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Housing market firms up Home sales and average price on the rise

Toronto's housing market is showing strong signs of stabilizing, recovering from the tightening of mortgage rules, says Scotiabank vice president Derek Holt. And after an unprecedented growth of an estimated 2.7 per cent in 2017, RBC expects the province's economy to grow by two per cent in 2018 and 1.7 per cent in 2019, giving more support to the housing market.

"It appears that some people who initially moved to the sidelines due to the psychological impact of the Fair Housing Plan and changes to the mortgage lending guidelines have re-entered the market," says the Toronto Real Estate Board's director of market analysis, Jason Mercer. "Home buyers in the GTA recognize that ownership housing is a quality long-term investment."

TREB recorded sales of 6,961 homes, up 18.6 per cent compared to this time last year. The average selling price increased to \$782,129, up 4.8 per cent. There is still a shortage of inventory - new listings were down 1.8 per cent year-over-year as 13,868 new listings appeared in the GTA, with 4,511 in the City of Toronto. There were 2,574 home sales of all types in the City of Toronto in July, at an average price of \$824,336. In the 905 regions, 4,387 homes fetched an average price of \$757,365.

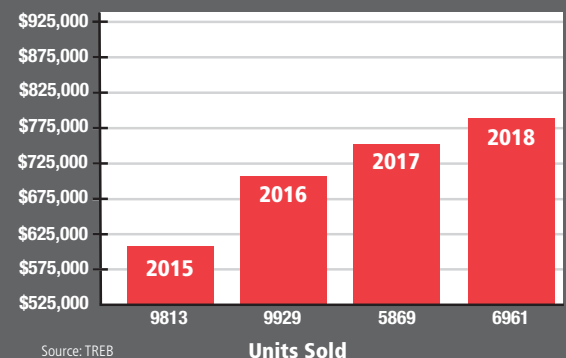
Detached homes sold after being on the market an average 28 days, while semi-detached homes stayed 20 days on the market. The 905 regions had 2,390 detached home sales at an average price of \$907,347 - a 28.3 per cent increase in sales, year-over-year. The City of Toronto had 672 detached home sales at an average price of \$1,350,700 - a 22.0 per cent increase in sales, year-over-year.

Despite concerns about Canadian free trade and tariffs, industry analysts foresee a strong housing market in the fall where prices will continue to maintain an upward trajectory. The pace of home construction is not keeping up with the demand. That has contributed to the overall shortage of good listings in the GTA market and has kept prices relatively firm.

"While we expect economic growth in Ontario to slow in 2018 and 2019, employment and incomes will continue to grow, supporting Ontario housing prices," says Ted Tsiakopoulos, Canada Mortgage and Housing Corp.'s Ontario Regional Economist. "In addition, high levels of in-migration, resale markets that remain balanced and modest increases in new supply relative to new households formed," indicate that house prices are likely to remain stable, he says.

Analysts believe homebuilding will shift gears from single-detached to multiple units, as the need for more missing-middle housing is addressed. REU

Average Home Prices - July
in the Greater Toronto Area



Monthly sales and average price by area

July 2018

Central.....	1,240	\$931,472
East	1,436	647,600
North.....	1,333	861,727
West	2,952	752,457

June 2018

Central.....	1,498	966,088
East	1,697	684,681
North.....	1,492	879,517
West	3,395	768,151

May 2018

Central.....	1,555	960,558
East	1,565	662,375
North.....	1,378	872,843
West	3,336	772,126

April 2018

Central.....	1,479	949,084
East	1,631	670,353
North.....	1,395	885,069
West	3,287	772,013

March 2018

Central.....	1,386	883,297
East	1,502	662,023
North.....	1,258	892,898
West.....	3,081	755,662

February 2018

Central.....	982	892,378
East	1,074	657,487
North.....	955	854,277
West	2,164	727,899

January 2018

Central.....	746	857,361
East	811	611,414
North.....	733	821,399
West	1,729	707,690

December 2017

Central.....	944	827,033
East	1,017	612,021
North.....	859	863,508
West	2,110	700,833

November 2017

Central.....	1,740	910,508
East	1,744	624,941
North.....	1,869	877,410
West	3,194	719,284

October 2017

Central.....	1,853	901,180
East	1,968	649,981
North.....	2,125	908,652
West	3,822	738,997

September 2017

Central.....	1,250	906,357
East	1,479	643,346
North.....	1,108	935,945
West	2,542	718,223

August 2017

Central.....	1,257	798,797
East	1,393	626,990
North.....	1,099	883,513
West	2,608	692,759

Source: TREB

Home protection

Home security systems Homeowners have smarter choices

For homeowners and renters alike, security of their property, family members and possessions is a primary concern. The Toronto Police Service reports an average of more than 6,000 cases of break and enter in Toronto every year. The majority of these burglaries occur between 9 a.m. and 5 p.m. on weekdays when people are away from their homes at work. Between 2016 and 2017, there was a seven per cent rise in reported break-ins, mostly in



residential areas. With such crime statistics, a state-of-the-art home security system is a necessary investment.

