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Your Greater Toronto Real Estate Newsletter

New listings surge with fewer sales But home prices notch up

GTA BY THE NUMBERS

DETACHED

↑ 5.2%
Avg. Price Yr/Yr

SEMI

↑ 4.9%
Avg. Price Yr/Yr

CONDO APT

↓ 3.3%
Avg. Price Yr/Yr

According to the Toronto Regional Real Estate Board (TRREB), strong new listings but lower home sales marked the GTA housing market in September. Despite the market being better supplied with listings, and transaction levels substantially below the September 2022 results, the average selling price of \$1,119,428 was not only higher than last year's level but also higher than last month.

New listings leaped 44.1 per cent over September 2022 results. TRREB views the growth in the volume of listings as good news for buyers. "GTA home selling prices remain above the trough experienced early in the first quarter of 2023. However, we did experience a more balanced market in the summer and early fall, with listings increasing noticeably relative to sales. This suggests that some buyers may benefit from more negotiating power, at least in the short term. This could help offset the impact of high borrowing costs," says TRREB chief market analyst Jason Mercer.

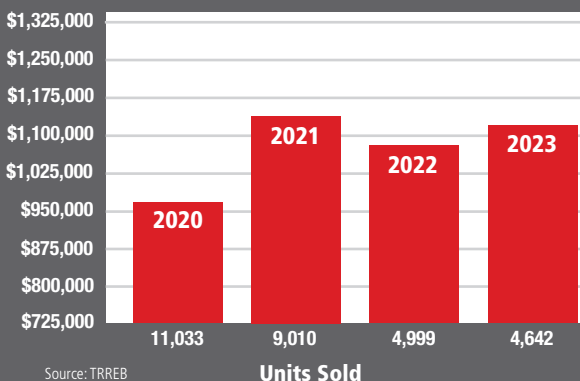
Sales were down 7.1 per cent compared to September 2022, mainly for ground-oriented homes, particularly semi-detached and townhouses. TRREB attributed GTA's sluggish sales to high borrowing costs, high inflation, uncertainty surrounding future Bank of Canada decisions and slower economic growth. Although the market was flush with new listings, which does indicate sellers' confidence, the average price saw some growth.

Breaking down the average price by home categories, a detached home in September, in the City of Toronto reached \$1,724,007 (up by 8.5 % versus last year) and in the suburbs it climbed to \$1,343,606 (up by 2.5 %). A

semi-detached home drew \$1,281,956 in the City (up by 5.9 % year-over-year) and \$969,855 in the suburbs (up by 2.2 %). A townhouse in the City went for \$992,319 on average (up by 5.1 %) and for \$925,925 in the suburbs (up by 4.1 %). A condo sold for \$732,106 in the City (down from September 2022 by 4.9 %) and for \$660,491 in the suburbs (up by 0.8 %).

Looking ahead, TRREB sees much of the same in the short term, but a shift to a more robust market in the longer term. "The short and medium-term outlooks for the GTA housing market are very different. In the short term, the consensus view is that borrowing costs will remain elevated until mid-2024, after which they will start to trend lower," says Paul Baron, TRREB president. *REU*

Average Home Prices - September in the Greater Toronto Area



Monthly stats

September average price by area

416

DETACHED

↑8.5%

YEAR
YEAR

\$1,724,007
Average Price

CONDO APT

↓4.9%

YEAR
YEAR

\$732,106
Average Price

905

DETACHED

↑2.5%

YEAR
YEAR

\$1,343,606
Average Price

CONDO APT

↑0.8%

YEAR
YEAR

\$660,491
Average Price

Source: TRREB

Rental crisis

Rental market frenzy No end in sight

No doubt about it, Canada's rental market has become a virtual roller coaster, for renters that is. For landlords, it's bonanza time. As John Pasalis, president of Realosophy Realty puts it, "Landlords can sit back and wait because they're getting multiple applications."

Urbanation's president Shaun Hildebrand pointed to a variety of factors driving up the price of rentals and the fierce competitiveness in the market. "Rents are now being driven

to new highs on interest rates hitting their highest level in 22 years, the population increasing by a record pace, near record-low unemployment and scarce supply," Hildebrand told CTV National News.

