



Your Greater Toronto Real Estate Newsletter

A year of strong recovery Full steam ahead for 2020

With November's impressive year-over-year hike of 14.2 per cent in sales, the GTA housing market is officially back in black. What's more, according to industry experts this strong housing market trend will continue into 2020.

On a year-to-date basis, November 2019 saw a 12 per cent increase in transactions over the same period in 2018. The average price for 2019 reached \$818,386, which is a jump of \$29,169 or 3.7 per cent. While detached homes saw a modest increase from \$1,012,696 in 2018 to \$1,014,966 in 2019 year-to-date, condo apartments price rose 6.2 per cent. The average price of a semi-detached house went up 4.2 per cent and townhouses jumped 3.2 per cent.

What is behind the robust rebound of the GTA housing market? "An increasing number of home buyers impacted by demand-side policies over the past three years, including the 2017 Ontario Fair Housing Plan and the OSFI mortgage stress test, have moved back into the market for ownership housing. Based on affordability and stricter mortgage qualification standards, many buyers may have likely adjusted their preferences, changing the type and/or location of home they ultimately chose to purchase," says Michael Collins, president of the Toronto Real Estate Board (TREB).

With fewer listings, market conditions continued to tighten in 2019, accelerating the price growth. "Strong population growth in the GTA coupled with declining negotiated mortgage rates resulted in sales accounting for a greater share of listings in November and throughout the second half of 2019. Increased competition between buyers has resulted in an acceleration in price growth. Expect the rate of price growth to increase further if we see no relief on the listings supply front," says Jason Mercer, TREB's chief market analyst.

According to the Canada Mortgage and Housing Corporation's (CMHC) recent national outlook report, the two-year slowdown Canada experienced in the housing market is now officially over. CMHC predicts that interest rates will likely sink lower in 2020 as the housing market continues to gather steam through the first half of the year. CMHC forecasts that Canadian sales will peak between 2020 and 2021 in Ontario, due to anticipated strength of disposable income increases and strong demographic-driven demand for housing.

Happy New Year! Wishing you every success in all your pursuits in 2020!



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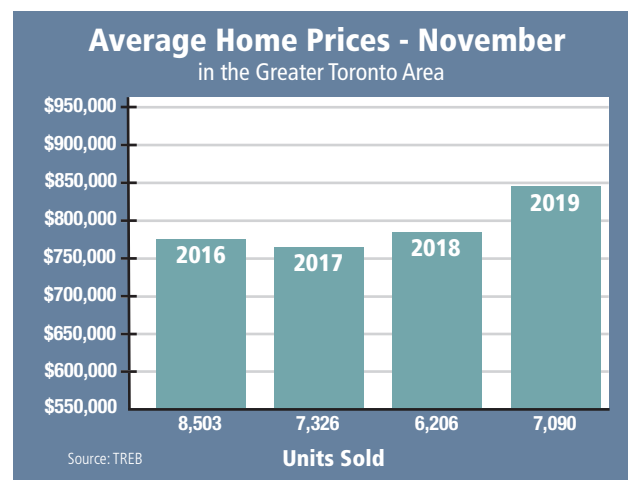


GTA BY THE NUMBERS

DETACHED
↑ 3.5%
Ave. Price Yr/Yr

SEMIS
↑ 5.7%
Ave. Price Yr/Yr

CONDO APTS
↑ 11.1%
Ave. Price Yr/Yr



Monthly stats

November average price by area

416

DETACHED

↑ **4.9%**
YEAR
YEAR

1,360,246
Average Price

CONDO APT

↑ **10.9%**
YEAR
YEAR

\$659,855
Average Price

905

DETACHED

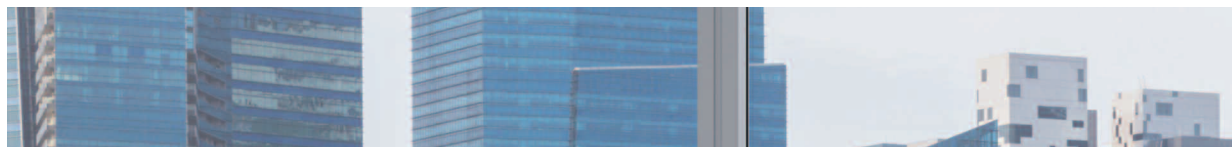
↑ **4.3%**
YEAR
YEAR

\$943,494
Average Price

CONDO APT

↑ **12.2%**
YEAR
YEAR

\$509,559
Average Price



Money matters

Tax credits for seniors **Benefits of being 65+**

A homeowner who is 65 or over may be able to take advantage of some tax credits. The Ontario Senior Homeowners' Property Tax Grant offers up to \$500 for Ontario senior homeowners. For singles, with net adjusted family income over \$35,000, the grant given will be reduced by 3.33 per cent for income up to \$50,000. Seniors above that income level do not qualify for the grant. Married or common law couples may qualify for the full

amount if their adjusted family net income is \$45,000 or less. The grant is reduced by 3.33 per cent of income over \$45,000. However, if your income as a couple is \$60,000 or more you do not qualify. For further information, call 1-877-627-6645.

