



## Hamilton/Burlington

June's home sales were one of the strongest on record for this month yet the market pricing has leveled off since hitting its peak in March 2021 (Chart A) and remaining stable through to June 2021. The MLS HPI (Home Price Index) which tracks price trends far more accurately than is possible using average or median price measures see the benchmark price at \$879,900 in June 2021 a significant increase of 28% compared to June 2020.

## Cambridge

The Cambridge area peaked in value in January 2021 and levelled off before seeing a slight pull back April thru June this year (Chart C). Sales volume had a slight decrease in June vs 2020 down 5.24% but the average sales price year over year was up 34%.

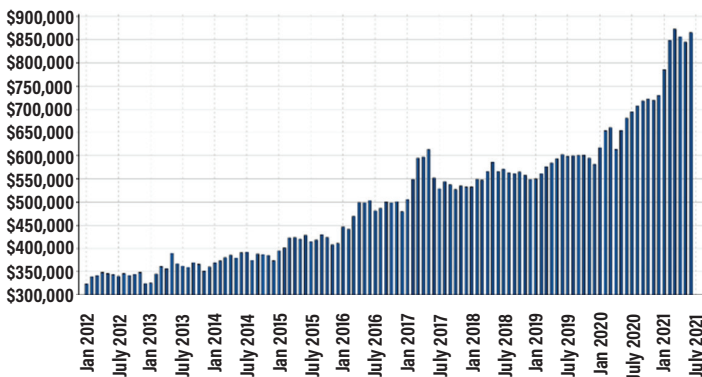
## Oakville/Milton

This market exploded into January 2021 peaking and leveling off in February and March of this year and then slightly pulling back April-June 2021 (Chart B). This market appears to be balancing out somewhat. The MLS HPI was \$1,290,000 in June up 24.7% vs June 2020.

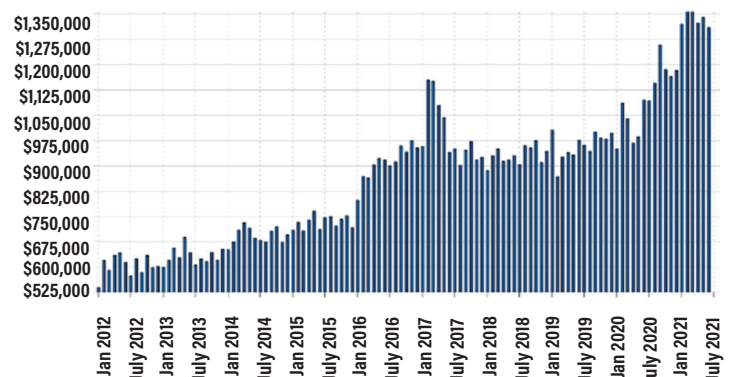
## Brantford

This area broke a record of over 300 sales in a single month in June 2021 yet the market appears to also be stabilizing after its peak in February 2021 based on average sales price (Chart D). The composite benchmark price for the area was \$632,800 for June 2021 a whopping 40.2% increase vs. June 2020.

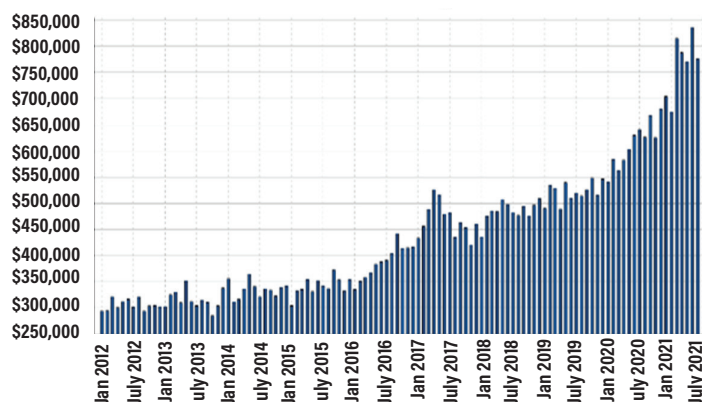
**Hamilton/Burlington Residential Average Price: Chart A**



