

# UPDATE

Your Greater Toronto Real Estate Newsletter

## Listings down, prices up Price growth continues in GTA

**T**he spring real estate market in the GTA is continuing a trend that started late last year: sales are down compared to 2010, but prices are up by about five per cent on average. Why is this happening? It is because the number of new listings on the market has dropped by 19 per cent compared to 2010.

"Market conditions are tighter compared to this time last year, resulting in more competition between buyers and sustained upward pressure on the average selling price," explained the Toronto Real Estate Board's senior manager of market analysis, Jason Mercer. "The annual rate of price growth is expected to range between three and five per cent in 2011."

Once again there are bidding wars in some of the GTA's most popular neighbourhoods and well-priced homes are selling quickly. A home is on the market for an average of 23 days before it sells.

Most observers believe that house prices will continue to rise gradually, but that the market will eventually level off and see little change for the next few years. Canada Mortgage and Housing Corp. (CMHC) predicts that prices in Ontario will grow in line with the general rate of inflation over the next several years.

Given current world events, the economic picture is somewhat muddled. The GTA has seen steady growth in employment and consumers feel confident about the economy and the real estate market. A recent poll showed that 89 per cent of Ontario residents believe real estate is a good long-term investment, and a little more than 50 per cent think it makes more sense to buy now than to wait for another year. The high Canadian dollar is putting a drag on the manufacturing sector, but an improving U.S. economy will help the province's export sector.

Worries about high debt and affordability have been muted by predictions that current low mortgage interest rates will see only moderate increases. CMHC says the one-year posted rate will stay in the 3.0 to 3.7 per cent range this year, with three-year and five-year rates in the 3.5 to 5.7 per cent range. If you shop around for a mortgage, you should be able to get an even lower rate.

Another positive aspect for the housing market is that Ontario's population is expected to grow at a faster pace than in recent years, due to stronger immigration and fewer people leaving the province to seek work in Western Canada.

We are seeing a much stronger market than many naysayers predicted. If you are thinking of selling, now is an ideal time to put the "for sale" sign on your home. If you are a buyer, interest rates and economic fundamentals should provide confidence in the market. *REU*



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**416-483-8000**

Direct Line:  
**416-422-1173**  
ann@annmagnus.com  
www.annmagnus.com



Sage Real Estate Ltd., Brokerage  
1820 Bayview Avenue  
Toronto, ON M4G 4G7

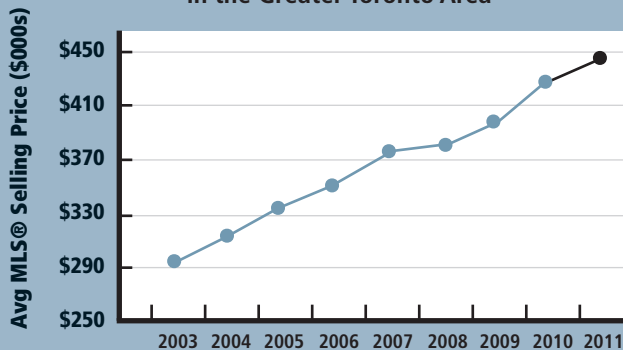
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**Average Resale Home Prices in the Greater Toronto Area**



Source: TREB

## Monthly sales

and average price  
by area

### March 2011

Central.....	1,799	\$585,706
East.....	2,013	352,226
North.....	1,974	506,929
West.....	3,476	420,437

### February 2011

Central.....	1,306	580,617
East.....	1,342	349,940
North.....	1,285	500,728
West.....	2,333	418,378

### January 2011

Central.....	803	530,176
East.....	1,000	332,396
North.....	919	487,765
West.....	1,615	400,936

### December 2010

Central.....	896	554,141
East.....	992	337,675
North.....	873	472,405
West.....	1,634	405,935

### November 2010

Central.....	1,410	553,566
East.....	1,399	339,238
North.....	1,359	470,799
West.....	2,342	408,470

### October 2010

Central.....	1,308	589,786
East.....	1,471	339,387
North.....	1,432	478,637
West.....	2,470	408,286

### September 2010

Central.....	1,150	538,284
East.....	1,432	335,396
North.....	1,279	461,602
West.....	2,449	411,084

### August 2010

Central.....	1,132	485,077
East.....	1,371	331,002
North.....	1,374	463,779
West.....	2,355	391,202

