



“Canadians are confident in the future of their real estate markets, according to Ipsos-Reid survey, especially in the West!”

Summer 2005

Although current Canadian assurance in the economy is wavering, according to the Ipsos-Reid Canadian Economic Confidence index, one thing remains the same - and that is the substantial confidence in the real estate market.

The results of the quarterly survey, which functions as a predictor of the economy, is down 5.4 points to 101.3. Despite these somewhat pessimistic results, 14% of Canadians say they are likely to buy real estate at this time, with 6% very likely to purchase.

“The house-buying market, in spite of what you might hear from various sources, doesn't look like it's gone down dramatically, and [this is] not a surprise,” says Darrell Bricker, president and COO of Ipsos-Reid and Cindy Russell of Re/max Colonial Pacific, White Rock.

“People have been predicting that the bottom's about to fall out of the real estate market for some time now, and based on objective economic indicators there would be some suggestion that might be the case but, when you look at pent-up consumer demand, it's been consistent.”

The survey is based on six factors that influence of the economy: whether or not one's own improve or worsen; job anxiety; their likelihood home in the next six months; expectations of spending on big-ticket items and on day-to-day



Canadian's expectations economic situation will of purchasing a new interest rate changes, spending.

The index found the most pressing issue negatively affecting confidence in the economy is concern over interest rates, with 52% of Canadians expecting an increase within the next six months.

But, a stronger sense of certainty in the real estate market and in job security is helping to better balance the scales and soften economic anxiety.

“The strong real estate market is facilitated not only by the fact that many people are expecting an increase in interest rates and want to lock-in a better mortgage rate while

they're still low, he says, but also because, "...when you ask people generally, 'What is the best investment that you could have?' People still want to socker money into real estate and their principal residence."

Stats have shown the public is less likely to look at the economy as being a stock market or investment game, he says, as much as they're likely to view it in terms of their own financial situation.

"And when they look at their own personal, financial situation their single biggest investment is in housing," he says.

In terms of job security, which tends to play a large part in people's attitudes about the economy, Bricker says, just 17% of Canadians are worried about losing their job.

"...if you take a look at where our job anxiety number is, it's around the margin of error of our historical low since the beginning of the 1990s."

This is significant because the business media tends to focus on the marginal, day-to-day changes in our economic situation that "...the public just doesn't care about," Bricker says. "What they look at is the value of their homes and they look at the likelihood that they're going to have a job this time next year."

Despite slight worries from some first time buyers regarding an increase in interest rates or spending on day-to-day and big-ticket items, Canadians will very likely continue to view the economy as robust with an excellent future. Because, although the index has fluctuated, it "certainly hasn't crashed," he says. This "fluctuation" actually makes it better for everyone, from sharks, flippers to long term investors.

And this confidence is likely to continue within real estate as well.

"Canadians," Bricker says, "look at real estate as their most secure, most meaningful investment." The Cindy Russell Team continues to be on the leading edge of analysis, marketing, performance and award winning customer service not just in your neighborhood but increasingly throughout western Canada – recently expanding into the Calgary, Alberta inner city market!

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