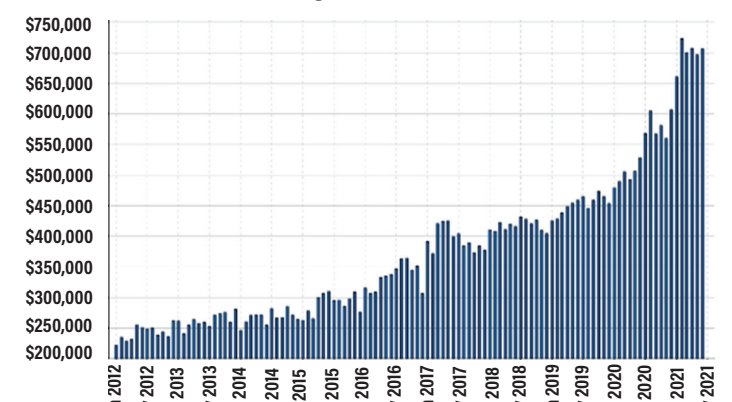
**Oakville/Milton Residential Average Price: Chart B**



**Cambridge Residential Average Price: Chart C**



**Brantford Residential Average Price: Chart D**



Source: The Canadian Real Estate Association

# THE CONTINUED EROSION OF CANADA'S UNAFFORDABLE HOUSING!

When the government of Canada starts talking about introducing a principal residence capital gains tax – the nuclear option for housing market intervention – you know things are out of control. Our government seems to have quickly dismissed the underlying conditions that were the underpinning of this recent price surge in Canadian Residential real estate which has seen the ability of Canadians to afford a home falling to its worst level in 31 years according to RBC.

Typically when Buyer(s) are being approved for a mortgage the lender screening the applicant uses ratios of debt costs to the Buyer(s) total income. One common rule of thumb is that your monthly mortgage and related housing expenses should be no more than 28% of your gross monthly income. Today in Canada that number has shot up to an average of 50% nationally.

So with home prices increasing so fast, many future homebuyers are being forced out of the housing market with absolutely no relief in sight.

## What is the root cause of this rapid inflation of our housing stock? Was it a booming economy as a result of the Pandemic?

No, and in fact quite the opposite as we saw our Nation's GDP shrink down a \$128 Billion Dollars in 2020. Perhaps it was the Liberal Federal Governments Record Money Creation and Spending which injected a whopping \$384 Billion of new currency into the Canadian Money Supply combined with the lowest mortgage rates in our history, which has caused major inflation in numerous asset prices. Ironically, mortgage borrowing increased 40% this last year which correlated in the national housing price growth of 42% nationally.

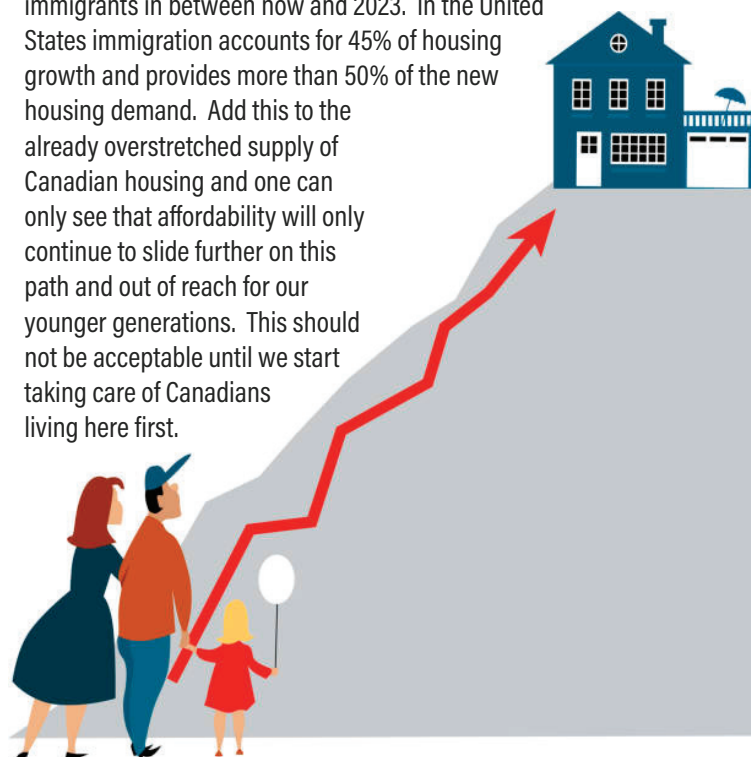
Are raising interest rates a possible solution? Most Canadians think so but the reality is far more complicated as the stress test was already in place for new mortgages at 4.75% and then got upped to 5.25% in June 2021. So to realize a material slowdown in the amount of money people can purchase a home with you would need interest rates to rise to 7.5-8.5% which just is not in the cards.

