

MARKET WATCH



COMING SOON



**5442 Anthony Place
Burlington, Ontario**

This stunning all-brick bungalow, brimming with curb appeal, is nestled on a quiet family crescent in highly sought-after southeast Burlington, just steps from Lake Ontario. Situated within the prestigious Pineland and Nelson High School catchment areas, this home combines exceptional convenience with an enviable lifestyle.

FOR SALE



**3410 Robin Hill Circle
Oakville, Ontario**

This rarely offered, premium pie-shaped lot in the sought-after Lakeshore Woods community is an exceptional find. The fabulously finished 4+1 bedroom executive home built by Rosehaven showcases the Wilson model, with a stunning Muskoka-like backyard! Enjoy the rest of the summer in your heated saltwater pool, installed in 2018, relax on your maintenance-free composite deck complete with a built-in outdoor kitchen, or join around the gas fire pit with plenty of room for friends & family.

SOLD



**1900 The Collegeway #306
Mississauga, Ontario**

Welcome to "The Palace", an aptly named residence offering an opulent lifestyle. This rarely available 2 bedroom, 3 bathroom suite in an elegant condo building features upscale amenities, including an indoor pool, party room, gym, billiard room, library, hobby room, three guest suites, car wash, and 24-hour concierge security.

SOLD



**40 Harrisford St #602
Hamilton, Ontario**

Discover the perfect blend of comfort and convenience in this rarely offered 3 bedroom, 2 bath condo at the highly sought-after Harris Towers! Enjoy stunning views of the escarpment which will be absolutely gorgeous with fall colours in a few short weeks from your screened-in balcony, where natural daylight floods the space through large windows.

Bank of Canada decision reaction: Are even bigger rate cuts on the way?

Door could be open for 'more aggressive' rate cuts, says BMO's Porter

There were no surprises in the Bank of Canada's decision to lower its benchmark interest rate yet again in the September 4th announcement – but the door could be open for the central bank to be even more aggressive in cutting rates in the coming months. That's according to Bank of Montreal (BMO) chief economist Doug Porter, who told Canadian Mortgage Professional that a recent change in market view on the US Federal Reserve's likely approach to rate drops had cleared the way for Canada's central bank to continue cutting.

Fed chair Jerome Powell gave his clearest indication yet that lower rates are on the way in comments delivered at its annual retreat in Jackson Hole, Wyoming on August 23, meaning there's little risk of a divergence between the Canadian and US central banks' approaches. "With the Fed essentially about to move in lockstep, or close to it, it's really made it easier for the Bank of Canada to cut rates too," Porter said. "That was really the last constraint on the Bank of Canada. The inflation numbers are coming in as they expected, if not even a little better. The unemployment rate is backing up. So there's lots of justification for the Bank to cut interest rates, and it certainly seems they're primed to do more."

Is the Bank of Canada worried about inflation falling too far?

The September 4th move meant the Bank has now reduced its overnight rate by 75 basis points in three consecutive quarter-point cuts since the beginning of June – and comments delivered by Governor Tiff Macklem after the announcement, Porter said, suggested the inflation outlook could be giving decisionmakers cause to consider even bigger individual cuts looking ahead.

Macklem mentioned the risk of inflation falling too low and said the Bank cares "as much" about inflation drifting below its 2% target as about it being above that figure. With inflation currently back to normal, "and given that rates are well above normal, that gives the Bank lots of leeway to cut interest rates," Porter said. "There's all kinds of talk about the Federal Reserve cutting in 50-basis-point increments, maybe not with their first cut [in September] but at some point this year. So if that were to be the case, that really opens the door for the Bank of Canada to move faster."

What impact would an oversized cut have on the housing market?

The mortgage and real estate industries are still awaiting an uptick in housing market activity following the Bank's first two rate cuts of the year. Homebuying remained sluggish in July, according to the Canadian Real Estate Association (CREA) – but while more aggressive cuts by the Bank wouldn't necessarily light a fire under the housing market, they could certainly help spur a resurgence of sorts, according to Porter. An oversized rate cut down the line, he said, "might jolt [the market] out of its slumber. The reality is the longer-term mortgage rates already reflect the expectation that the Bank will continue trimming interest rates but if they started chopping them quickly, maybe in half-point cuts or even more, that would come as a bit of a surprise to the market and would probably lead to some downward pull in the longer-term interest rates." While the current pace of rate drops looks set to keep a floor under the housing market, it would take a "surprisingly deep" cut by the central bank to shake the market into life, Porter argued. After maintaining hawkish language in its approach to interest rates as it battled against stubbornly high inflation throughout 2022 and 2023, the Bank has adopted a milder tone in recent announcements.