Prior to 2016, Ontario's population was growing by an average of 125,000 people per year. We saw that number increase to well over 500,000 over the last twelve months, says Pasalis. These conditions have left prospective renters feeling even more frustrated than usual by sky-high rents, the frenzy of interest that surrounds any affordable listing and the litany of demands landlords can make when so many people are interested in their home, says Ted Deschamps, a real estate reporter for the Canadian Press.

Data crunched by TRREB showed average rent for one-bedroom condo apartment was \$2,532 in Q2 2023, up 11.6 per cent compared to Q2 2022. Similarly, the average two-bedroom rent was up by 9.2 per cent over the same period to \$3,264. Experts are calling it "almost a perfect storm" and it's not likely to end any time soon.

Prospective renters are frustrated not only by sky-high rents, but also by the demands landlords make. **REU**



Condo update

First-time condo buyers A guide to keep in mind

Are you thinking of jumping into the housing market and buying a condo? Here are a few critical issues to take into account.

First, you need to get pre-approved for a mortgage. It's essential to know how much you can afford before you start shopping for a condo. A condo mortgage is slightly different than getting a mortgage for a house. Lenders consider the cost of maintenance fees and may require a 20 per cent down payment for properties under \$500 per square foot. Some lenders have a list of condos they won't finance because of past problems with the building. There are several government programs to help first-time homebuyers:

- Home Buyers' Plan: First-time buyers can borrow up to \$35,000 tax-free from their RRSP.

- Land Transfer Tax: Refunds are available in both Ontario and City of Toronto.
- First-Time Home Buyers' Tax Credit: Claim a \$10,000 non-refundable tax credit resulting in tax savings of up to \$1,500.
- CMHC Mortgage Loan Insurance: If your down payment is less than 20 per cent and the purchase price is below \$1 million.
- First-Time Home Buyer Incentive: Interest-free loan for qualified first-time home buyers to help decrease their regular mortgage payments. The incentive contributes up to 10 per cent of the total cost of the home, which you'll need to pay back within 25 years. In exchange, the government shares the equity built up in the home; you'll pay back more if it appreciates in value, or less if it depreciates, up to a maximum gain or loss of 8 per cent per annum. **REU**



Homeownership

Investors Own a big slice of the mortgage pie

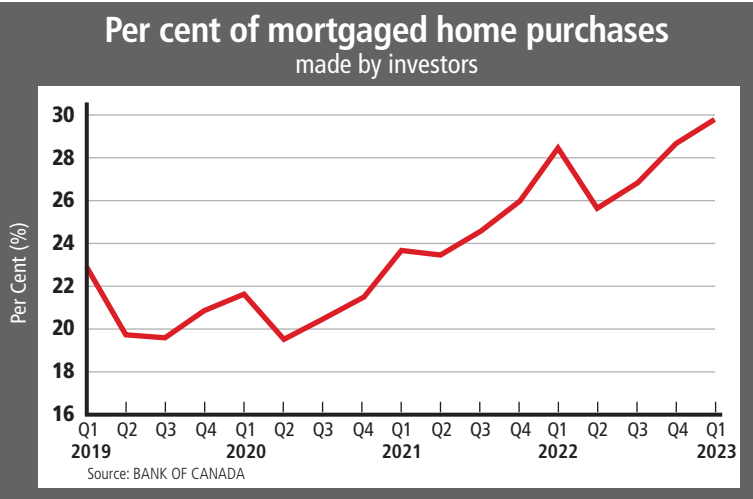
Home prices in the GTA have soared to new heights over the past couple of years, and the Bank of Canada (BoC) says that "strengthened demand" from investors is partly to blame. "The presence of investors in real estate markets can amplify house price cycles," says the Central Bank. "During housing booms, greater demand from investors can add to bidding pressures and intensify price increases."

In its quarterly update, the BoC noted that investors in the first quarter of 2023, owned 30 per cent of mortgaged home purchases in Canada, up from 20 per cent before the pandemic. And that proportion has been consistently rising. Prior quarters have seen investor presence in the homeownership market edge up from 25.76% (Q2-2022) to 26.41% (Q3-2022) to 28.66% (Q4-2022). But, since the Central Bank started to hike interest rates, some investors are finding themselves over leveraged.

