

**COLDWELL
BANKER**

NEW HOMES

PETER BENNINGER
REALTY

Independently Owned & Operated Brokerage

Issue 105 • January 2011

New Homes newsletter

COLDWELL BANKER PETER BENNINGER REALTY, BROKERAGE
NEW HOMES DIVISION

Mortgage Changes to Support Stability

Jim Flaherty, Minister of Finance, recently announced adjustments to the rules for government-backed insured mortgages to support the long-term stability of Canada's housing market and support Canadian families saving through home ownership.

"Canada's well-regulated housing sector has been an important strength that allowed us to avoid the mistakes of other countries and helped protect us from the worst of the recent global recession," said Minister Flaherty.

The new measures:

- Reduce the maximum amortization period to 30 years from 35 years for new government-backed insured mortgages with loan-to-value ratios of more than 80 %. This will significantly reduce the total interest payments Canadian families make on their mortgages, allow Canadian families to build up equity in their homes more quickly, and help Canadians pay off their mortgages before they retire.
- Lower the maximum amount Canadians can borrow in refinancing their mortgages to 85 % from 90 % of the value of their homes. This will promote saving through home ownership and limit the repackaging of consumer debt into mortgages guaranteed by taxpayers.
- Withdraw government insurance backing on lines of credit secured by homes, such as home equity lines of credit. This will ensure that risks associated with consumer debt products used to borrow funds unrelated to house purchases are managed by the financial institutions and not borne by taxpayers.

The adjustments to the mortgage insurance guarantee framework will come into force on March 18, 2011. The withdrawal of government insurance backing on lines of credit secured by homes will come into force on April 18, 2011.

December 2010 Housing Starts

The seasonally adjusted annual rate of housing starts was 171,500 units in December, according to Canada Mortgage and Housing Corporation (CMHC). This is down from 198,200 units in November.

"Housing starts moved lower in December due to the multiple starts segment, especially in Ontario," said Bob Dugan, Chief Economist "Single-detached starts were also down, but minimally."

The seasonally adjusted annual rate of urban starts decreased by 13.3 % to 149,100 units in December. Urban multiple starts moderated by 20.1 % in December to 84,500 units, while single urban starts moved lower by 2.6 % to 64,600 units.

Rural starts were estimated at a seasonally adjusted annual rate of 22,400 units in December.

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Featured Properties



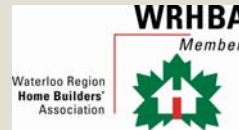
2450 Eagle Street North, Cambridge ON



- ◆ Excellent location in heart of Cambridge's Highway 24 retail district—traffic count of over 46,000 vehicles/day
- ◆ 31,787 square foot building divisible into two 15,000 square foot units
- ◆ 254 feet high profile frontage
- ◆ Current zoning C4
- ◆ 4.7 acres with excess land for future development or expansion



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2010—Second Highest for Sales!

Members of the Kitchener Waterloo Real Estate Board (KWREB) sold 6,388 homes via MLS in 2010—the second highest total on record. Total dollar volume for the year rose over 9% to \$1.8 billion, when compared to 2009 totals.

Monthly records were set in March and April, and according to KWREB president, a number of factors played a role. “The federal government announced tighter mortgage rules, buyers were rushing to beat the introduction of the HST, and

the central bank was forecasting higher interest rates.”

Sales in all price categories above \$250,000 were up when compared to 2009, with homes above \$750,000 experiencing triple digit increases. Reports KWREB president, “the explosion of sales in the highest price ranges was reflected by the 9.3% increase in the average sale price of detached homes.”

The KWREB predicts another busy year ahead, with a particularly busy March, April and May.

	December 2010	December 2009	YTD 10	YTD 09
Number of Single Family Detached	144	136	2,912	3,045
Dollar Volume Single Family Detached	\$46,124,718	\$42,628,035	\$959,839,912	\$915,272,164
Residential Sales by Price Category				
\$0–99,999	0	0	11	25
\$100,000–149,999	17	17	315	419
\$150,000–199,999	27	41	603	728
\$200,000–249,999	63	67	1,188	1,462
\$250,000–299,999	53	58	1,161	1,056
\$300,000–349,999	30	26	601	516
\$400,000–499,999	19	12	352	268
\$500,000 +	6	10	234	159