

KITCHENER - WATERLOO

TRENDS

- 1 High-tech job market remains strong
- 2 Diverse range of buyers fueling the market
- 3 Spring activity set to increase following a harsh winter



THE HARSH WINTER slowed Kitchener-Waterloo's real estate market in early 2014 while concerns over local technology sector jobs eased, setting the stage for a pickup in spring activity.

Employers only marginally impacted the Kitchener-Waterloo real estate market. The overall job market in Ontario's high-tech hub remains strong, with established firms and numerous start-ups heading to the region in search of skilled workers.

The price of a single family home increased over three per cent in the first two months of 2014. While unit sales remain low, they are expected to increase once the snow disappears, leading to a balanced market throughout the rest of the year. A surge in properties priced between \$150,000 and \$200,000 in the first quarter was attributed to cheaper

"YOUNG BUYERS ARE KEEN TO PLANT ROOTS IN TRENDY UPTOWN WATERLOO AS WELL AS KITCHENER'S GENTRIFYING DOWNTOWN."

Sellers were reluctant to list their properties in a frigid January and February, which saw a 14 per cent decrease in residential listings compared with the same period in 2013.

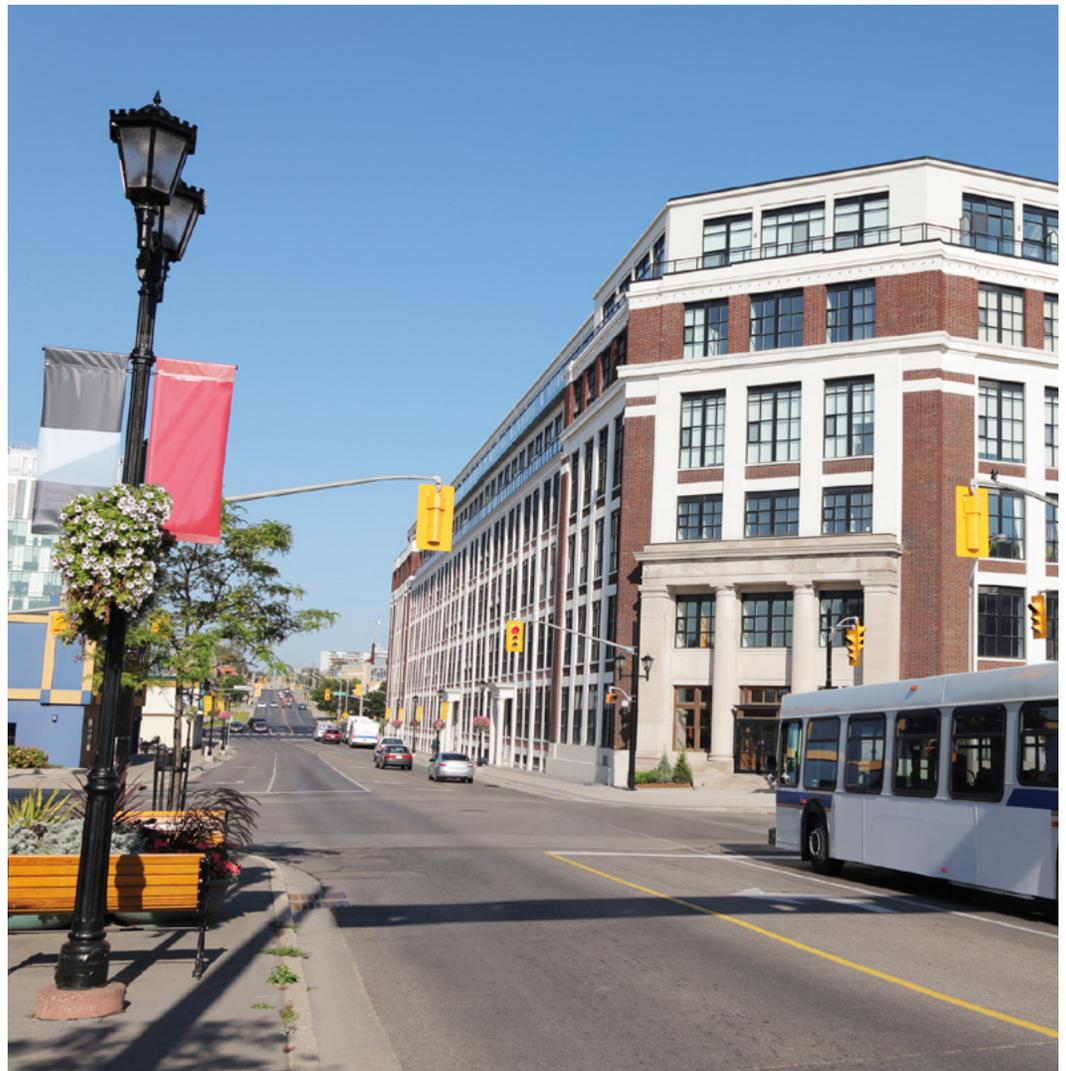
Confidence in the region is growing as internal changes at local technology

KITCHENER-WATERLOO

condos coming on the market. Condo sales are up one per cent overall. Prices are expected to rise by two per cent on flat sales this year.

A range of buyers have demonstrated interest in Kitchener-Waterloo. First-time buyers, those looking to move up and retirees are all present in the market. Young buyers are keen to plant roots in trendy uptown Waterloo as well as Kitchener's gentrifying downtown. Growing families are moving out of townhouses and into detached homes, while retirees are splitting their equity between homes in Canada and vacation properties. A small number of homes over the \$750,000 mark sold in the first two months of the year.

Optimism is high for the remainder of 2014 as the region boasts a diversified economy. Major employers include insurance companies, high-tech firms and manufacturers, with a robust start-up sector and two universities attracting a new generation of new movers and shakers. In addition to Oktoberfest, year-round tourism is beginning to take hold, with a second new hotel under construction near historic St. Jacobs. The GO Transit system now operates a rush hour train service between Kitchener and Toronto, and a new light rail line will connect north Waterloo to Kitchener.



AVERAGE RESIDENTIAL SALE PRICE

MARCH 2013 COMPARED TO MARCH 2014



SOURCE: KITCHENER-WATERLOO ASSOCIATION OF REALTORS