### July 2010

Central.....	1,180	509,106
East.....	1,488	333,033
North.....	1,341	473,091
West.....	2,555	402,870

### June 2010

Central.....	1,582	550,563
East.....	1,946	337,770
North.....	1,726	479,349
West.....	3,188	413,083

### May 2010

Central.....	1,764	590,251
East.....	2,151	349,402
North.....	1,910	470,502
West.....	3,645	421,895

### April 2010

Central.....	1,928	576,281
East.....	2,441	344,476
North.....	2,258	481,653
West.....	4,271	404,930

Source: TREB

## Condo update

### Strong demand for condos Downtown leads the way

Condos continue to sell, particularly in the downtown market, and that means prices are up compared to this time last year. In the City of Toronto neighbourhoods, apartment condo prices are up about eight per cent compared to a year ago.

In the 905 areas, price increases are not as dramatic compared to this time last year, but remain steady with

average prices up by three per cent. The average apartment condo in the City of Toronto now costs about \$350,000 and in the 905 areas it is about \$255,000.

While overall sales in the GTA condo market are generally lagging last year's figures, sales in the downtown core are tracking slightly higher and some analysts say sales this spring will exceed last year's totals.

About 30 per cent of the GTA's condo apartments are selling in the \$300,000 to \$400,000 price range and almost 12 per cent are in the \$250,000 to \$300,000 range.

In the second quarter of this year, a record 40 new projects will come on the market, with 9,500 units. Most of them have already been purchased, because lenders will not provide financing to developers without presales of at least seventy per cent of the units. Some units will likely find their way to the resale market as investors cash in their equity and the increased supply may help keep prices stable. So far this year, the number of new listings on the market is down from last year, so these additional units will provide more choice for buyers. *REU*



## Good housekeeping

### Green cleaning options Good for you and the environment

If you are concerned about the chemicals in household cleaning products, try the following alternatives. They are cheap to use and healthier for you and your family.

For an all-purpose cleaner, mix a solution of half water and half vinegar. You can also add a spoonful of biodegradable soap. If you don't like the smell, add a drop of essential oil or lemon juice.

Combining baking soda and vinegar creates a foamy cleaner that is great for cleaning stubborn stains, silver, brass, stainless steel and other difficult-to-clean surfaces.

For carpets, use distilled vinegar in your carpet cleaner or steamer instead of the usual commercial chemical cleaners.

For high-touch areas like doorknobs and phones, you

can make an anti-bacterial spray with 250 mL (1 cup) of water and 20 to 25 drops of pure essence of lavender oil, according to Norma Lehmeier Hartie, author of *Harmonious Environment*. To unplug a drain, she recommends pouring 125 mL (1/2 cup) of baking soda, then an equal amount of vinegar into the drain. Wait five minutes and then follow with boiling water.

Lemon juice and salt can also be used as household cleaners. If you have a particularly messy pot or pan, scrub it using a lemon wedge with some salt on it. Or, you can use baking soda and then use the lemon wedge for scrubbing.

Salt can be used in many instances as an abrasive cleaner, but be careful because it could scratch some surfaces. *REU*



# Money matters

## Mortgages switching can mean better terms and rates

**W**hen it comes time to get a new mortgage, Canadians are pretty complacent and it is costing them a lot of money.

The recent annual report from the Canadian Association of Accredited Mortgage Professionals (CAAMP) shows that 83 per cent of homeowners who renewed their mortgages in the last year stayed with the same lender. This is in spite of the fact that there are more mortgage choices available than ever before. Homeowners don't realize that shopping for better rates and terms can make a big difference.

In addition to the traditional mortgage options available at the Big Five banks, you can now use mobile mortgage specialists, independent mortgage brokers and online sources. People who previously had few options due to their financial circumstances – such as new immigrants, the self-employed and individuals with credit challenges – now have options that were not available to them even a few years ago, says a report by Deloitte.

One of the reasons consumers are reluctant to change mortgage lenders is because there are penalties for switching if the mortgage has not reached the end of its term, but recently real estate organizations have called on the federal government to standardize pre-payment penalties.

CAAMP reports that mortgage brokers account for 25 per

cent of all mortgages and 40 per cent of new mortgages. But it says consumers remain cautious about switching lenders. Almost half of those obtaining a mortgage last year got only one mortgage quote or none at all. Twenty-four per cent got two quotes and just 18 per cent got three.