Some municipalities, including Toronto, have property tax relief programs for low-income seniors. Contact your municipality for more information.

The federal government offers the Home Accessibility Tax Credit (HATC), which allows eligible seniors and people with disabilities to receive a non-refundable tax credit, with a maximum credit of \$1,500, for up to \$10,000 of expenditures for qualifying renovations made to a principal residence (either house, condo or cottage).

Qualifying renovations include items such as wheelchair ramps, walk-in bathtubs and grab bars. Canada Revenue Agency states renovations must "allow the qualifying individual to gain access to, or to be mobile or functional within, the dwelling" or reduce the risk of harm to the individual. You can't claim the credit for regular maintenance, appliances, electronics or security systems. *REU*



Housing

Toronto's affordability crisis **City's economic boom plays a part**

Toronto's affordable housing crisis is an upshot of the supply and demand law at play: a growing housing demand and insufficient inventory are pushing property and rental prices out of reach for many.

The crux of the matter is that as the hub for many industries, Toronto and the GTA do and will continue to attract people from all over the country and the world in search of employment. The city is a magnet for job seekers, especially those looking for high-paying employment.

Toronto is a financial and industrial centre. It's the banking and stock exchange centre of Canada, and the focal point for the country's media, advertising, entertainment and fashion industries. As well, Toronto is a main site for big tech companies. Shopify, Microsoft, Opentext and Google, to name a few, have

increased their operations in the GTA.

A recent Ryerson University study discovered that Toronto is the fastest-growing city in both Canada and the US. Its population increased by 77,000 new residents in 2018, more than any other North American city. Toronto has had a GDP growth rate of 2.4 per cent annually since 2009, outpacing the national average.

People coming to Toronto to work in the many high-profile industries operating here are often very well paid and are willing to pay top dollar for accommodations close to their work hence, the rise in property prices and rental fees. While affordable housing initiatives should help ease the crisis, the constant influx of new residents with deep pockets to the city means that the housing market will remain highly competitive. *REU*



Condo update

Condos lead housing rebound Sales, price growth to continue

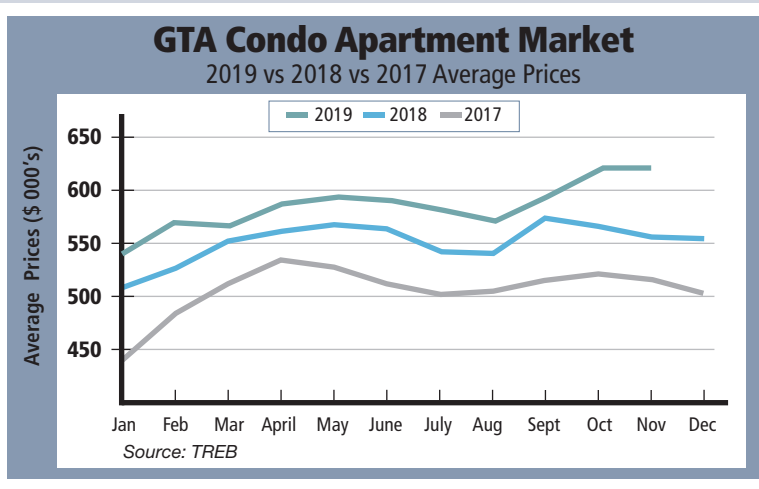
The condominium apartment segment recorded some of the biggest increases in the GTA housing market throughout most of 2019. At the end of November, on a year-to-date basis, sales were up by 2.8 per cent, and the average price at \$586,554 was up by \$34,208 - a jump of 6.2 per cent - over the same period in 2018.

This growth trend will continue into 2020, gathering more steam. The recent Canada Mortgage and Housing Corporation's (CMHC) Housing Market Outlook forecasts a rebound in activity in the GTA over the next couple of years, with condo apartments leading the way in sales and construction. A population influx, more jobs and lower interest rates will all boost buyer demand.

The report suggests that the condo market will see an above average price growth, with the demand for rental units remaining strong. "Anticipated increases in the millennial and senior populations alongside support from strong immigration inflows will ensure that the average vacancy rate remains tight and below 1.5 per cent over the forecast horizon," reads the report. "Over the next few years however, private rental apartment supply will grow at their fastest pace since the early 90s as strong demand will encourage more developers to supply the market with more rental units."

