

More Than Just a Place to Live

Compliments of Ted Custance

Sutton Group - Masters Realty Inc., Brokerage

BUYERS PREPARED for a COMPETITIVE 2021 MARKET

Attempting to predict where Canada's housing market is going, can be challenging at best! Historically low inventories and eager buyers have driven prices and volumes to unprecedented levels, resulting in 2020 now being recognized as the best performing housing year, on record.

Rock-bottom interest rates, changing housing needs and high household savings seem to have motivated many homebuyers to make a move - or take the investment plunge. Those looking to purchase this year are realizing that there are few indicators that the market will cool in the near future. This has instilled in some buyers, a sense of urgency - fearing they might miss out on buying a home they can afford if they wait any longer.

In Canada, single family home prices have soared \$100,000 (or nearly 15%) in value over the past six months. This was the largest increase for the national benchmark price on record. By comparison, our local Kingston and Area market increased \$65,000 (14%) in value over the same period. These price trends have taken hold in many parts of Canada, as well as locally. It would seem, we should be prepared to see things continue to escalate in the near term.

The media is inundated these days with concerns regarding the so-called overheated market and the risk of a price correction down the road. Industry experts project, that prices will continue to appreciate in the year ahead, perhaps at a slower and slower pace as we get closer to 2022. Several influencing factors such as interest rates, affordability, government intervention, and the impact of Covid 19 on work places, could be in the cards, perhaps later next year. This could cool homebuyer demand and set the stage for a soft landing.

Here at home, we are certainly still in business but it is not business as usual. We adopted a very cautious approach when the pandemic hit. In spite of the challenges presented by Covid 19, our business volumes in 2020 turned out to be the best in our 17 year history.

The buyers we are working with now, tend to be serious and we are careful to weed out the triflers. For sellers, this means less physical traffic through the home. Virtual marketing presentations have taken on a whole new and very important role. Offers are routinely submitted without the buyer actually having visited the property.

If you are considering selling your home, timing couldn't be better. We will market your home carefully, with a locally focussed and province wide advertising campaign, both in print and digital.

Give us a call. We would love to chat.

HAPPY SPRING!

Ted

Market Watch

KINGSTON HOMES *

year	# of sales	days on market	average sale price
2018	2049	28	\$384,541
2019	2168	27	\$417,777
2020	2221	22	\$473,006
2021**	676	15	\$563,291

BATH and AREA HOMES *

year	# of sales	days on market	average sale price
2018	61	40	\$329,154
2019	55	63	\$385,467
2020	65	24	\$443,725
2021**	18	34	\$587,456

LOYALIST HOMES *

year	# of sales	days on market	average sale price
2018	28	40	\$381,660
2019	12	55	\$408,957
2020	33	25	\$492,490
2021**	6	41	\$537,514

*SOLD THROUGH MLS KINGSTON AND AREA
REAL ESTATE BOARD

**2021 IS YEAR TO DATE APRIL 7, 2021

Serving you in the Bath and Kingston area



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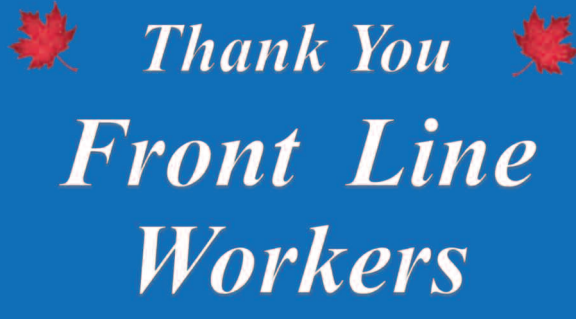
MORE THAN JUST A PLACE TO LIVE

Featured Listings

SOLD IN 6 DAYS



108 Country Club Drive
Bath



SOLD



38 Country Club Drive
Bath

For more information visit www.VillageLifestyle.ca

Lock in your mortgage **Go fixed and longer term**

If you are renewing your mortgage soon, or are thinking about buying a home and applying for a mortgage, keep in mind that the current expert view is “go fixed and longer term.” Why? Simply put, interest rates are poised to rise.

Five-year and ten-year fixed mortgage rates are still at their all-time low, (1.42 to 1.89 per cent for a five-year term and 2.24 to 2.84 per cent for a ten-year term) but some indicators point to an upward trajectory to rates in the offing, albeit not at lightning speed.

One telling sign is that bond yields have risen lately. When bond yields rise, so do interest rates. Rising bond yields typically signal that investors expect more economic growth in the future. With global vaccinations underway and the Canadian and the U.S. governments considering even more economic stimulus, the expectations are that the economy will take off before long. Strategists say a recent rise in Canadian long-term bond yields is also a signal that the economy needs less government support (i.e., keeping lending rates low) than it did in 2020.

Most lenders have increased their rates recently, and many mortgage brokers have followed their lead. Towards the end of February, TD Bank became the first Big Six bank to raise its five-year fixed rates. Granted, during a late February speech on Canada’s labour market, Bank of Canada Governor Tiff Macklem said monetary policy will need to continue to provide stimulus for a “considerable period” because a complete economic recovery is “still a long way off.” But, looking ahead past 2021, as all home buyers and mortgage holders should, it looks more than likely that in a couple of years, interest rates will be higher than now.

Robert McLister, mortgage editor at Rates.ca and founder of RateSpy.com and IntelliMortgage says, “We’re now past the low of this economic cycle, if you believe the market and economists – meaning there’s a greater risk of higher inflation (and higher rates) ahead than of lower inflation (and lower rates).” Mortgage selection is about controlling risk. Locking into record-low five-year fixed rate now is an “effective way to manage interest rate exposure,” advises McLister.

Mortgage Rates

March 8, 2021

Prime	-	2.45%
Variable	-	1.29%
1-year	-	1.99%
2-year	-	1.74%
3-year	-	1.89%
4-year	-	2.14%
5-year	-	1.89%

* Rates are subject to change without notice. OAC E&OE

Village Lifestyle Real Estate Team are committed to the health and safety of our clients and community during this difficult time. We have implemented the following recommended showing protocols:

- Prior to scheduling a physical showing, it is imperative that all prospective Buyers view the photographs/virtual tour of the property.
- A signed declaration of health is to be completed by all prospective clients prior to engagement in preview of a property.
- * Showings are to be limited to only the Buyers to be listed on the offer. Children, parents and friends shall not be present.
- Prior to accessing the home, you must disinfect your hands/gloves using hand sanitizer. We recommend leaving your shoes outside when possible.
- During your visit, do not touch anything. We will have pre-requested that the Seller leave all interior doors open and lights on. The exterior doors will be wiped prior to entrance and upon exiting.
- Washroom facilities are not to be utilized during your visit ensure all parties adhere to this.
- Maintain a safe Social Distance throughout the viewing.

Thank you for your understanding and support during these extraordinary circumstances.

St Patrick's Day came and went once again with no opportunity for us to get together and celebrate. Andrew Van Horne and The CELTIC KITCHEN PARTY band recorded a 90 minute performance for us, live streamed over the dinner hour on the 17th. We could hear you singing along. See you next year!

