



Your Greater Toronto Real Estate Newsletter

Real estate market at all-time high Sales and prices set new records

The real estate market in the GTA is red hot, setting new records for sales and home prices in May. There just aren't enough houses on the market to satisfy demand, with active listings down 10.1 per cent compared to last year. New listings decreased by 0.8 per cent in May.

"Tight market conditions, especially for singles, semis and town homes in the GTA, have resulted in strong price growth," says Jason Mercer, senior analyst with the Toronto Real Estate Board (TREB). "With no relief so far on the listings front, expect similar rates of price growth as we move through the remainder of 2015. At this point, a number of months where listings growth outstrips sales growth would be required to satisfy pent-up demand."

The average selling price for a detached home in the GTA was \$829,792 in May, a whopping 14 per cent increase from a year ago. The average semi-detached home went for \$598,884 (up 11.1 per cent) and townhomes sold for an average of \$477,573 (up 10.7 per cent). Condominium apartment prices averaged \$391,901, up 5 per cent from last May.

TREB found that the average prices skewed upwards because more high-end homes have sold this year. The median price for all types of properties was \$542,000 in May.

Detached home sales in the City of Toronto bucked the trend and were down by 6 per cent compared to last year. That's likely because a lack of listings pushed the average price of a detached home in the city to an eye-popping \$1,115,120.

The hot market meant properties averaged only 18 days on the market - down from 21 days last May - before selling for 101 per cent of the listed price. Clearly, if you are thinking of selling your home, it's a great time to list it.

Although Ontario's employment numbers have not been great - growing by just 0.5 per cent so far this year - the province's economy is forecast to out-perform the national average during the next two years. Canada Mortgage and Housing Corp. (CMHC) predicts employment growth in the province will rise to 1.3 per cent this year and 1.7 per cent in 2016. Manufacturing sales, which have been down for years, are now approaching pre-recession levels as the U.S. economy improves and the low Canadian dollar encourages trade.

Net migration to Ontario will hit 89,600 in 2015 and 97,200 in 2016, which will bring even more people who will want to buy homes.

And, of course, the biggest driver of the housing market is low mortgage interest rates. CMHC expects mortgage rates will remain "at or very close to current levels" to the end of 2016. *REV*



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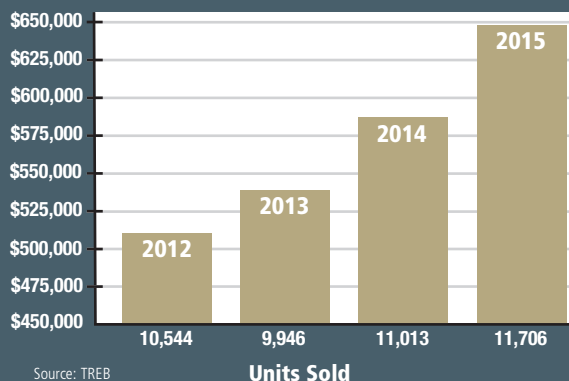
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Average Home Prices - May in the Greater Toronto Area



Monthly sales

and average price
by area

May 2015

Central.....	1,986	\$855,942
East.....	2,452	512,037
North.....	2,629	747,874
West.....	4,639	578,279

April 2015

Central.....	1,887	794,693
East.....	2,432	509,580
North.....	2,542	737,918
West.....	4,452	579,755

March 2015

Central.....	1,554	770,403
East.....	1,933	476,542
North.....	2,037	719,031
West.....	3,416	557,826

February 2015

Central.....	1,093	757,272
East.....	1,413	465,320
North.....	1,397	689,707
West.....	2,435	546,093

January 2015

Central.....	776	675,100
East.....	913	450,904
North.....	903	641,094
West.....	1,763	505,957

December 2014

Central.....	821	666,569
East.....	971	438,092
North.....	920	684,420
West.....	1,734	503,084

November 2014

Central.....	1,231	733,901
East.....	1,514	460,148
North.....	1,257	690,443
West.....	2,517	516,322

October 2014

Central.....	1,550	748,532
East.....	1,919	466,600
North.....	1,753	674,683
West.....	3,330	536,334

September 2014

Central.....	1,409	739,657
East.....	1,840	455,394
North.....	1,709	645,521
West.....	3,093	528,732

August 2014

Central.....	1,260	671,600
East.....	1,761	425,484
North.....	1,573	659,435
West.....	3,006	505,363

July 2014

Central.....	1,533	656,226
East.....	2,058	444,098
North.....	1,944	641,569
West.....	3,663	518,203

June 2014

Central.....	1,721	726,072
East.....	2,278	451,298
North.....	2,075	645,320
West.....	4,106	546,350

Source: TREB



Home insurance

12 ways to save money **Don't be afraid to ask**

1. Pay a higher deductible. The deductible is the amount you pay from your own pocket for small losses or damage before the insurance kicks in.
2. Install a home security system. Most insurance companies offer a discount if you have a monitored security system in place.
3. Use one company for all of your insurance needs as you can often get a reduced rate.
4. Be loyal. Some companies reward customers with a loyalty discount when you renew your policy.
5. Pay annually. You may qualify for a lower fee if you pay annually instead of in installments throughout the year.
6. Shop around. Have an independent insurance broker look for the best deal. You can also compare some quotes online at InsuranceHotline.com.
7. Stop smoking. There may be more savings if no one in your family smokes.
8. Mention any home improvements, such as upgrading your electrical system, plumbing, installing a back-flow valve or sump pump, to your insurance broker.
9. Pay off your mortgage. It could lead to another discount.
10. Ask about your claims free status. If you have not had a claim for three years or more, it may help reduce the price.
11. How old are you? Ask about an age discount. Some companies have "mature client" discounts and others have deals for seniors.
12. How old is your house? Most insurance companies offer a discount for homes that are less than 10 years old. *REU*



Buying a condo

New or resale? **Good reasons to consider both**

If you are in the market for a condo, one of your first considerations is whether to buy new or resale. Your decision will depend on how much you want to spend, how soon you want to move in, and that old real estate adage: location, location, location.

