

Ten Real Estate Predictions for 2009 from President Dianna Morrison



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Milton, Ontario — January 2009 — Welcome to 2009! As I step into the role of President of The Oakville, Milton and District Real Estate Board, I am frequently asked about the direction of the real estate market as we go forward into 2009. While no one can predict with absolute certainty, I have based this article on my real estate experience along with an analysis of current and historical market trends. My predictions for 2009 are as follows.

1. Lower Volume of Residential Resales: Sales activity will remain slower than 2007 and the number of residential resale transactions, forecasted by the Canadian Real Estate Association (CREA), is expected to decline 3.5 per cent in comparison to 2008. Certain neighbourhoods will experience more healthy sales than others due to desirability and scarcity factors.
2. Modest Price Decrease: Modest price decreases for most residential homes are forecasted. We should expect an adjustment in prices as opposed to a sharp decline. The extent of price adjustment will also be very much area driven.
3. Buyers Waiting: Many buyers are waiting to take the plunge in anticipation of decreased prices. Given the overwhelming amount of information and opinion in the media, it is very difficult to separate fact from fiction - truth from sensationalism. Buyers will have more choices and less likelihood of having to compete in offer situations than has been the case in recent years.
4. Motivated Sellers: Sellers should be well informed and realistic in terms of the price they can expect to receive for their home.
5. Offers: Sellers should potentially expect to receive a number of skewed offers from buyers who may be hopeful of capitalizing on a situation where there is extreme motivation to sell hence a lower price.
6. Interest Rates: Interest rates are expected to remain low in Canada for the 2009 year with minimal changes in either direction. From a buyer's perspective, current interest rates present a terrific opportunity.
7. Presentation: A home that shows well always has a competitive advantage but this is particularly true in a market such as we are currently in.
8. Days on Market: A natural consequence of the type of market we are in is that homes take longer to sell.
9. Decline in New Home Inventory: New residential building starts are expected to decline in 2009.
10. More Investors Will Enter the Market: Because investors use different criteria than traditional homebuyers, more will enter the market as they recognize that a balanced market is an excellent time to purchase real estate particularly with the current cost of borrowing.

"While the economy will affect real estate performance in 2009, it is important to remember that demand still exists in the marketplace. I believe this will become increasingly apparent once the largely emotional response that prevailed at the end of 2008 gives way to a more calm reality as we progress into the spring market. Now as always in real estate, the location, price and condition of a property will dictate whether it will sell for fair market value or not", notes OMDREB President, Dianna Morrison. "Choosing a local REALTOR® will help you attain the home of your dreams or assist you in selling your home at the fairest price and best terms for you. This means it will be more important than ever for home buyers and sellers to use the services of an experienced Real Estate agent."

Sources: The Oakville, Milton and District Real Estate Board (OMDREB)
Canada Mortgage and Housing Corporation (CMHC)
The Canadian Real Estate Association (CREA)

Milton – December Sales Results

In the month of December, the number of residential sales in Milton dropped sharply with a 24.6% decrease compared to December 2007. The median sale and average sale prices of homes also dropped reflecting real estate trends throughout Canada.

"These days local REALTORS® face a lot of questions about the housing situation, but we must remember that all markets go through cycles and each housing market must be viewed in terms of the social and economic issues facing them, plus pricing and trends," states Dianna Morrison, OMDREB President. "The Canadian Real Estate Association's analysis shows that the Canadian real estate market reflects the economic reality in Canada, but we should not lose sight of the fact the World Economic Forum labeled Canadian Banks as the soundest banks in the world, and that Canada is the only country of the G8 not running a deficit."

Milton	2007	2008	% change
No. of Residential Sales	69	52	-24.6%
Average ¹ Sale Price	\$330,851	\$316,768	- 4.3%
Median ² Sale Price	\$313,000	\$287,000	-8.3%

¹ The average home price is found by adding the value of all sales and dividing by the number of homes.

² The median sale price is the midpoint of all sales.

Source: Oakville, Milton and District Real Estate Board

The Oakville, Milton and District Real Estate Board serves Oakville, Milton and surrounding communities with more than 1,400 REALTORS®. Your local REALTOR® can provide you with the data and services you need to make informed real estate decisions. To find out more about the REALTORS® in your area, and how you can benefit from the array of services a REALTOR® can provide, visit www.omdreb.on.ca or www.howrealtorshelp.ca. or call OMDREB at 905.844.6491