

BRIAN BUFFINI'S REAL ESTATE REPORT



CANADA EDITION
1ST BIENNIAL 2021





The new year is upon us! Although the economy took several unexpected twists and turns in 2020, the housing market remains on solid ground as we enter 2021. While there was plenty of buzz surrounding the uncertain future of the economy and markets, much of it was only noise. That's why at Buffini & Company, my team and I are dedicated to cutting through this noise and identifying the market trends that matter. We present this information in Brian Buffini's Real Estate Report, a biannual publication designed to help real estate agents and their clients access relevant, up-to-date statistics to enhance market knowledge. Dive into this guide to learn all you need to know about what's happening in the industry, both on the national scene and as a whole.

It's a Good Life!®

Brian Buffini

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State of the Market

The state of the market varies across Canada depending on your local market. Still, you'll want to pay attention to a few national trends.



66.3%
of Canadians
own homes



Average MLS®
Home Price:
\$607,250



529,900
Projected
home units
sold in 2020



Inventory Snapshot



MONTHS

How long it would take for all
homes on the market to sell

- **Record low level for inventory**
- Long-term average: **5.3 months**

Investment in Construction Year-Over-Year* Overall



26.1%
Semi-detached homes



8.5%
Row homes



11.3%
Condo and rental apartments



2.7%
Single homes

Mortgage Stats

Record low interest rates are making mortgages more attainable for many first-time and move-up buyers. When financing a home or refinancing a current mortgage, consult with a trusted lender to review the best options.



**Minimum
Down Payment
by Law:
5%***



4.79%
Five-Year Benchmark
Qualifying Rate
Needed to Pass
“Stress Test”



Qualifying rate of 4.79% is based on Bank of Canada rate and can be **up to 1.5% higher than other average posted rates**

Most Common Mortgage for Homebuyers and Refinancers

- ▶ Fixed interest rate
- ▶ 5-year renewal term
- ▶ 25-year amortization period

Median Fixed Mortgage Rate for a 5-Year Term

Bank of Canada does not expect to raise interest rates again until 2023, making right now a great time to buy.

2011	4.56%
2012	4.23%
2013	4.13%
2014	4.02%
2015	3.73%
2016	3.69%
2017	3.74%
2018	4.37%
2019	4.25%
2020**	3.81%

SOURCES: Statistics Canada, Bank of Canada (November 2020), Pete Evans, “Bank of Canada plans to keep interest rate near zero until 2023,” CBC, November 2020

**As of September 2020

Today's Buyer Profile

Housing needs have changed following the COVID-19 pandemic, which has increased buyer demand across Canada. Here's a snapshot of where buyers now stand in the market and what they are looking for in a home.

47.3%

Share of household income needed to cover homeownership costs

56,909

Single-Family Housing Starts in All Areas, 2020*

Buyers' Needs Have Shifted

32%

Opting for suburban or rural communities instead of urban centres

44%

Looking for more space for personal amenities like a pool, balcony or large yard

33%

Non-homeowners likely to add a home office to their property wishlist

Top Reasons to Buy

1 25%

Pursuit of a nicer home

2 20%

Current home is no longer suitable

3 16%

Low interest rates

90% 

of homeowners are happy with their purchase

Renters Are Ready to Buy

Those who plan to buy in the coming year:

7%

Pre-pandemic

19%

Late 2020

Today's Seller Profile

Low inventory levels have created a hot market for sellers. Whether you're thinking of upgrading, downsizing or moving closer to family, understanding the latest trends will help you get top dollar for your previous home.

Home prices increased **10.9%** year-over-year in late 2020

Sales-to-new-listings ratio: **74.3%**
One of the highest levels on record

Home resales increase year-over-year*: **12.9%**
7.3% above the 10-year average



Top Reasons to Sell

- 1 34%**
Current home is no longer suitable
- 2 15%**
Pursuit of a nicer home
- 3 13%**
Low interest rates

73% The average home equity of Canadian homeowners, as a percentage of home value.



SOURCES: CREA, RBC Economics (November 2020), PwC Emerging Trends in Real Estate 2021

Top 5 Hottest Markets to Watch

- 1 Vancouver** — High demand and a low supply may drive home prices up, while builders complete new housing projects paused by the pandemic.
- 2 Toronto** — Housing demand in the city and surrounding suburbs picked up as buyers' needs changed due to COVID-19.
- 3 Montreal** — A steady economy plus promising investor demand is helping the Montreal market recover.
- 4 Ottawa** — Solid economic growth, a hot pre-Covid housing market and continuing new home construction have kept Ottawa in good shape.
- 5 Halifax** — Pandemic migration helped Halifax maintain a hot real estate market despite stalled economic growth.

The Cost of Homeownership

National
Average
Home Price:
\$607,250

Average Price by Province: (As of October 2020)

- 1 Yukon: **\$456,771**
- 2 Northwest Territories: **\$368,362**
- 3 British Columbia: **\$811,028**
- 4 Alberta: **\$413,948**
- 5 Saskatchewan: **\$290,600**
- 6 Manitoba: **\$316,280**
- 7 Ontario: **\$742,101**
- 8 Quebec: **\$403,726**
- 9 Newfoundland and Labrador: **\$281,800**
- 10 New Brunswick: **\$203,233**
- 11 Prince Edward Island: **\$298,668**
- 12 Nova Scotia: **\$304,590**



Why I Work by Referral



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.

ONE-THIRD
of buyers received
recommendations for
real estate agents and
mortgage lenders
and brokers

**32% OF REAL
ESTATE AGENT
RECOMMENDATIONS**
came right from family
members

“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