

TO MY VALUED CLIENTS

You may have noticed a flurry of recent press concerning the “inverted yield curve” that we have recently moved into in Canada. An “inverted yield curve” means that the long-term bond rates are actually lower than short-term bond rates. In addition, almost every Canadian government bond is now below the Bank of Canada’s 1.75% overnight rate. That’s pretty rare.

What does all of this this actually mean for the economy and for the real estate market? Typically, an inverted yield curve is a sign of:

- A portending economic slowdown
- Falling inflation rates
- Lower interest rates

Yield curves are particularly good at predicting economic downturns. Since 1961, 10 of the last 15 Canadian yield curve inversions were followed by 1+ quarters of economic contraction. Of course, nobody wants to see an economic contraction, but the silver lining should be falling interest rates, which the real estate market definitely needs at the moment.

The Bank of Canada is currently somewhat conflicted, however. While it does recognize that the inverted yield curve is a troubling development, it also

maintains that the drag on our economy is “temporary”, citing “strong” job and income gains and inflation that’s near target. That said, if further growth signals don’t materialize before its April 24th meeting, the Bank should change to a more dovish tune.

Policy makers may also soon turn their attention to a potential revamp of the mortgage stress test that was implemented last January. The stress test has clearly affected mortgage growth (and the real estate market) in a negative way as have punitive taxes on foreign buyers/speculators. The BCREA (among others) have been pressing the government for changes in this area.

Finally, according to rules imposed last January, all mortgages must be “stress tested” at the greater of the bank’s Mortgage Qualifying Rate (MQR) or 200 basis points above the contract rate. At the moment, the MQR stands at 5.34%.

Once the MQR finally drops, more people will buy and refinance. The big banks haven’t changed this critical rate since last May, but it is very likely that they will soon do so. That could give the housing market a small shot of adrenaline.

As usual, your client referrals are both highly valued and greatly appreciated. Until next time, take care!

JANE SAMPLE’S

MARKET NEWS

APRIL 2019

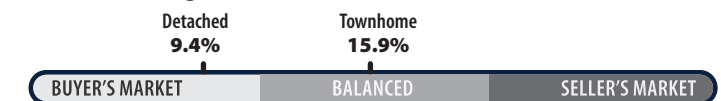
REAL ESTATE UPDATE

PROSPECTIVE HOME BUYERS REMAIN ON THE SIDELINES IN MARCH

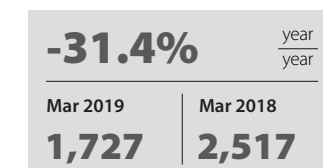
MARKET HIGHLIGHTS

- March sales down by 31.4% versus 2018; also 46.3% below the 10-year March average
- Impact of government-imposed new taxes and borrowing requirements continues to weigh on the market
- Total active listings up by 52.4% versus last year, offering fewer buyers (due to stricter mortgage requirements) tremendous choice
- These two factors have combined to create strong downward pressure on prices, especially in the detached home segment