As recently as 10 years ago, a professional home alarm company needed to install and then monitor home security systems. Homeowners got locked into costly subscription plans for additional security features, and binding long-term contracts. They had limited control over the management of their own security systems.

Fast forward to today. Home security systems have become more sophisticated. Smart alarm systems are customizable, cheaper and easier to install, with minimal professional help. Evolutions in artificial intelligence and motion sensor technology have made smart locks a popular way to secure doors. Home CCTV cameras can be viewed remotely via smart phones. The integration of doorbell cameras into smart locks allow people to monitor and instruct deliveries from work or when on vacation.

Perhaps the most futuristic security system yet is the use of drones hovering outside a home to detect intruder activity. These electronic house sitters can be controlled via Bluetooth and touchscreen applications.

Homeowners now have more control of their privacy and safety when they're away or asleep than ever before. REU

Taxing matters

Property tax is relative Toronto's rates are lowest in the GTA

When it comes to buying a home, buyers focus mostly on prices and the interest rate on their mortgage loan. What is often overlooked are the property taxes they must pay as part of their yearly housing expenses.

Municipalities levy property tax as a percentage of your property's assessed value and its location. This means that property tax rates are relative, and not absolute. Property tax varies among municipalities and each municipality calculates its tax rate based on its specific budgetary needs.

Despite having the highest home values in the GTA (\$770,000 - \$980,000 on average), the tax rate in the City

of Toronto is significantly lower (0.64 per cent) than in Oshawa (1.41 per cent), which has relatively lower home values (approximately \$515,000 on average). This is good news for Torontonians. The city's high population density, which means it is less costly to deliver services, is one of the reasons for this difference. According to its 2018 budget, a Toronto homeowner with a house with an assessed value of \$624,418 can expect to pay \$2,906 in property taxes annually. Property taxes constitute 33 per cent of the City of Toronto's revenue.

Emergency services take up 36.3 per cent of these tax dollars, including fire, police and paramedic services. Thirty-four per cent is allocated for TTC and Wheel-Trans maintenance and social programs such as long-term care homes, employment services, childcare and affordable housing. Another 22 per cent is spent on maintaining city assets such as libraries, recreation centres and roads. REU

nbTO.com

nuit blanche, the annual all-night contemporary art event that transforms Toronto into a de facto art gallery (visual, dance, music, film and performance art). All free. Sept 29, sunset to sunrise.

greenSAVER.org

This not-for-profit organization provides energy audits, residential energy efficiency services and information on government incentives to reduce your energy bills.

furnitureBANK.org

Change someone's life today by donating furniture and household items for distribution to women and children, refugees etc.

advantageONTARIO.ca

A community-based, not-for-profit organization dedicated to supporting the best possible aging experience.

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

Mortgages

At August 8, 2018

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

6-month	3.69%
1-year.....	2.99%
2-year.....	3.19%
3-year.....	3.24%
4-year.....	3.39%
5-year.....	3.44%
Prime rate	3.70%

Condo update

Condo market strong Prices keep rising

The GTA's highly skilled and healthy labour market has made condominiums a favourite for both first-time and move-up homebuyers. Despite rising prices, sales of condominium apartments in the GTA continue to outperform other housing types. The average price of condo apartments in the City of Toronto was up 9.2 per cent in July compared to this time last year. In the suburban 905 markets, average condo apartment prices increased by 10.3 per cent.

