

# REAL ESTATE NEWS



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## Affordability was the Key for Homebuyers in 2019

Price and affordability were the top factors for four out of five buyers during their 2019 home purchase, according to the annual Mortgage Consumer Survey (MCS), released today by Canada Mortgage and Housing Corporation (CMHC). The number of buyers spending the maximum amount they could afford on their home fell to 60% in 2019, a significant drop from 78% in 2018.

The number of first-time homebuyers who had rented housing with family and friends before making their home purchase increased from 28% in 2018 to 44% in 2019.

The findings of the 2019 Mortgage Consumer Survey offer key insights into the current state of home buying, homeownership and mortgage lending in Canada.

"The mortgage consumer survey's goal is to help put Canadians and the mortgage professionals who serve them in the best position to succeed when shopping for a mortgage," said Sam Carnavole, CMHC's Director of Client Relationship Management. "This year's survey includes important takeaways on affordability and the first-time buyer's journey from renting a home to owning one. We hope the survey helps Canadians get the most of what can be an overwhelming process."

Highlights from the survey relating to affordability:

Top homebuyers "must haves" were either price or affordability (80%), number of rooms (73%) or proximity to public transit (67%).

In 2019, 60% of homebuyers bought the highest-priced home they could afford, falling significantly from the 78% who spent their maximum in 2018.

In total, around 23% of homebuyers in 2019 said their current level of debt is higher than they were expecting. This number is up from 19% of buyers in 2018. The majority of buyers (59%) reduced their non-essential expenditures since owning a home. The most common area where they chose to cut back was on entertainment (66%), vacations (55%) and food (44%). About one quarter of the homebuyers surveyed (26%) applied for a tax credit or rebate with their purchase.

Most buyers (65%) believe the new mortgage qualification "stress test" will prevent more Canadians from taking on a mortgage they can't afford.

Of the buyers surveyed, 87% were confident in the long-term financial prospects of homeownership, and their future ability to make their mortgage payments.



## WEATHER ISN'T COOLING THE RESALE MARKET

Members of the Ottawa Real Estate Board (OREB) sold 1,288 residential properties in November 2019 compared with 1,161 in November 2018, an increase of 10.9%.

"Even with the typical winter slowdown, Ottawa's home resale market still experienced a relatively brisk pace in November. Our inventory is not having a chance to build as it is being absorbed as quickly as it comes on the market. That's why there are so many sales every month even though the supply stock is low" explains OREB's President.

The average sale price of a residential-class property sold in November in the Ottawa area was \$501,201, an increase of 16.9% over November 2018. The average sale price for a condominium-class property was \$313,734 an increase of 9.8% from November 2018.

"Prices have increased, and therefore there is shortage of units available in the lower end price range of both condos and residential properties," reports OREB's President. "That being said, the Ottawa market still remains strong and sustainable with reasonable increases in year to date average prices of 9% in both the residential and condominium property classes."

The most active price range in the condominium market was \$225,000-\$349,999, accounting for 57.5% of the units sold while \$350,000 to \$499,999 represented the most prevalent price point in the residential market, accounting for 38.8% of November's transactions. Residential properties in the \$500,000 to \$749,999 range increased to 32% of all residential resales.

Call today for real estate advice and information!





# FUN CHRISTMAS FACTS



Although Christmas is all about traditions, there are plenty of very interesting and sometimes even weird things about this holiday. Do you know why Rudolph the reindeer has a red nose? We collected the most interesting and bizarre Christmas facts from all over the world: this holiday can be very surprising!



**"Jingle Bells"** was written for Thanksgiving, not Christmas. The song was written in 1857 by James Lord Pierpont and published under the title "One Horse Open Sleigh". It was supposed to be played in the composer's Sunday school class during Thanksgiving as a way to

commemorate the famed Medford sleigh races. "Jingle Bells" was also the first song to be broadcast from space.

The **"X"** in **"Xmas"** doesn't take "Christ" out of "Christmas". Xmas is a common abbreviation of the word Christmas, however, some people think that this spelling is not right, because it takes the "Christ" out of Christmas. Don't worry, no one is taking the "Christ" anywhere. In the Greek alphabet, the letter X ("chi") is the first letter of the Greek word for Christ or Christos.



**Rudolph's** red nose is probably the result of a parasitic infection of his respiratory system. According to Roger Highfield, the author of the book "The Physics of Christmas: From the Aerodynamics of Reindeer to the Thermodynamics of Turkey" the world's most

famous reindeer has a red nose due to a parasite. However, Rudolf's relationship with his parasite is symbiotic: after all, the red nose illuminates the path through the winter night for the whole reindeer team.

The first artificial **Christmas Tree** wasn't a tree at all. It was created out of goose feathers that were dyed green. The first artificial Christmas trees were developed in Germany in the 19th century, due to a major continuous deforestation. The feather trees became increasingly popular during the early 20th century and finally made their way to the US.



In Germany, Poland, and Ukraine, finding a spider or a **spider's web** on a Christmas tree is believed to be a harbinger of good luck. According to one legend, a spider wove a blanket for Baby Jesus, according to the other – a spider web on the Christmas tree turned silver

and gold once the sunlight touched it. One way or another, decorating a Christmas tree with artificial spiders and spider webs will inevitably bring you luck and prosperity!

WISHING YOU  
A JOYOUS  
HOLIDAY SEASON  
AND BEST WISHES  
FOR THE NEW YEAR!