Royal Bank of Canada (RBC) economist Claire Fan, writing yesterday morning, highlighted Macklem's "dovish" opening statement to reporters following the rate decision and his comfort in discussing the likelihood of future rate cuts. The stage is set, she said, for another rate drop at its next announcement, scheduled to take place in October. "Despite some pockets of sticky price growth... the tone from the BoC has clearly shifted," Fan wrote, "to worrying about a gradually but persistently weakening [economy]."

*Source: www.mpamag.com



CENTURY 21
Miller Real Estate Ltd.
Brokerage
9-209 Speers Road,
Oakville, ON L6K 0H5
Tel: 416-616-2482
arcadianrealtyteam.ca

August 2024 MARKET STATS

Statistics provided by the Toronto Real Estate Board

CENTURY 21
Miller Real Estate Ltd.
Brokerage

MLS Sales Activity

**AUGUST
2024**

**Units
4,975**

**Average
Price
\$1,074,425**

**AUGUST
2023**

**Units
5,251**

**Average
Price
\$1,082,881**

-0.8%
\$1,074,425

YEAR-OVER-YEAR
**AVERAGE
SALE PRICE**

-5.3%
4,975

YEAR-OVER-YEAR
**NUMBER
OF SALES**

40.0%
28

YEAR-OVER-YEAR
**AVERAGE
DAYS ON
MARKET**

DETACHED	SALES	AVG PRICE
416	484	\$1,692,239
905	1,734	\$1,336,427

TOWNS	SALES	AVG PRICE
416	169	\$906,594
905	703	\$888,358

SEMI	SALES	AVG PRICE
416	133	\$1,204,678
905	294	\$945,801

CONDO	SALES	AVG PRICE
416	922	\$681,835
905	495	\$661,427

MORTGAGE UPDATE:

Over the next few newsletters, we will provide some helpful mortgage advice from Mark Mighton from Homefree Mortgages. Mark shares the following "On September 4th the Bank of Canada announced a 0.25% rate reduction, their third consecutive cut. We expect to see lenders drop the prime lending rate to 6.45%. As for 5-year fixed mortgages, they too are definitely trending downwards; I am seeing many around 4.5% today. To give you an idea, a 100k mortgage at 4.5% amortized over 25 years would service for \$553 per month.

What's the best rate I can get?

Your credit score plays a big part in the interest rate for which you will qualify, as the riskier you appear as a borrower, the higher your rate will be. Rate is definitely not the most important aspect of a mortgage, however, as many rock-bottom rates often come from no frills mortgage products. In other words, even if you qualify for the lowest rate, you often have to give up other things such as prepayments and porting privileges when opting for the lowest-rate product.

What's the maximum mortgage amount for which I can qualify?

To determine the amount for which you will qualify, there are two calculations you'll need to complete. The first is your Gross Debt Service (GDS) ratio. GDS looks at your proposed new housing costs (mortgage payments, taxes, heating costs and 50% of strata/condo fees, if applicable). Generally speaking, this amount should be no more than 32% of your gross monthly income. For example, if your gross monthly income is \$4,000, you should not be spending more than \$1,280 in monthly housing expenses. Second, you will need to calculate your Total Debt Service (TDS) ratio. The TDS ratio measures your total debt obligations (including housing costs, loans, car payments and credit card bills). Generally speaking, your TDS ratio should be no more than 40% of your gross monthly income. Keep in mind that these numbers are prescribed maximums and that you should strive for lower ratios for a more affordable lifestyle. Before falling in love with a potential new home, you may want to obtain a pre-approved mortgage. This will help you stay within your price range and spend your time looking at homes you can reasonably afford."



Deborah Bennet,
Team Leader & Sales Rep.
deborah.bennet@century21.ca
416-616-2484



David Robinson,
Sales Representative
david.robinson@century21.ca
289-339-4529



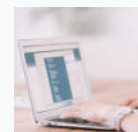
Julie,
Homestager



Vern,
Handyman



Joanna,
Home Cleaning
Services



Lily,
Client Care
Services



Irving,
Social Media
Expert

Have questions about your neighbourhood market? We are here to help!

www.arcadianrealtyteam.ca

admin@arcadianrealty.ca