National Home Sales Will Fall To Nine-Year Low

TORONTO: National home sales are projected to fall to a near decade low in 2019, as rising interest rates and strict mortgage stress-test rules continue to put a damper on homebuyer sentiment, according to the Canadian Real Estate Association.

The group, which represents more than 125,000 realtors, is projecting that home sales across the country will decline to the lowest point in nine years but stay little changed from 2018, falling only by 0.5 per cent to 456,200 units.

CREA is projecting that the national average price for a home sold through its multiple-listing service system will rise 1.7 per cent to $496,800 in 2019.

The association forecasts a rebound in sales activity in Ontario and continuing gains in Quebec. Sales were anticipated to fall next year in Alberta and British Columbia. "In 2019, home sales activity and prices are expected to be held in check by recent policy changes from different levels of government, in addition to additional interest rate increases," the group said in a forecast released Monday.

CREA has also revised down its projections for 2018, now saying that it expects national home sales will decline by 11.2 per cent to 458,200 units in 2018 _ the lowest level in five years.

The group says B.C. and Ontario will make up the majority of this year's decline, while sales in Alberta, Saskatchewan, Manitoba and Newfoundland and Labrador will also fall to multi-year lows.

"The national forecast has been revised lower... as an anticipated rebound in sales in British Columbia has so far failed to materialize, the recovery in Ontario sales this summer has now run its course and sales activity in Alberta has edged lower. These developments were partially offset by stronger-than-expected sales activity in Quebec," it said in the report.

The association noted that sales in Quebec and in the Maritimes, particularly New Brunswick, were still anticipated to remain "historically strong."

National average home prices were slated to end this year down 4.2 per cent to $488,600 from 2017. CREA attributed 2018's price drop to a 2.6 per cent year over year decline in Ontario as fewer higher-price homes were put up for sale in Toronto, especially during the spring market, which often sees a price surge.

In Toronto, the decline in average home prices this year is stark in contrast because the housing market in Canada's largest city had been "unusually strong" in 2017.

"As we look to 2019, the major battle lines seem fairly clearly drawn, with the market still supported by strong population growth on the one side, and challenging affordability (past price gains and rate rises) on the other," said Doug Porter, chief economist at BMO Economics in an analyst note.

"While we expect sales activity to stabilize next year... we nevertheless anticipate that prices will slow even further to gains likely below that of inflation."

Porter also pointed out that there were a lot of variances regionally in relation to average sales and prices.

For instance, the housing market in Ontario's medium-sized cities continued to show strength, with both London and Windsor, Ont., posting double-digit gains in 2018. While smaller cities in Ontario, Quebec and Maritimes registered price gains that put that in a "hea lthy" balanced market.

Oil price declines have also wreaked havoc on housing prices in Western Canada, while the largest sales decline this year was in B.C., which has largely been attributed an increase in the foreign-buyers' tax.

Meanwhile, in separate release of monthly sales data, CREA reported that home sales across the country fell for a third month in a row in November, as two of what had been the hottest markets, the Greater Toronto Area and the Greater Vancouver Area, reported lower activity.

Canadian home sales through its multiple listing service system dropped by 2.3 per cent last month compared with October as the number of transactions fell in more than half of all local markets.

Sales were down year over year in three-quarters of all local markets including the GTA, Hamilton-Burlington, Ont., region, B.C.'s Lower Mainland and Calgary.

CREA says the number of new listings also saw a decline, falling 3.3 per cent in November. The drop came as the average price for a home sold last month dropped to $488,000, down 2.9 per cent compared with the same month a year ago. Excluding the Greater Toronto Area and the Greater Vancouver area, the average price of a sold home was just under $378,000.

"The decline in home ownership affordability caused by this year's new mortgage stress-test remains very much in evidence," said Gregory Klump, CREA's chief economist in a statement.

"Despite supportive economic and demographic fundamentals, national home sales have begun trending lower.

"While national home sales were anticipated to recover in the wake of a large drop in activity earlier this year due to the introduction of the stress-test, the rebound appears to have run its course."

Bid To Reduce Wait Times for Mental Health, Addiction Care

TORONTO: The Ontario Government is investing in urgently-needed mental health and addiction services and engaging with health care leaders, front line staff and people with lived experiences to address the critical gaps in the province's mental health care system.

Christine Elliott, Deputy Premier and Minister of Health and Long-Term Care, was at St. Michael's Hospital on Wednesday to announce the first wave of direct mental health and addictions funding which includes adding more than 50 new mental health beds at 12 hospitals across Ontario.

"Ontario's Government for the People is committed to ensure that each dollar goes directly to services that will make a significant difference to patients," said Elliott. "This immediate investment will help lower wait times for those in need of inpatient mental health and addictions treatment."

The announcement is part of the government's commitment to invest $3.8 billion over the next 10 years to develop and implement a comprehensive and connected mental health and addictions strategy.

Our government is also engaging with health care leaders, subject matter experts, sector partners and associations, health service providers and people with lived experience to identify mental health and addiction needs across the province.

"These discussions will help inform decisions as we move forward with finally building a comprehensive and connected mental health and addictions system in Ontario," said Elliott. "Our government is committed to an Ontario where patients don't need to be in crisis to get the mental health and addictions treatment they need, when they need it. We will continue to make mental health a priority and work toward creating an Ontario where everyone is fully supported in their journey toward mental wellness."

Ontario To Speed Up Sales Of Surplus Properties

TORONTO: The Ford Government has announced a more efficient process for selling surplus government properties. The improved plan will reduce red tape, create more affordable housing and long-term care spaces and put more money in people's pockets.

"Ontario currently has hundreds of vacant surplus properties across the province, costing the government millions of tax dollars a year to maintain," said Bill Walker, Minister of Government and Consumer Services. "Our plan is about working harder, smarter and more efficiently so we can reduce costs, generate much needed revenue and make life better for the people of Ontario."

The announcement also reinforced the government's support for some of the province's most vulnerable. The new plan will more easily identify which properties could be used for affordable housing and long-term care projects. Additional government departments and levels of government can also benefit from reduced red tape so that identified properties can be efficiently put back to productive use.

Reducing red tape will:

• Put 243 properties — some 14,600 acres — back into productive use over four years

• Generate $105 to $135 million in net revenue over four years. Plus save money by reducing liabilities and ongoing maintenance costs on vacant properties

• Deliver an annual cost savings and liability reduction of almost $9.6 million

• Remove an estimated 150 days of administrative time.