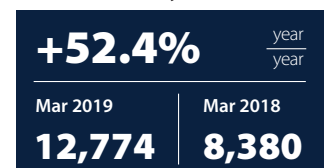
Sales-to-Listings Ratio



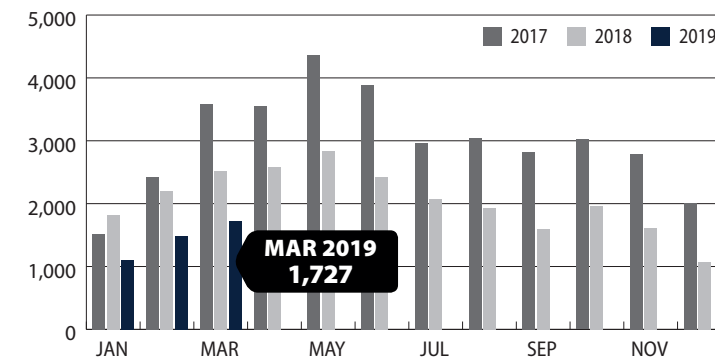
Resale Home Sales



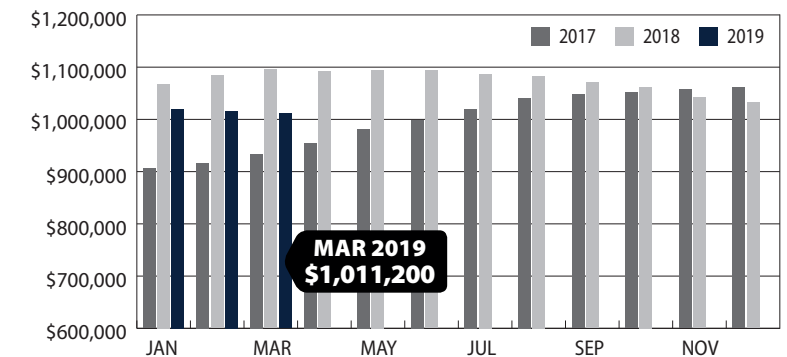
Total Inventory



Metro Vancouver MLS® Resale Home Sales



Metro Vancouver MLS® Home Price Index



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FEATURED PROPERTIES

SOLD



Sold For 117% Of List Price!

This property was just sold for 117% of the list price! Bright and sunny 4 bedroom, 3 bathroom home. Features a beautiful foyer with hardwood furnishings. Short walk to transit and amenities!

FOR SALE



Exclusive

Fabulous 3 bedroom, 4 bathroom townhouse. Master bedroom features walk-in closet and 4-piece ensuite. Newly renovated kitchen means the kids won't go hungry! **Call me today for details!**

FOR SALE



Newly Renovated!

Newly renovated from the ground up. 3 bedroom, 3 bathroom + den home in a quiet hamlet. Features updated kitchen with stainless-steel appliances, and guest bedroom. **Asking \$789,000.**

for more detailed VANCOUVER statistics: **JANESAMPLE.INFO**



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WHAT WILL HOUSES IN THE FUTURE LOOK LIKE?

Innovators are constantly finding new ways for people to live and it's no doubt that the house of the future will look significantly different from the ones we know today. But just how different will it get? For one thing, many experts agree that homes of the future will be made of eco-friendly construction materials, such as the self-healing concrete that was designed in the Netherlands. The cool thing about this bio-concrete is that it uses bacteria to heal any cracks that begin to form, thereby reducing repairs and expanding the lifespan of the home's foundation. Crazy, right? Here are some more wild things the future has in store for our homes.

Driveways with self-charging stations

Today, if you drove an electric vehicle and wanted a self-charging station in your private driveway, you'd have to get it installed or head to a public charging station. As more people swap out their gas-guzzling cars for clean, electric cars (analysts predict they'll make up over half of new car sales by 2040), it makes sense that new homes will automatically include a self-charging station in the driveway.

Robot gardeners

Maintaining a good-looking lawn takes a lot of work. Luckily for those of us who abhor this activity, we can look forward to the robots who will keep our grass neatly trimmed and watered. The Husqvarna Automower is already a best-seller thanks to its ability to cut grass and fertilize the soil no matter the complexity of the lawn. It's even got a built-in alarm so you never have to worry about people stealing your beloved workhorse. Blossom is another smart device in the lawn care sector. It takes care of watering your lawn by monitoring real-time weather reports to determine the best days to turn on the sprinklers.

Solar roof tiles

According to Elon Musk, the Tesla house of the future will have a solar roof. The company has already begun rolling out solar roof tiles in the homes of Californian customers. It offers four types of solar roof tiles, textured, smooth, Tuscan and slate, and they look nothing like the gridded, reflective solar panels we've seen before. In fact, they look just like regular roof shingles from street level. Homeowners can customize the amount of electricity their solar roof produces to power their home (and their Tesla vehicles, of course). The coolest part is that they're made with tempered glass that's three times stronger than your standard roofing tiles.