The GTA condo market, which is in sellers' territory with a

sales-to-listing ratio around 70 per cent, is experiencing a significant supply crunch especially in Toronto and the downtown cores of some 905 areas. According to Dana Senagama, CMHC's principal market analyst for Toronto, "If we continue to see strong rental demand, immigration and rising house prices, there will be higher demand for condo apartments." Senagama says condos have been the "saving grace" in Toronto's high-priced housing market and remain a more affordable option for new homeowners. Single-detached homes average above the \$1 million mark, while a townhouse



nears \$800,000 to \$900,000 on average. Condos average around \$500,000 for resale or \$650,000 for a new unit. A dearth of purpose-built rental buildings, changing demographics, and soaring immigration will keep the vacancy rate low and rental demand steady. *REU*

On the internet

Interesting websites

interiorDESIGNshow.com

This event showcases the newest trends, products and ideas driving design today. Promises to delight with world-renowned designers and architects as keynote speakers. Jan 16 - 19

getSMARTERabout MONEY.com

A non-profit site that educates and offers easy-to-use unbiased financial information, programs and tools.

webSUDOKU.com

Help delay dementia, Alzheimer's disease, and protect the brain from decline by playing Sudoku for free. Offers thousands of combinations.

kidsHEALTH.org

Everything you need to know about children's health including articles, animations and more, for parents, teens and children.

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

Mortgages

At December 4, 2019

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

| | |
|----------------|-------|
| Prime | 3.95% |
| Variable | 2.94% |
| 1-year | 3.09% |
| 2-year | 2.84% |
| 3-year | 2.84% |
| 4-year | 2.89% |
| 5-year | 2.84% |





HAPPY
New Year
2020

GTA '19 totals

Sales activity
of single-family
homes
Most recent month,
year to date

Active listings

November11,958
YTDN/A

New listings

November8,650
YTD149,208

Sales

November7,090
YTD83,463

Average price

November\$843,637
YTD\$818,386

Median price

November\$729,000
YTD\$710,000

Average days on market

November24
YTD23

Average percentage of list price

November99
YTD99

Source: TREB

Housing market indicators

Single-family dwellings

| Source: TREB | Sales | New Listings |
|--------------|-------|--------------|
| Nov '18 | 6,206 | 10,538 |
| Nov '19 | 7,090 | 8,650 |
| % Change | 14.2% | -17.9% |

Duct Cleaning **Getting your ducts in a row**

Many people often wonder whether duct cleaning is a valuable service or simply a scam. Luckily, it's an easy question to answer. Duct cleaning is important for the quality of air within your home, and therefore, for your health - for this reason, it's a very valuable service.

In a typical six-room home, up to 40 pounds of dust are created annually. When not properly maintained, the air ducts in your home can harbor all kinds of allergens, including cobwebs, dust, mold, fungus, and chemical pollutants.

Air ducts are the lungs of your home. Their purpose is to circulate fresh, clean air for you to breathe. There are all kinds of circumstances and contributors adding to or creating dirty air ducts. These can include: Animals in your home that shed hair, fur and dander; Construction in your neighbourhood; Dirt and dust travel - if your windows are open you are inviting them inside; Indoor renovations. Excess moisture in the air can lead to mold build up in some duct systems.

Dirty air ducts can also affect your energy bills. They cause your furnace and air conditioners to work overtime. This can result in increased maintenance and reduced performance for both of these systems. The strain dirty ducts put on these systems can also contribute to overly high hydro and gas bills.

We encourage cleaning your air ducts upon moving into a home, or if you have just completed a major renovation or remodeling project. Homes with family members who have allergies or asthma may be particularly sensitive to air quality issues, and duct cleaning on a more regular basis may be appropriate. Homes with smokers or pets that shed hair and dander may need more frequent ductwork as well.

This simple maintenance will help ensure the longevity of these systems and the health and cleanliness of your home. If you are not sure of what to look for in a service provider, consider the following:

- Is the company able to show proof of NADCA (National Air Duct Cleaners Association) membership and certification?
- Is the contractor willing to conduct a thorough inspection of the heating and cooling system prior to performing any work?
- Does the contractor agree to disclose any problems discovered during the inspection - NADCA's Assessment, Cleaning and Restoration Standard requires this?
- Is the heating or cooling system fully operational before cleaning?
- Will/did the contractor clean the supply ductwork?
- Will/did the contractor clean the return air ductwork?

The above article is reprinted with the permission of Carson, Dunlop & Associates Ltd., Consulting Engineers - Expert Home Inspections.

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Thank you for your trust."

- Vito

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