

## Forecasting '89

(NC)—Each year I make a forecast on the forthcoming year in real estate. I happened to look at last year's forecast and it went almost exactly as planned. For the first six months of '88, I said sales would match those of '87. In the last half of the year, sales would run 10% ahead of the previous year. Central Canada would again be strong. Western Canadian markets would be mixed and Atlantic would remain soft. The only point I missed was the large price increases experienced in Southern Ontario in the first four months of the year. Buoyed by success, I am ready to try again!

This year will be more difficult to forecast. Last year, most experts were in agreement and things unfolded pretty much as predicted — the self-fulfilling prophecy! This year experts are all over the place. How long will the expansion phase of the business cycle last? Some are predicting it will end in '89. Others say we are heading into a major recession. Interest rate forecasts are also confusing. Some economists see rates slowly rising with inflation. Others actually see rates dropping.

One indicator of the future direction in interest rates is the "yield curve". The yield curve is a comparison of rates for the same level of risk from the short term through to ten years and beyond. Right now the curve is almost flat. As an example: mortgage rates for 6 month and 5-year mortgages are almost identical.

What does that mean? On one hand, it means that experts are not expecting any measurable change in rates over the next six months. On the other hand, it means that no one knows where they are going in the next six months. Count me as part of the latter group!

Earlier this year, I thought mortgage rates would jump by up to 3% next year. Now I don't think so. At most, they will move 1%. And if the economy softens, the Federal Government has room to back off the rates.

But, interest rates are only part of the story. As I said last year, it is the demand side, the number of buyers,



**REAL ESTATE AND YOU**  
Jamle Johnston

that really determines the market. And buyers, by a large degree, are influenced by psychological, as well as economic factors.

Free Trade will be a psychological boost. Foreign investors will look more favourably on Canada and this, in turn, will stimulate Canadian investors. Implementing Free Trade will be staged over 10 years so any negative adjustments to industry can be minimized.

Real estate activity tends to mirror the underlying economic factors of the area. We are now starting to see the involvement of a "two-tiered" real estate market. The major urban centres plus Southern Ontario continue to experience expansion. Smaller centres remain soft when local economies stagnate. Look at B.C. for example. The greater Vancouver market and the lower mainland experienced excellent real estate markets. The rest of the province was off — a reflection of local economies.

So what do I expect for real estate markets next year? The overall economy and interest rates will be "neutral".

Individual geographic real estate markets will show an even greater range of diversity than in 1988! Each market will then be even more heavily dependent on how strong or weak its local economy is.

So, you should be in a better position this year than the experts to predict activity in your own real estate market. Just ask yourself: What are the major employers doing? Are they expanding, standing still, or reducing their work force? The answers will tell you where your real estate market is heading.

For a free copy of Moving Checklist, please contact the Canada Trust/Realtor office nearest you.

## Spas and hottubs—now as common as the backyard swimming pool

(NC)—The daily ritual of soaking in hot pulsating water is no longer only a past-time for the rich or adventurous. According to statistics from the Canadian Swimming Pool and Spa Association (Canspa) unit sales of spas and hottubs well exceeded 16,000 in 1987.

The reasons are many. Installing a spa in your backyard or basement is not only inexpensive (starting at \$2,500.00) but will provide many, if not all of the pleasures of owning a pool (backyard beauty, entertainment value, family togetherness, exercise, etc.). The therapeutic value of the American Association, similar to Canspa (N.S.P.I.) initiated a spa benefit awareness program in conjunction with the American Arthritis Foundation.

Sales in Eastern Canada have surprisingly now surpassed the unit sales of Western Canada, which has been the stronghold of Canadian Spa and Hottub sales up until a few years ago. While installations in Western Canada have always been outdoors, most Eastern Canadian installations have been indoors.....until recent years where there has been a dramatic shift to outside installations—even in colder climates. Industry experts state that the thrill of enjoying your spa under the beauty of the starlit nights.....especially amidst a light snowfall.....is what "hottubbing" is all about.

Regardless of whether you are purchasing a spa or hottub for home improvement value, entertainment, family togetherness or health, the pleasure of a quick soak before your shower in the mornings or a relaxing moment with your loved one in the evening guarantees the ever-increasing popularity of spas is not a fad—but here to stay.

### Interesting facts on spas and hot tubs.

Spas are loved by all ages for different reasons. Children love the bubbles and the companionship of their parents. Seniors and athletes enjoy the therapeutic value of hydrotherapy.

A spa and a hot tub are the same product only the hot tub has a wooden tank, whereas a spa is acrylic, or con-



crete. The equipment and benefits are identical.

Spas can be installed indoors or out, above ground, in the ground or half and half. Smaller models require a floor area less than 4' x 5'.

Portable spas can be moved indoors in winter or to the cottage in the summer, while built-ins are permanently fixed in place.

Expensive alterations to your home are not necessary...most spas can be uncrated, electrically connected, filled and enjoyed in a matter of hours.

Ventilation fans are not absolutely necessary in indoor installations as a floating cover retains the heat and keeps humidity to a minimum.

Heating costs are minimal...can be less than \$10.00 a month indoors, and less than \$1.00 per day during the winter months for outdoor installations.

Upkeep costs are minimal—less than \$20.00 a month, including chemicals.

Most spa owners use their spa each and every day.

Maintenance time is minimal—only a few minutes each week.

Most spas are available in 29" depths to go through any door, and they come in widths that allow passage down a

staircase. For those difficult installations two piece models are available.

Some spa purchasers can qualify for a tax deduction. Contact your family doctor if you believe you qualify.

Hot swirling water, massaging pulsating jets, in a wide range of sizes, shapes and colours can be yours for as little as \$3.00 per day including operating costs and financing.

For the name of a CANSPA dealer in your area contact: The Canadian Spa and Pool Association, 8303 Airport Road, Suite 305, Mississauga, Ontario L4V 1R8 (416) 676-1591 1-800-263-2103.



# Season's Greetings



Christmas is that wonderful time of year filled with the laughter of children and the warmth of friendship. We look forward to a wonderful holiday and we hope that all our loyal friends and patrons will have a great holiday, too. We enjoy working with you and we take great pleasure in wishing you the best of the season.



**ANDY KING**  
Sales Representative  
873-1058  
457-9788



**BILL McKEOWN**  
Sales Representative  
873-2437  
457-9788



**RE/STAR**  
**MARLATT REALTY GROUP INC. (REALTOR)**  
NETWORK OF THE STARS