No garages

With the rise of driverless vehicles, car-sharing programs, and on-demand ride-hailing apps, housing analysts are predicting that by 2030, residential garages will be less of a prominent fixture in our houses. If this is true, it would be a huge game changer in the housing industry. As it stands, more than half of single-family homes in Canada have an attached garage, not to mention that two-car garages comprise approximately 15 percent of a home's overall square footage. If garages become irrelevant, it could open up more land for future properties, or it could mean our interior living space will grow in square footage.

Disaster-proof construction

It's inevitable that the future will have more natural disasters in store, so our houses need to be built to withstand all of Mother Nature's surprises be it hurricanes, earthquakes, or flooding. Architects have already started developing concepts for what a disaster-proof house would look like. Houses could be built on an elevated foundation to avoid rising waters. We could also see more houses being built with indestructible concrete masonry and heavy-duty hurricane shutters for windows and doors.

TRENDY CORNER

THE FURNITURE TRENDS THAT ARE TAKING OVER 2019

There's no better time to refresh your home than spring. Every season, there are always new answers to the question: what's in right now? Industry experts and tastemakers have gone out to gather trends from all over the world in order to forecast what colours will be popular in people's homes and what furniture the masses will be scooping up. If you want to change up your home but have no idea where to start, look to this year's trends for inspiration and while you're at it, say goodbye to last year's velvet sofas and purple everything.

Plush Headboards

Add a touch of luxury to your bedroom with an upholstered headboard that will instantly spruce up your room. This is a fun trend to incorporate into your home as there are so many styles and colours to choose from to suit your decor personality. Tufted headboards lend an ultra-elegant feel, while wingback headboards make the bed look even more inviting. West Elm currently sells a slate grey quilted headboard that's modern and neutral enough to suit any bedroom.

Multifunctional Furniture

In an era where consumers demand function and versatility, it's hard to imagine multifunctional furniture going out of style any time soon. This year, designers believe we'll be seeing more of it, such as coffee tables that can be raised into dining tables, full-length mirrors that store all of your jewellery, ottomans that can store blankets and cushions, and platform beds with drawers underneath. Resource Furniture is best known for its transforming furniture, including the best-selling Flex sofa that can be configured and rearranged any way you like.

Rounded Back Chairs

When it comes to chairs and sofas, curves are in. There's something playful and soft about furniture that goes against the razor-sharp silhouettes and stick-straight lines that we're used to seeing. This is clearly a trend copped from the 1970s when non-symmetrical shapes were in style. The good news is you can go subtle or extreme with this one. Eames chairs in your dining room are a subtle way to embrace curved lines. Go one step up by incorporating something like an Arne Jacobsen Egg Chair in the corner of your bedroom or living room. If you're ready to go all out, consider rocking a curved sofa in the living room.

Art Deco

A trend back in the roaring 1920s, Art Deco style is defined by bold geometric patterns, decadent details, and rich colours. Because this style stands out all on its own, it can easily look out of place in your 21st century home. But if you're craving a touch of old-fashioned glamour, you can do so by choosing geometric furniture, such as the Monroe Cocktail Table at Lowe's, a round tempered glass tabletop featuring metallic gold legs. Lighting is also another way to add a hint of Art Deco. Rejuvenation sells a pendant light featuring brass parts and an Art Deco fan motif.

Really Comfy Couches

Similar to the curved chair trend, the rise of supremely comfortable couches signals a return to relaxed shapes and chill vibes. Sofas no longer need to have angular shapes and firm cushions to look fashionable, so you can go ahead and purchase that extra deep couch you were eyeing in the furniture store. Oversized couches with super-soft seats that let you really sink in - like the Lounge sofa at Crate & Barrel - is a perfect example of how style and comfort can go hand in hand.

