

### WATERLOO REGION HOUSING MARKET

KITCHENER-WATERLOO, ON (September 24, 2013) In the wake of news that BlackBerry will be laying off 4,500 employees worldwide, the Kitchener-Waterloo Association of REALTORS® (KWAR) has been approached by several reporters asking how this will impact Waterloo region's real estate market.

At this time, it is still unknown exactly how many local jobs will be impacted, and with a tentative deal to purchase BlackBerry already on the table – it is impossible to know what the future holds for the employees working and living in Waterloo region.

For its part, the KWAR has never been in the business of forecasting its local real estate market, but we do track sales through our MLS® System. What we can say is that Waterloo region has long enjoyed a stable and solid real estate climate and the economic region of Waterloo has always been one of Canada's fastest growing.

Another factor working in our favour is that the housing market in the Kitchener-Waterloo region is facing this challenge from a position of strength. Demand has accelerated in recent months, resulting in an increase in the rate at which listings have been drawn down.

In looking at inventory through the KWAR's MLS® System, The Canadian Real Estate Association has identified that overall supply has been falling since last summer and currently stands at the lowest level in three and a half years. On a seasonally adjusted basis, the number of months of inventory measure sits at just 3.6 months compared to around 6 months at the national level. This is important, because one of the risks to any housing market in the event of an increase in unemployment is the potential for a jump in the number of homes for sale.

The risk is that this jump in new listings throws demand and supply sufficiently out of balance to result in a buyer's market situation at the same time that some sellers may be under increased pressure to sell due to job loss.

From this standpoint, the currently low and falling levels of supply in the Kitchener-Waterloo region will cushion the market against a potential rise in new supply. Given that current housing market

conditions are on the cusp of a seller's market, the market is in a good position to absorb an increase in supply without it having a negative impact on home prices.

Moreover, while the region is probably best known as the home of BlackBerry, Kitchener-Waterloo's job market is well diversified. Employment in the region is spread-out across many industries, with manufacturing, trade, healthcare, professional and technical services, financial services, education, and construction all playing important roles.

Waterloo region has a population of more than half a million and a workforce of over 290,000. "For perspective, even if all 4,500 job cuts hypothetically took place in Kitchener-Waterloo region, that would amount to only one and a half per cent of the region's total employment as reported by Statistics Canada as of August for the Kitchener- Cambridge-Waterloo CMA region," says Dietmar Sommerfeld, President of KWAR. With job losses expected to be spread out over BlackBerry's entire worldwide operations, the actual impact on local employment may well be less.

Commenting on the current situation, Sommerfeld says "Despite recent disappointing news about significant layoffs at Blackberry, both Waterloo regions' overall economy, and its tech sector are strong and diversified." He goes on to note that, "real estate markets located in regions as economically diverse as ours, benefit from not being tied to any one employer or sector."

*Consumers uncertain about current market conditions should work with a REALTOR® to develop an effective selling strategy. If you are buying, a REALTOR® will negotiate on your behalf and guide you through every step. A REALTOR® understands the local market and must, by law, look after your best interests.*

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*Established in 1937, the Kitchener-Waterloo Association of REALTORS® (KWAR) operates the local Multiple Listing Service® (MLS®) and provides ongoing professional education courses for nearly 1,200 REALTOR® members who serve the communities of Kitchener-Waterloo and outlying areas. The term REALTOR® is a trademark identifying members in good standing of the Canadian Real Estate Association (CREA) who provide real estate brokerage services in compliance with CREA's By-Laws and Rules, the REALTOR® Code, and all applicable federal and provincial laws and regulations. The MLS® System of the KWAR is operated in association with the MLS® Marks owned by CREA. An MLS® System includes an inventory of listings of participating REALTORS®, and ensures a certain level of accuracy of information, professionalism and co-operation amongst REALTORS® to affect the purchase and sale of real estate.*

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