The other side of this story is the lack of requisite housing for its population in a safe and secure manner for the betterment of the country and increasing demand. This serious lack of development and restricted supply has resulted from strict environmental controls, permit delays, and high development costs. As a nation we are so slow to approve, develop and build that we are ranked 36th in the world. For example the cost to build per unit cost of government is 50% higher in Toronto than in the USA.

## What can we do as a nation to alleviate or mitigate this ongoing problem?

- 1) Stop the printing press and the inflationary pressures. Canadian incomes will not on average be able to keep up with inflation with the irresponsible and reckless spending our government has undertaken.
- 2) Open up Construction and allow the Supply of New Builds catch up to the demand by reducing time to approval and governmental fees facilitating increased supply and a lower cost to build.
- 3) Tighten up our Immigration Policy until our working people can once again reasonably afford their housing and then implement a smarter immigration system for skilled trades or professionals for the betterment of the country.
- 4) Curtail Foreign Ownership and Holding of Vacant Properties by Foreigners – We postulate that If Canadians cannot own real estate in any given country then the citizens of those countries should not be able to hold title to property in Canada. This enforced tit for tat strategy would force a lot of vacant homes back into circulation. There were 1.34 million vacant homes or almost 9% vacant in 2016 according to Point2Homes.

But the **Canadian government seems determined to not put Canadians first** and are planning to allow 1.2M immigrants in between now and 2023. In the United States immigration accounts for 45% of housing growth and provides more than 50% of the new housing demand. Add this to the already overstretched supply of Canadian housing and one can only see that affordability will only continue to slide further on this path and out of reach for our younger generations. This should not be acceptable until we start taking care of Canadians living here first.



## Thinking About Making a Move?

First time buyers, up-sizing or downsizing Call Geoff & Katrinna Today

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## A PERSONAL NOTE OF THANKS AND GRATITUDE FROM GEOFF

As some of you may know our family was thrown a curve ball with my health in 2012 when I learned I had two congenital heart defects in the form of a bicuspid aortic valve and a hole in my septum. After collapsing with heart failure in 2013 I was very fortunate to have a brilliant surgeon Dr. Lloyd Semelhago replace my mitral and aortic valves and close my septum. I survived and by January 2017 I had regained normal shape and heart function, so all seemed well.

Then with an eerie premonition that year, I developed an endocarditis infection in my heart and needed another open heart surgery. Surgery was a short lived success due to a drug interaction causing intense tachycardia pulling out stitches in 3 spots around the new mitral valve. After a mix of successful and failed attempts to plug those spots it became apparent that my only option left was a heart transplant. But due to the damage of my heart and the pressure imbalances in my system it became necessary to look at a heart and double lung transplant to which I was accepted mid-March 2020.

As you know that was when CoVid hit and the news I received was also partnered with the news that the program was to be halted indefinitely. Luckily that was short lived and I received the call on Thanksgiving Sunday and received my transplant on October 13, 2020. The recovery that followed was like nothing I had ever endured before and then after 2.5 months I was moved to a rehab centre with the hope of coming home for Xmas only to contract CoVid from a bedmate in my room.

So back to the Toronto General I went into 3 weeks in isolation and another battle finally coming home more devastated physically, mentally, and spiritually than at any other point in my life. But I struggled and knowing what I was capable of, built myself back up and now face each day knowing all that hope, belief, love, determination and faith in life is being realized.

Thanks to my wife Katrinna, son Maddox and daughter Davana, my amazing family, many friends, innumerable Doctors, Nurses, and support staff in our medical system which I wish I could spend some time with all those individuals whom made a difference and say thanks. The biggest thanks is to my donor to whom I know nothing of at this time and the sacrifice and tragedy that their family must have endured in order for me to still be alive. This gift afforded to me by this person donating their organs; as it for so many of us transplant survivors; is indeed the gift of life and a future that wouldn't be possible without their selfless well intended intentions in the event of eventful tragedy befalling their lives. To all these people and those whom are living donors a sincere thanks!

**If anyone of you ever finds yourself in a perilous position and ever needs an ear by all means please think of me and do not hesitate to call, introduce yourself and share your story and if I can help or be supportive in any way I would love to help where I can.**



*Peace, love and health to all, from my family to yours!*

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## TOP 10 ONTARIO CITIES TO RETIRE TO

MoneySense Magazine

1. Ottawa
2. Kingston
3. Windsor
4. London
5. Peterborough
6. Niagara Region
7. Cobourg
8. Port Hope
9. Collingwood & Surrounding Area
10. Stratford

### CONTACT US TODAY

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