

Dennis foresees “disaster” looming in the Sarnia housing market

by Chris Cooke



Bill Dennis

Bill Dennis says the Sarnia housing Market is going to crash, it is just a matter of when. The former Sarnia realtor and City Council says if Michigan Governor Gretchen Whitmer gets her way and closes Line 5 the crash will be immediate.

If not he predicts within a year.

Rob Longo, president of the Sarnia-Lambton Real Estate Board describes the local market as being “unbalanced” with a shortage of listings, soaring housing prices and a median selling price of \$449,950,00, up 39.8 per cent from a year ago.

In his monthly report Longo says homes are selling for 106 percent of asking price and remain on the market an average of just eight days.

In March Longo reported only 112 listings, well below the 200 needed to provide balance.

And he described it as a seller’s market with a lack of inventory and strong activity, up 17 per cent.

Dennis says the exploding housing market in the Greater Toronto Area and the pandemic are forcing people to work from home which is causing migration beyond the urban area.

“Anyone who thinks this will continue indefinitely is dreaming in technicolor” says Dennis.

While Sarnia is still “quite a deal” compared to Toronto Dennis is concerned about household debt suggesting low mortgage rates and soaring prices are pushing home buyers to stretch beyond reasonable and comfortable levels.

Dennis fears people getting into the market now will spend more servicing debt and when interest rates go up, likely next year “lenders will be getting keys dropped on their desks”.

And Dennis adds “interest rates will be going up because this Prime Minister has spent more in six years than all other Canadian Prime Ministers combined”.

Michigan Governor Whitmer wants Line 5 which runs beneath of the Straits of Mackinac shut down this month. The Enbridge - owned line supplies Canadian crude from Western Canada to refineries and petrochemical plants in Sarnia, Michigan and at least two refineries in Toledo.

Enbridge is proposing a tunnel to encase the line but it won’t be completed until 2024.

Whitmer fears the 63-year-old line could create an environmental catastrophe and doesn’t want to wait.

With or without the Line 5 issue Dennis says a correction is coming in the local real estate market. “People are house rich and cash poor and that is a formula for disaster”.