diane HOSTETTLER
sales representative

Direct: (613) 791-5478 Office: (613) 692-3567
dhostettler@royallepage.ca
www.dianehostettler.com

# RealEstate News

ROYAL LEPAGE
Team Realty
Independently Owned and Operated, Brokerage

## Inflation Trends Offer Financial Respite For Mortgage Holders In Canada

For current homeowners in Canada who are diligently paying off their mortgages, the recent inflation data brings some promising insights. In September, the headline Consumer Price Index (CPI) revealed a decline in the inflation rate, with prices increasing by 3.8%, down from the 4% recorded in August. This decrease can have positive implications for those who are managing mortgage payments.

Crucially, core inflation measures, which are closely monitored, displayed a slowing trend. The CPI-trim decreased to 3.7% year-over-year, and the CPI-median dropped to 3.8%. These figures signify the slowest pace of inflation in 31 months, indicating potential financial relief for current homeowners who have mortgages to service.

As we look ahead to November, experts anticipate that headline inflation may drop further due to favorable base effects. Gasoline prices have seen a reduction of about 7% last month, which suggests that October's CPI might show a notable decrease. This can be particularly beneficial for those with existing mortgages as it could ease the cost of living.

One of the significant components contributing to inflation is shelter costs, which have been on the rise. However, it's important to note that the increase has primarily been driven by rent prices. For current homeowners who have transitioned from renting to owning, understanding the dynamics of shelter costs can be insightful for budgeting and long-term financial planning.

Additionally, while the per capita index shows a substantial increase in shelter costs, the actual mortgage interest costs have risen over 80% since the Bank of Canada began raising interest rates. This underscores the importance of carefully managing mortgage terms and considering refinancing options to potentially lower your mortgage interest costs.

In summary, the recent inflation trends in Canada bring potential benefits for current homeowners who are managing mortgages. With a possible easing of inflation and a more stable financial environment, servicing mortgage payments may become more manageable and affordable, offering some financial respite to those with homeownership responsibilities. This also shows early signs of light for those waiting on the sidelines to get into the housing market as we can anticipate interest rates to begin to decline in the near future.

Not intended to solicit properties currently listed for sale.

## Ottawa MLS® October Home Sales Show Typical Lull

*Members of the Ottawa Real Estate Board (OREB) sold 816 residential properties in October 2023. This was a 2.7% decline from October 2022.*

*"Life is expensive these days, which likely has both buyers and sellers staying put," says OREB's President. "We're seeing a slow decline in sales activity but it's minimal and not unexpected for this time of year. Prices are adjusting and coming down, which is also indicative of the types of homes that are selling — apartments seeing the largest increase in sales activity over last October. While Ottawa's inventory is slowly building, chronic supply issues mean there's always an undercurrent of demand. Don't let the lull fool you: now is a prime time for buyers to be looking for opportunities before the current carries us from a balanced market into seller's territory."*

*The overall MLS® HPI composite benchmark price was $638,600 in October 2023, up only 1.8% compared to October 2022.*

*The benchmark price for single-family homes was $721,600, up 2.2% on a year-over-year basis in October.*

*By comparison, the benchmark price for townhouse/row units was $501,100, nearly unchanged, up 1% compared to a year earlier, while the benchmark apartment price was $424,100, unchanged from year-ago levels.*

*The average price of homes sold in September 2023 was $660,836, increasing by 2.9% from October 2022. The more comprehensive year-to-date average price was $671,983, a decline of 5.9% from the first nine months of 2022.*

*Call today for real estate advice and information!*

# The Importance Of Consumer Choice In Real Estate

**Ontario Real Estate Association President Tania Artenosi explains the benefits of the Trust in Real Estate Services Act.**

Buying a home is the biggest financial transaction of many people's lives and deserves the expertise of a real estate professional that you like and trust. The Government of Ontario recently announced legislation that enables you to work with someone who has your best interest at heart and can guide you through the most complex processes.

For years, the Ontario Real Estate Association (OREA) has worked with the Government of Ontario to ensure that Ontario REALTORS® are North American leaders when it comes to professional standards, ethics, educational training, and modern business tools. Our advocacy work led to a big win in 2020, with the passage of the Trust in Real Estate Services Act (TRESA), replacing the decades-old Real Estate and Business Brokers Act (REBBA).

Since its passage, OREA and other industry partners such as the Real Estate Council of Ontario (RECO), have been working with the provincial government to develop and implement regulations that align with our goal of establishing the highest standards of professionalism and ethics in real estate. The Ministry of Public and Business Service Delivery recently released its regulations for Phase 2 of TRESA, and OREA is happy to share that the government listened to our advice and is going to permit Designated Representation.

By way of background, OREA has been calling on the provincial government since 2017 to allow for an additional representation relationship between real estate professionals and consumers. Commonly known as designated representation, this takes consumer protection and choice to the next level, giving buyers and sellers increased confidence when making the largest financial transaction of their lives.

Currently in Ontario, all listing and buyer representation agreements are with a brokerage, not an individual REALTOR®. When a single brokerage is working with multiple clients in a single transaction, it is known as multiple representation. In this arrangement, the brokerage is neutral, which means that services provided during a multiple representation transaction are limited as there will be certain details that the listing brokerage cannot disclose.

In this scenario, in order to proceed, all parties must provide written consent to the brokerage acknowledging that they are participating in a multiple representation transaction. Without consent from both parties, one client would have to find another real estate brokerage to work with.

Ontario's home buyers and sellers want to work with a real estate professional they like and trust; someone who has their best interests at heart when searching for a great place to call home. The inclusion of designated representation will dramatically strengthen TRESA, highlighting the importance of consumer choice in real estate, and is a big win for Ontario's consumers and REALTORS®.

Designated representation is practiced successfully in other provinces and is fundamentally different from the current common law practice. In designated representation, although the service agreement is with the brokerage, the agency and fiduciary relationship is between the designated real estate professional(s), not the brokerage, and the consumer.

Another significant difference in a common law brokerage is that the law deems that all persons in the brokerage have the same knowledge about the clients of the brokerage. In a designated agent brokerage, designated agents do not share information with the brokerage or with the designated agents representing other buyers or sellers. Clear documentation, agreed to by the brokerage, the designated agent(s), and the consumer is necessary for such a fundamental departure from common law brokerage practice.

In layman's terms, this means you can work with the REALTOR® of your choice, advising and advocating for you, whenever you want. These benefits are paramount when dealing with your life savings and your family's biggest financial nest egg.