

What's in Store for the Market in 2017?

The Canadian housing market is expected to cool off in 2017, but that's not a bad thing. The market has been hot for the last few years and many feared a crash was imminent. While the market is set to stabilize, a crash is not predicted.

HOME PRICES ARE EXPECTED TO GO UP

Home prices are expected to increase **2%** in 2017.¹

HOME RESALES ARE EXPECTED TO DECREASE SLIGHTLY

Home resales are expected to decrease **3.7%** in 2017.¹

NEW MORTGAGE RULES MAY COOL HOME SALES

Experts say the new rules enacted by the Canadian government last fall may dampen home sales since they affect the largest segment of the Canadian mortgage market. Under the rules, all high-ratio mortgage borrowers will have to qualify at the 5-year benchmark rate. It's expected that one in five home sales will be affected by the changes. However, the changes aren't expected to cause a crash.²

MARKETS ARE PREDICTED TO MODERATE

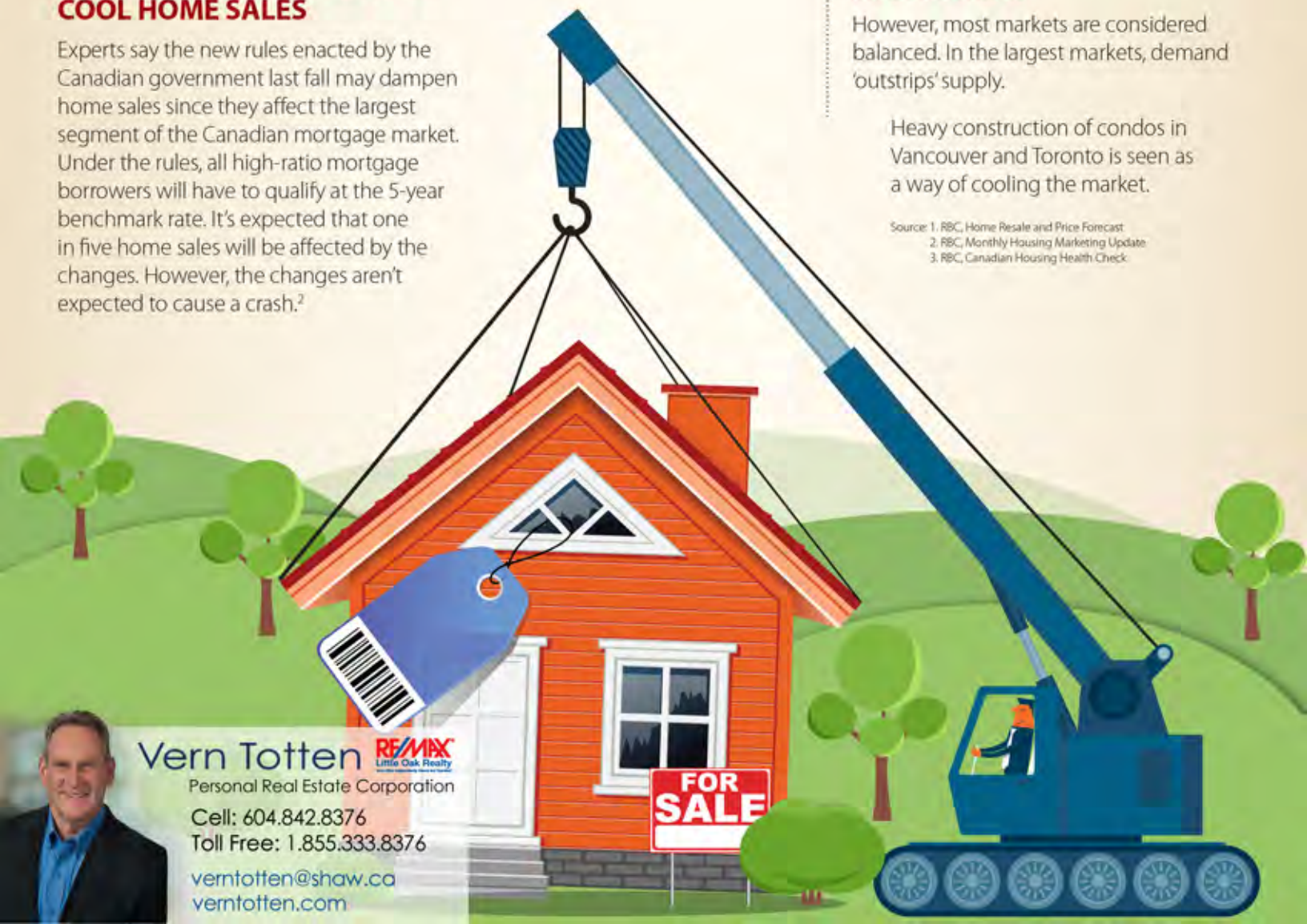
Nationally, affordability is consistent with historic norms. While affordability-related risks may increase in Vancouver and Toronto, both markets are showing signs of cooling. The good news: experts predict the risk of a widespread and steep downturn in the housing market over the next 12 months is low.³

IT'S A SELLER'S MARKET IN MANY AREAS³

However, most markets are considered balanced. In the largest markets, demand 'outstrips' supply.

Heavy construction of condos in Vancouver and Toronto is seen as a way of cooling the market.

Source: 1. RBC, Home Resale and Price Forecast
2. RBC, Monthly Housing Marketing Update
3. RBC, Canadian Housing Health Check



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3 Reasons to Take Housing Predictions with a Grain of Salt

At the beginning of the year, it's common to see articles in magazines, in newspapers and online that offer predictions about the national housing market. These forecasts may provide insight to real estate professionals and interested investors; however, to the average person who's thinking of buying or selling, the predictions often don't make a difference in their final decision. Here's why:

- 1. All real estate is local.** What's going on in the national market may not be an accurate reflection of what's going on in our market. If you want to know about our local market and what your home is worth, give me a call! I'll be happy to answer all of your real estate questions.
- 2. The future is uncertain.** Experts estimate future market trends based on current statistics and historical trends. In other words, they use past and current data to find clues as to what might happen next. However, national and global events can have an unforeseen impact on the economy, including the housing market. While experts may predict one thing now, the reality could turn out to be very different.



- 3. Buying and selling is a personal choice.** If you're ready to buy or sell a home, your decision may rely on factors other than the state of the market. For example, family changes and job relocations are two of the most common reasons people move. While it's smart to consider the state of the market when you're thinking of buying or selling, in the end, if you think it's a good time, then it's a good time.

If you're thinking of buying or selling or want an updated comparative market analysis (CMA) of your home, give me a call! I'm here to help you with all of your real estate needs and to answer any questions you have.

Thinking of buying or selling?



Why buy?

- 1. You want to own a home of your own.** When you own, you have the freedom to put your mark on the property.
- 2. Circumstances are right.** Whether you've relocated for a job or just sold your home, circumstances may have forced your hand to buy.
- 3. There are lots of homes for sale in your market.** If your desired home is in a buyer's market, now is a great time to buy if you've been on the fence.

Why sell?

- 1. You've outgrown your home.** If your family is growing or your parents or adult children have moved in, it may be time to sell in favour of a larger home.
- 2. You want to live closer to family or friends.** If you want to spend more time with your loved ones, it may be time to move and buy closer to them.
- 3. You're relocating for a job.** Whether you're transferring within your company or you've found your dream job, a change in work circumstances may cause you to list your home.

