

BUFFINI & COMPANY

# REAL ESTATE REPORT



CANADA EDITION  
2<sup>ND</sup> BIENNIAL 2019



# STATE OF THE MARKET

From Vancouver to Montreal to Halifax, the real estate market shifts depending on where you live. Still, it pays to take note of a few national trends to help inform your homebuying and selling decisions.



New Housing Construction  
*(June 2019)*

Starts:

**91,698**

Completions:

**82,284**



Home Sales Increased by

**4.2%**

in April 2019, a healthy jump from the year before



Sales Increased in Approximately

**60%**

of all local markets

*(April 2019)*



**5 Months of Inventory** — length of time it would take for all homes on the market to sell

- While inventory levels are at their lowest since January 2018, the well-balanced market removes some of the pressure.
- **80% of local markets are in balanced territory** — the largest share in over three years. *(June 2019)*

# THE COST OF HOMEOWNERSHIP\*

The Greater Toronto Area and Greater Vancouver Area skew the national average sales price, which has increased since the beginning of 2019. Use this map to view the average price in your area.

## National Average Home Price: \$505,463

Excluding Toronto and Vancouver markets from the average, the average price decreases by nearly \$106,000.

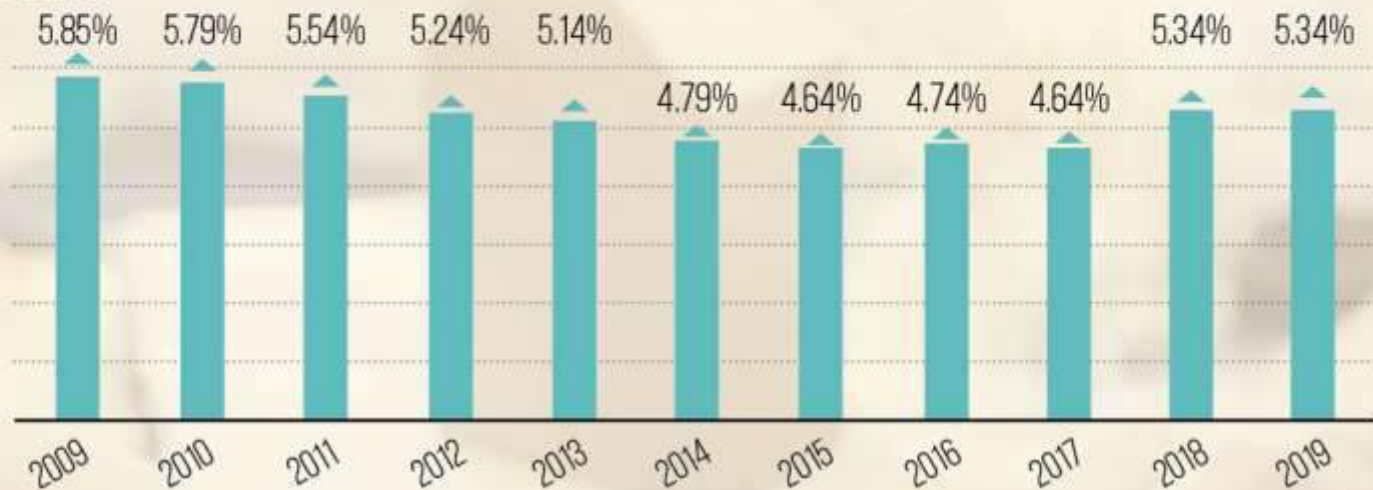
- 1 Yukon: **\$394,688**
- 2 Northwest Territories: **\$478,410**
- 3 Nunavut: **No data available**
- 4 British Columbia: **\$687,326**
- 5 Alberta: **\$386,012**
- 6 Saskatchewan: **\$287,478**
- 7 Manitoba: **\$300,037**
- 8 Ontario: **\$611,307**
- 9 Quebec : **\$326,990**
- 10 Newfoundland and Labrador: **\$251,858**
- 11 New Brunswick: **\$174,252**
- 12 Prince Edward Island: **\$241,195**
- 13 Nova Scotia: **\$261,160**



# MORTGAGE STATS

More than half of Canadians have a mortgage. Here is a look at the average five-year fixed mortgage rates over the past decade.