Typically, investors are wealthy enough to buy more than one property, according to David Macdonald, senior economist at the Canadian Centre for Policy Alternatives. "Investors have more leverage than a typical homebuyer, as they take out more lines of credit or refinance properties more often," says Macdonald. "They bring in a lot of additional money into the market driving up prices." With interest rates much higher

than during the Covid era, many investors are servicing larger debts. Their alternatives are either to raise rents (if they can) or sell.

Investors own around 40 per cent of the condo market according to the BoC update. "Anyone who has lived in Toronto for some time might conclude that the city has always had a rental crisis. Vacancy rates have been stubbornly low for



decades....," says John Pasalis, a data analyst in the industry. On the other hand, if investors do sell their rental condo property, it's typically bought by the next investor down the line, not a young family looking for a place to live, says Macdonald. "This may present an opportunity for those down-the-line investors who could now purchase a condo at a potentially discounted price." **REU**



On the internet

Interesting websites

theDISTILLERYwinter VILLAGE.com

Inspired by the Old World and influenced by the New, celebrating local craftspeople, musicians and artisanal food-makers for a truly festive experience. Distillery District. Nov 16 - Dec 31

furnitureBANK.org

Helping families in need by collecting donated furniture and household items for distribution to women and children, refugees etc.

virtualPIANO.net

Experience the piano on your computer. Engages and inspires people of all ages and abilities, to nurture a passion for music. You can now entertain with music online!

childhoodCANCER.ca

Provides families with information, organization and inspiration to cope with what comes next.

These sites are believed to be reliable but their accuracy cannot be guaranteed.

Mortgages

October 10, 2023

Mortgage rates are negotiable with individual lenders. Rates are subject to change without notice. OAC E&OE

Prime	7.20%
Variable	6.40%
1-year	7.04%
2-year	6.69%
3-year	6.49%
4-year	6.44%
5-year	6.14%



Cleaning eavestroughs Maintains value of your home

Regular cleaning of your home's eavestroughs especially in the fall after trees drop their leaves, is vital to your property's longevity and value.

Water and moisture are the biggest enemies of houses. When eavestroughs don't get flushed regularly, the falling leaves and other debris block the rainwater from flowing down the spout and away from the house, pushing it instead towards the inside of the house where it can cause expensive damage. And that's not all.

Blocked water can cause the eavestroughs to rust and damage the roof. It can also give your house a distinct putrid odour caused by the decaying plant matter in your gutters, as well as stains on the sides of your home. The mold and mildew are also an ideal breeding ground for insects and rodents.

Homeowners have two options for cleaning the eavestroughs: the DIY route or hiring someone. If health or age (or fear of heights) is a concern, the second option is best. The cost depends on your property's size and the complexity of your roof, but can range from about \$75 for a small single-storey home to \$200 or more for two or three storey homes. Most eaves cleaning companies offer free estimates.

But if you are a seasoned DIYer or the thrifty and adventurous type who wants to save some money, the process of cleaning your eaves is not that complicated.

1. Assemble the tools:

- sturdy and reliable ladder, long enough to reach the eaves troughs.

- heavy-duty rubber gloves.
- safety goggles (you don't want any of the debris flying into your eyes).
- garden hose.
- bucket (5 gallon capacity) or/and a drop cloth.
- garden trowel.

2. To start, make sure that the drainpipe where the water is draining to, is free of blockage.

3. Climb your ladder so that you are at eye level with your gutters. A few safety tips:

- Don't climb above the second to last step/rung.
- Do not extend your reach.
- Place the stepladder on solid level ground if possible, or have a helper hold onto it while you work.

4. With your gloves on and your trowel in hand, scoop and scrape any debris you find out of the eavestroughs. Move section by section, either placing all debris into the bucket, or dropping it on the drop cloth below.

5. To determine if your gutter systems are flowing properly, gently run water through your gutters using a garden hose.

Once the water flows without any impediments, dispose of all the waste according to your municipality's regulations. Job done! **REU**

Referrals are an important part of my business. Anyone you refer will receive special attention and the finest service possible. For professional real estate advice please call, any time.

Thank you!

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