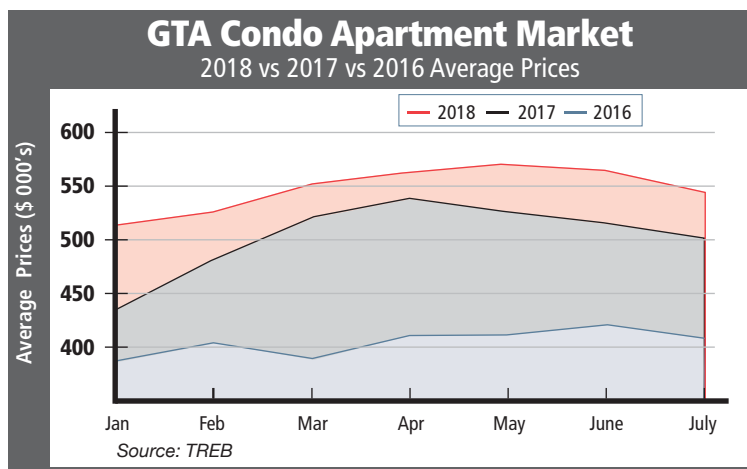
To see how quickly condo prices rose, in the second quarter of 2017 they averaged \$532,032, an increase of 28 per cent compared to the same period in 2016. In the second quarter of this year, the price increase was 5.4 per cent year-over-year. The average condo apartment sold for \$561,338 in the second quarter of this year. Tighter mortgage qualification guidelines and higher borrowing costs have also helped make condos a more desirable option, says Jason Mercer, the Toronto Real Estate Board's director of market analysis.

The average rent for two-bedroom condo apartments rose to \$2,755, an 8.8 per cent increase since last year. They remain an attractive lifestyle choice for millennial homebuyers and for downsizing empty nesters.

Two-bedroom condo apartments were the most sought-after units, claiming 32 per cent of the market

share in 2018. The current price for a two-bedroom condo apartment in the city is \$605,530, while condo townhouses are priced at \$664,969," according to recent reports from Urbanation.

The supply of listings for condo apartments has not kept up with rising demand, indicated by a 15.9-per-cent



drop in listings on a year-over-year basis. Because of less supply, there were 6,837 sales this year, compared to last year's sales of 8,188 in the second quarter. This has created a demand for more condominium buildings and missing middle housing options such as two-storey condominium townhouses.

Analysts believe that due to the GTA's growing population, demand for condos and prices will continue to maintain an upward trajectory. REU



Home Safety Quick Tips

When it comes time to adjust our clocks, it's a good reminder to address some of the safety issues around our homes. Here are a few tips to keep your house safe.

Make your home fire safe - Whether your smoke detectors are wired or standalone, ensure that they have functional batteries by testing them monthly and replacing the batteries twice a year. You must have at least one smoke detector on each floor, but we recommend to use more.

One of the biggest causes of fires is trapped lint inside a dryer exhaust hose catching fire. This occurs most often when homeowners use plastic vent hoses. We recommend non-corrugated metal to use for dryer exhausts. Have fire extinguishers in your kitchen and mechanical room. Light fixtures in closets should be encased in a metal cage, as exposed bulbs in closets can start a fire.

Protect yourself from gas and carbon monoxide - Natural gas and propane are naturally explosive which makes them inherently dangerous. These gases are naturally odorless, but our utilities add a 'rotten egg' odorant to allow occupants to detect a leak. If you smell this, you should open your windows and contact your gas company immediately. Another issue of using fuels such as natural gas is the release of by-products such as carbon monoxide. This gas is colorless,

odorless and tasteless, but high concentrations can be deadly. Young children and seniors are especially vulnerable. Most homes contain one or more of the following gas appliances that have a potential for the release of carbon monoxide: furnaces or boilers, water heaters, fireplaces and ranges.

Similar to smoke detectors, it is very important to make sure carbon monoxide detectors are placed throughout the house, and that their function and batteries are periodically tested. If you have an attached garage, ensure that there is no way for exhaust fumes from cars to enter the house.

Avoid electrical shock or electrocution - Typical household circuits can deliver up to 15 amps before tripping at the main panel. It takes less than 0.1 amps to stop a human heart. Electricity in a home must be respected. Take the time to do a quick inspection around your house to make sure there are no poorly secured or exposed wires.

Check that there are no unprotected openings in panels where children might insert their fingers. And do not overuse an outlet! If a circuit fails to trip at the panel, you can cause an overheated wire and start an electrical fire. Invest in having an electrician check inside your service panel to verify the safety of your connections, and that wiring, breakers and fuses are properly sized.

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GTA '18 totals

Sales activity of single-family homes

Most recent month, year to date

Active listings

July 19,725
YTD N/A

New listings

July 13,868
YTD 98,456

Sales

July 6,961
YTD 46,834

Average price

July \$782,129
YTD \$788,822

Median price

July \$670,000
YTD \$670,000

Average days on market

July 25
YTD 22

Average percentage of list price

July 98
YTD 99

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
July '17	5,869	14,122
July '18	6,961	13,868
% Change	18.6%	-1.8%

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