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**BILD**

## Maintaining stability in our housing market

This week I heard a striking comparison of the stability in the Canadian and American housing markets that has to do with the number of high risk mortgages in each country.

In Canada, only about five per cent are considered high risk (debt-service ratio of more than 40% and equity less than 20%). In the U.S., 35% of all mortgages fell into that category in 2008 and was an early indicator of the financial crisis that followed.

Since the financial crisis hit, BILD's annual economic outlook breakfast sessions have really added value to our members' work.

### GLOBAL PERSPECTIVE

Last week's visit from two leading experts: Benjamin Tal, Deputy Chief Economist, CIBC World Markets and Shaun Hildebrand, Senior Market Analyst, Canadian Mortgage and Housing Corporation provided both a global and a local perspective. The pair gave our members a sense of what's happening across Canada and the GTA, how our neighbours to the south are doing and whether the effects of a volatile European market will hit home.

Last year, Tal said recovery from the "not-made-in-Canada" recession would continue and he predicted that 2011 would see a slowdown since the previous year's construction and housing boom was boosted by government stimulus programs.

But has there been a slowdown?

According to the most recent RealNet Canada Inc. statistics, released earlier this week, on a year-to-date basis, total new home sales in the GTA are running 28% ahead of January to September 2010.

### THE BIGGER PICTURE

High-rise sales surged by 44%, which breaks another record for the high-rise market, and the low-rise sector also tallied nine per cent ahead of last year's total from January to September.

While it's easy to celebrate local numbers, it's irresponsible to not draw back and look at the bigger picture.

Helping us do that, Tal reminded us that nothing has changed in the housing market south of the border over the last year and he predicts that nothing significant would change in the next year.

### RECORD SALES

He also said he doesn't expect interest rates to move until at least 2014 — in Canada and in the U.S.

To bring the GTA housing market into perspective, Hildebrand said that according to CMHC and Canadian Real Estate Association data, the required income to buy the average priced home in the GTA is surpassing actual average household income. And despite the low interest rates, existing home owners are not reacting the way, say first-time buyers have been in the new home market.

Into 2012, Hildebrand predicts sale listings of existing homes to be 10,000 units higher than in 2011—which would be back up at 2008 peak numbers. How did he come to that? He predicts that the \$9-billion spent on renovations across the GTA in 2010 will result in listings.

He also said that for the first time since the 1990s, renters will be entering the marketplace at a significant rate and they will rely on the condominium market to supply some of the units.

So, what does all this mean?

With record-breaking condominium sales across the region, renovations upgrading numerous existing homes and a foreseeable expansion of the rental market, there's sure to be more choice for you across the entire GTA.

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# what's happening

## Food drive lifts community spirit

The generosity of the residents and businesses of the Town of Whitchurch-Stouffville was on ample display at The 3rd Annual Mayor's Thanksgiving Food Drive, held October 1st in support of the local food bank.

The contribution surpassed all previous years' totals, due in part to donations made by Geranium Homes, along with their suppliers and homeowners of the Neighbourhoods of Cardinal Point community.

On Sept. 10, Geranium Homes held its annual Barbecue-in-the-Park homeowner appreciation event. The event marked the kick-off for Geranium's 20-day campaign to garner residents and trades support of the Food Drive.

This year's total donations exceeded all expectations and reached \$8,705. The funds were a combination of Geranium's donation of \$50 per home sold at Cardinal Point, contributions from suppliers and homeowners, as well as \$1,500 raised



Seen upfront: Whitchurch-Stouffville mayor Wayne Emmerson, Food Bank's Marion Bell and Louie Morizio, v-p, Geranium Homes.

through donations of \$10 for a copy of Geranium Homes' children's book *Coby Builds A House*.

In addition, great quantities of food items were contributed by Cardinal Point homeowners and Geranium's staff and trades.

"From the bottom of my heart, I thank you for all that

you have done to support us and our clients," said an emotional Marion Bell, executive director of the Food Bank.

The Neighbourhoods of Cardinal Point sales centre is located on Millard Street, just east of Highway 48 and north of Stouffville Road (Main Street). Call 905-640-9999 or visit [www.geraniumhomes.com](http://www.geraniumhomes.com).

## Buy a colour, sponsor a child

There are no trick or treats involved in a unique fundraising initiative launched this month by paint manufacturer AkzoNobel with all proceeds going towards UNICEF (United Nations Children's Fund), a leading international charity known for its Halloween-related fundraising campaign.

The first-of-its-kind initiative, being launched simultaneously in Canada and countries across the globe, involves the sale of more than 16.77 million colours — the number of

hues visible on a computer screen.

Called "Own a Colour," the campaign offers the chance for anyone to buy, and name, his or her own personal colour. All that's required is a minimum donation of at least \$1.65 per colour purchased.

One hundred per cent of the money raised will go towards UNICEF which provides medicine, better nutrition, safe water, education, emergency relief and support to children in more than 150 countries.

"You can buy a colour for

yourself or as a meaningful gift for someone else, whether for a birthday, an anniversary or a special occasion like Halloween," said Katia Aubin, Communications Manager of Akzo Nobel Canada, which manufactures the Sico, CIL and Dulux brand of paints.

"Your selection can represent a favourite colour, a favourite sports team or a sentimental item — the options are endless."

Visit [www.ownacolour.com](http://www.ownacolour.com) for more information and to purchase a colour.