**Average  
Five-Year Fixed  
Mortgage Rate**



Following the implementation of the mortgage stress test requirement in January 2018, there was a small increase in the use of private and alternative lenders. This regulation requires those applying for an uninsured mortgage through a federally regulated bank to qualify for a rate higher than the one currently listed. Alternative lenders, on the other hand, offer borrowers loans in shorter terms at higher interest rates, taking on high-risk clients as a result.



## Lender Market Share

**75%**  
Banks

**14%**  
Credit Unions

**6%**  
Mortgage Finance Companies (MFCs)

**1%**  
Alternative Lenders

▷ **Delinquency rates** are highest for these mortgages:

Alternative Lenders:  
**1.93%**  
Banks:  
**0.24%**

▷ **Insured mortgages** have decreased.

Insured: **44.2%**  
Uninsured: **55.8%**



## *NEW TECH ON THE BLOCK:* **iBUYER PROGRAMS**

New to the real estate scene over the past five years are iBuyers, or “Instant Buyers.” The only company doing this in Canada is Properly, a tech company that got started in 2018. Currently, transactions are only happening in Calgary.

### **What’s an iBuyer?**

Online companies that allow you to request an offer for your home, sight unseen. If you accept, the company will purchase the home, list it and sell it. Offer is typically lower than market price.

### **How much of the market do they have?**

Researchers are still studying iBuyer popularity in Canada; however, the United States reports that iBuyers have not had a significant impact on the marketplace, and only make up **0.2%** of the U.S. marketplace.

### **Why should I use a real estate agent?**

Unlike an iBuyer program, a professional real estate agent will help negotiate a great price on your behalf.

# REAL ESTATE BY THE GENERATIONS

## GENERATION Z: Born 1997-2012\*

In Toronto and Vancouver...



**46%**

want to own a home in the next few years



**63%**

view homeownership as a good plan for the future

## MILLENNIALS: Born 1981-1996



**\$203,246**

Maximum homebuying budget, given 20% down payment and median salary



**50.6%**

Calgary has the highest percentage of percentage of homeowners under 35



\*All survey respondents were over the age of 18.  
SOURCE: David Coffey, REC Economic Research, Royal LePage, Statistics Canada, REALTOR.ca, RE/MAX Canada

# REAL ESTATE BY THE GENERATIONS

**GENERATION X:** Born 1965-1980

**40.6%**

Largest demographic of homeowners



Gen Xers are picking up second homes, and account for

**63%** of cottage buyers

in Greater Toronto Area

**BABY BOOMERS:** Born 1946-1964

**Canadian Boomers are Downsizing**



**75%** of Canadian Baby Boomers own a home

**41%** plan to move to a smaller residence in retirement

**NEARLY 1/2** of all Canadian condo owners are over age 50



# WHAT TO EXPECT FROM YOUR REAL ESTATE PRO

With all of the information and technology available on the real estate market, you'll want a trusted professional to take you through the buying or selling process. Here are a few things an exceptional agent will add to your experience.



**Network of Referrals, for Real Estate Needs and Beyond**



**Valuable Insights on the Real Estate Market**



**Outstanding Negotiation Skills**



**Thorough Understanding of the Transaction Process**



**Transparent and Consistent Communication**



# WHY I WORK BY REFERRAL

**MORE THAN 80%**

of all transactions are conducted through a sphere of influence — the existing relationship leads to the sale.

**90% OF BUYERS & 86% OF SELLERS**

would use their agent again or refer them to others.

“There is no lead more powerful than one referred from someone you know — someone who knows you, trusts you and will put their name to you.”

— BRIAN BUFFINI



## Relationships are more important than transactions.

My business is built on relationships, so I work to provide my clients with outstanding service and care during and long after a transaction.



## You control my business.

Your referrals are the foundation of my business, so I aim to exceed your expectations every step of the way.



## Service that continues after the sale.

I am devoted to serving your needs even after the sale is complete. If you need a referral for a contractor, helpful advice or an agent for your friend or family member, I am here to help.