

**Although improved economic fundamentals will have a positive impact on Canadian housing markets moving forward, the forecast for residential real estate sales remains static in most major centres in 2011, according to a report released yesterday by RE/MAX.**

The RE/MAX Housing Market Outlook 2011, examining trends and developments in 26 major centres across the country, found that home-buying activity in 2010 fell short of 2009 levels. Housing values, however, continued to climb, with virtually all areas reporting an upswing in average price, ranging from just under 1% to 15% this year.

Lower inventory levels in many markets offset the effects of diminished demand, propping up price in almost every instance. Kitchener-Waterloo, Quebec City and St John's saw the greatest increases in average price this year, while Eastern Canadian markets including Hamilton-Burlington, Sudbury, Windsor, Moncton and Prince Edward Island were the only markets that bucked the downward trending in home sales in 2010.

By year-end, approximately 441,000 homes are expected to change hands nationally, a 5% decline from the 465,251 sales reported in 2009. Housing values are forecast to continue to climb, up an estimated 7% to \$340,000, compared with \$320,333 one year earlier.

[Click here](#) to read more from RE/MAX.

**A better job will be done of reviewing the sale price of a home when it differs significantly from its assessed value, according to Dan Mathieson, Chair of the Municipal Property Assessment Corporation (MPAC) Board of Directors.**

“Our job is to make sure that the assessed value of a home is accurate. While the sale price is a significant indication of the accuracy of our values, it is not the only one. A number of factors can result in a sale price that is significantly higher or lower than the assessed value. We will do a better job of looking at sales to see whether any of these factors are at play or if the home is not accurately assessed,” Mathieson said.

In his report released Monday, the Auditor General identified a number of properties in which the sale price was significantly above or below the assessed value of the property. In many of the cases in which the sale price was higher than the assessed value, an older home had been torn down and a new home built on the property that was sold at a significantly higher price than the assessed value. The increased value will be captured in subsequent permit inspections, according to Carl Isenburg, MPAC's President and Chief Administrative Officer.

A sale price significantly lower than the assessed value could be the result of other factors, such as a distress sale or a sale to relatives, according to Isenburg. “If five homes in a neighbourhood have sold for \$350,000 and one sells for half that, it raises a red flag. There could be something wrong with the value or there could be another reason. We will do a better

job of finding out why there is a difference, and if the value is wrong, we will correct it,” he said.

[Click here](#) for the full MPAC press release.

**No money down? Borrower beware.** When Farrell Macdonald got his first rental apartment in Toronto, he didn’t have much to fill it with, so he went to the local big-box store and charged \$3,000 in furnishings to the store’s credit card, for which he wouldn’t have to pay a cent for a year.

Although the store’s staff didn’t mention it, Macdonald noticed in the contract’s fine print the “outrageous” interest he would face on the purchase once the promotional period was over.

“From the ads on television, they make it so attractive, but the hook is never even mentioned at all,” says Macdonald, a real estate sales representative.

As the holidays near, it seems like every furniture, electronics and office supplies store is offering to hold the payments and interest on big-ticket items. While it can be tempting to buy now and pay later, the devil is in the details. Miss your first payment on some of those store credit cards and you could be hit with close to 30% interest, retroactive from the date of purchase. And as the fine print will tell those who care to read it, these deals are subject to change.

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