



"The value of your home is about to drop another 20 per cent." - Front Cover, Maclean's Magazine, March 2, 2009

We, as an industry, tend to pump out statistics and percentages consistently, on a bi-monthly, quarterly, and annual basis. We hold them up as gospel, believing they provide an indisputable snapshot in time, accurately portraying real estate market conditions in any given day, month, quarter, or year. Allowing us to track unit sales, inventory levels, dollar volumes and average price, statistics have become the new measuring stick in our business. But in recent months they've also created havoc.

Why? The answer is simple. After almost a decade of constant upward momentum - including a record-breaking 2007 - the residential real estate pendulum is swinging the other way. The standards set in years past no longer apply. Depending on where you sit in the market, year-over-year comparisons now vary from soft to bleak. Needless to say, the media is having a field day with our very own data, twisting and turning it to suit their own purpose -- which is to create headlines -- no doubt, the more sensational, the better.

Here at RE/MAX we continue to maintain our leadership in the industry by correcting mistruths and going after naysayers. Those of you who saw the blatantly misleading cover story on the March 2nd issue of Maclean's, should know that of the thousands of reader responses they receive each week, our retort to Duncan Hood's error-filled article will be published on the Mailbag page of an upcoming issue.

Our First-Time Home Buyers Report, released on March 11, 2009, confirmed what many of us already know -- entry-level purchasers are now the engine driving real estate activity across the country. They have become the lifeblood of our business. And since first-time home buying activity is vital to the overall health of the housing market, we're thankful that first-time buyers are not really all that interested in what the pundits have to say, nor are they deterred by messages of doom and gloom. All they know is that the gap between the cost of owning and the cost of renting just got a whole lot smaller.

Regardless of economic concerns - and possibly because of them - more and more first-timers are finding it hard to pass up the chance to become homeowners in a buyer-centric real estate market that boasts improved affordability, rock bottom mortgage rates and government incentive programs. Given a massive influx of listings cross country, buyers are firmly ensconced in the driver's seat.

The reality is that homeownership remains well within reach for most first-time buyers. In at least 12 markets in Ontario-Atlantic Canada, the entry level price point for a single-detached home remains under \$200,000.

First-time buyers are the first domino to fall - move-up purchasers follow - and so on, and

so on, and so on. Statistically speaking, we've seen it all before. We all know that houses continue to sell. Sure, it's not 2007 when just about everything and anything sold, and sold quickly at that. But it's also not the doom and gloom predicted daily by economists, columnists, and the odd investment analyst. In all this mayhem, very real opportunities exist, particularly for first-time buyers -- many of whom have spent recent years sitting on the sidelines. While all the reports are discouraging, and it's tempting to jump on every negative headline, it's important to remember that real estate is cyclical -- and after each cycle, the market comes back bigger and better than ever before. The entire world is in a slump, yet real estate continues to flourish. The numbers may not be as robust as in years past, but values have NOT fallen like a stone. A well-priced property anywhere will move, and some, in multiple offer situations.

At least one major lender says that a strong majority (82 per cent) of Canadians feel that owning a home is a good investment and home ownership remains the primary financial goal of many. Given today's unpredictable investment climate, many will choose to opt out of mutual funds and put their money where they put their mattresses.

Unlike the stock market, where prices can plummet, trading can be halted, and government intervention could mean shareholder misery - real estate is just fine. So do not let the twisting and turning of headlines deter you. The warmer weather is finally upon us and with it, a new crop of buyers and sellers.

Sincerely,



Michael Polzler

Executive Vice President and Regional Director

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