Canadians are also cautious about taking on variable-rate mortgages, even though they cost less than fixed-rate mortgages. Sixty-six per cent of Canadians go with the most



common mortgage, a five-year fixed-rate loan. Only 29 per cent have variable mortgages and 4 per cent have a combination.

The report indicates that for those who financed or renewed a mortgage last year, average rates were 4.17 per cent for fixed rates and 3.03 per cent for variable or adjustable-rate mortgages. *REU*



## On the internet

### Interesting websites

#### **luminato.com**

Toronto festival of arts and creativity. For 10 extraordinary days in June, Toronto's stages, streets and public spaces are illuminated with free and ticketed events (Jun 10 – 19).

#### **redtag.ca**

For fun in the sun check this site for a huge selection of discounted, luxury, all-inclusive and last minute vacation packages.

#### **charitycar.ca**

Help a local charity by donating your old junk car to be disposed of using eco-friendly recycling technology.

#### **osteoporosis.ca**

Making no bones about it – this site provides up-to-date information on the risks, prevention, diagnosis and treatment of Osteoporosis.

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

## Mortgages

### 2011 Rates

*Mortgage rates are negotiable with individual lenders. Check to be sure that you are getting today's best possible rate.*

April 5, 2011

#### **Mortgage Rates**

<b>6-month</b>	<b>4.45%</b>
<b>1-year</b>	<b>2.90%</b>
<b>2-year</b>	<b>3.30%</b>
<b>3-year</b>	<b>3.64%</b>
<b>4-year</b>	<b>3.79%</b>
<b>5-year</b>	<b>3.99%</b>
<b>Prime rate</b>	<b>3.00%</b>



## Priority maintenance For new homeowners

There are so many home maintenance and repair items that are important, and new homeowners sometimes find it confusing deciding which ones are the most critical. To simplify things, we have compiled a short list of our favourites. These are by no means all inclusive, nor do they replace any of the information in a home inspection report. They should, however, help you get started on the right foot. Remember, any items marked as priority or safety issues on your home inspection report need immediate attention.

### One-time tasks

1. Install smoke detectors as necessary (usually one on each level of the home, near any sleeping areas). Install carbon monoxide detectors, according to manufacturer's recommendations.
2. Remove any wood/soil contact to prevent rot and insect damage.
3. Change the locks on all doors. Use a dead bolt for better security and to minimize insurance costs.
4. Correct tripping hazards such as broken or uneven walks and driveways, loose or torn carpet or uneven flooring.
5. Correct unsafe stairways and landings (e.g. missing, loose or too low railings, etc.).
6. Inspect all chimneys before operating any related appliances.

7. Locate and mark the shut-offs for the heating, electrical and plumbing systems.
8. Label the circuits in electrical panels.
9. If there is a septic system, have the tank pumped and inspected. If the house is on a private water supply (well), set up a regular testing procedure for checking water quality.

### Regular maintenance items

1. Clean the gutters in the spring and fall.
2. Check for damaged roofing and flashing materials twice a year.
3. Cut back trees and shrubs from the house walls, roof and air conditioning system as needed.
4. Clean the tracks on horizontal sliding windows annually, and ensure the drain holes are clear.
5. Test ground fault circuit interrupters, carbon monoxide detectors and smoke detectors using the test button monthly.
6. Service furnace or boiler yearly.
7. Check furnace filters, humidifiers and electronic air cleaners monthly.
8. Check the bathtub and shower caulking monthly and improve promptly as needed.

9. Shut off outdoor water faucets in the fall before the first frost.
10. Check reversing mechanism on garage door opener monthly.
11. Check attics for evidence of leaks and condensation and make sure vents are not obstructed, at least twice a year. (Provide access into all attics and crawl spaces.)

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## GTA '11 totals

### Sales activity of single-family homes

Most recent month,  
year to date

#### Active

March .....16,616  
YTD .....N/A

#### Listed

March .....N/A  
YTD .....35,690

#### Sales

March .....9,262  
YTD .....19,610

#### Average price

March .....\$456,147  
YTD .....\$448,714

#### Median price

March .....\$385,000  
YTD .....\$377,000

#### Average days on market

March .....23  
YTD .....27

#### Average percentage of list price

March .....99  
YTD .....99

Source: TREB

## Housing market indicators

### Single-family dwellings

Source: TREB	Sales	New Listings
March '10	10,430	18,914
March '11	9,262	15,315
% Change	-11%	-19%

