispose of flammable items such as paint, aerosol cans and cleaning fluids.
- Send change of address information to the post office and other businesses.

#### Two weeks before moving

- Schedule a date for a service firm to disconnect and prepare the appliances that you are moving.
- Start packing non-essential items.
- Arrange for a babysitter for moving day.
- Start planning to disconnect utilities.
- Draw up a floor plan for your new home and start planning your furniture arrangement. (It makes moving in twice as easy.)

#### One week before moving

- Finish packing suitcases and basic essentials. Make sure valuable documents, currency and jewellery

are in a safe and easily accessible place.

- Drain garden hoses, lawn mowers and other machinery.
- Defrost and dry the fridge and freezer. Don't forget to empty the defrost water pan.
- Take down items such as curtain rods, shelves, light fixtures and mirrors that you are taking with you.
- Dismantle large power tools, such as lathes and grinders.
- Make sure all your important papers, keys, medications and plane tickets are available for the trip.



#### Packing day

- Leave a clear workspace for the packers.
- Identify fragile and valuable items, items that you are taking with you and items being left for the new owners.

#### Moving-out day

- Plan to stay home until the moving van has left.
- Tour the house with the van operator during inventory.

Sign the bill of lading. Confirm your new address and delivery date. Check destination contact phone numbers.

- Do a final check for overlooked items. Make certain windows and doors are locked, lights are turned off, utilities are discontinued or turned off, and the keys are transferred.

#### Moving-in day

- Try to get to your new home the day before the moving van arrives. Make sure the utilities are connected. Take another look to see if where you want your furniture to go is correct.
- When the mover arrives, check items unloaded against the inventory. Make arrangements for installation of appliances. Confirm unpacking requirements.