Buying a new condo is exciting because everything will be fresh and ready for you to put your personal stamp on it by choosing your own finishing upgrades and options.

If you are looking at a pre-construction condo, it's important that you read all the fine print in the agreement. The plans often change and most contracts stipulate that developers can make changes to the floor plans. Make sure your lawyer looks over the sales contract.

You may also need to wait years before the condo building is built and the developer can move the completion date. New condo units cost more than resale units and there may also be additional closing costs added by the builder. You must also pay HST on new condos.

When buying a resale condo, you can see exactly what you are getting. You will see who lives in the building, what amenities are available and what's in the neighbourhood.

Although new buildings often start with lower condo fees, they can sometimes rise quickly. With a resale condo you can check the status certificate to ensure the building's finances are in good shape and you won't have any unexpected condo maintenance levies. *REU*

On the internet

Interesting websites

rom.on.ca/en/pompeii

Royal Ontario museum opens with a new exhibit - *Pompeii In the shadow of the volcano*, tells dramatic story of an ancient civilization frozen in time. Features 200 stunning objects, many seen for the first time in Toronto. (Jun 13 - Jan 3)

trivago.ca

Compare 100s of sites to find the best hotel at the best rate. Read reviews, compare prices and find hotel deals.

consumerinformation.ca

Helps consumers find authoritative information on consumer issues provided by objective, trustworthy and reliable government sources.

aaia.ca

Allergy/Asthma Information Association - a useful resource for improving quality of life for Canadians affected by allergies and asthma.

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

Money matters

Financially savvy first-time buyers Still need family help

Most first-time homebuyers are more financially savvy than the general population and are responsible, well-educated, employed and in a relationship – results revealed from a new survey by mortgage insurer Genworth Canada.

“Today’s first-time buyers have their eyes wide open, their hands firmly on their pocketbook and are thinking hard before assuming the responsibility of homeownership,” says Stuart Levings, president and CEO of Genworth Canada.

At a recent conference, where the survey was unveiled, Levings said that since the federal government tightened mortgage insurance regulations, the quality of first-time buyer applications has improved. “We have a more responsible, high-quality homebuyer today than what we would have seen in 2007 and 2008,” he said.

The survey also found that first-timers have higher incomes than the general population, with 31 per cent having household incomes of more than \$100,000. Almost 7 in 10 paid for their down payment from savings or non-registered investments, while 39 per cent made a withdrawal from their RRSP. Despite having big down payments and good salaries, Toronto buyers are the most likely to have been living with their parents while saving for a home.

Almost 30 per cent receive gifts or loans from family members. Levings said, “The parents have a lot of equity and sometimes that is being drawn out through a line of credit so the kids can get into a home.”

Erica Nielsen, a vice-president at RBC, told the conference that because interest rates are so low, “many parents are finding the best place to fund (their children’s) down payment may be from their own home, because it’s so



cost-effective to borrow.

First-timers want “affordability, safe streets and a space they can enjoy,” says David MacDonald of Environics Research Group. “Even when opting for a condo, these factors rank higher than, for example, return on investment.” *REU*

Mortgages

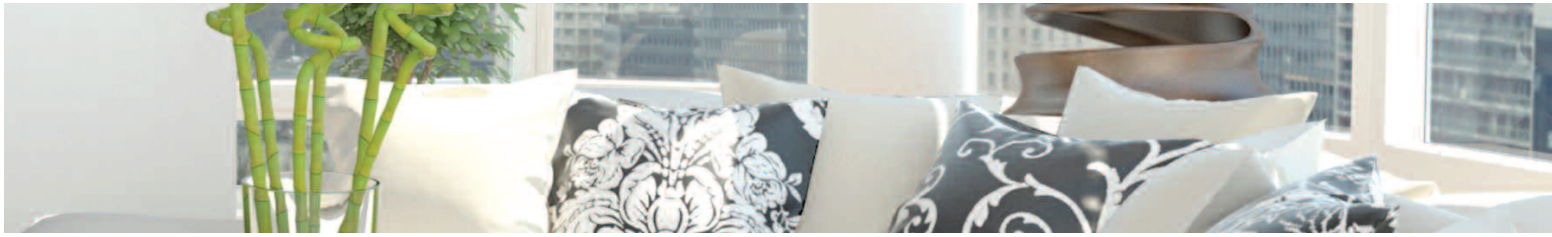
2015 Rates

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

At June 10, 2015

6-month	3.14%
1-year	3.00%
2-year	2.94%
3-year	2.84%
4-year	2.79%
5-year	2.79%
Prime rate	2.85%





When your ant comes to visit Carpenter or Termites?

Mistaken Identity

Carpenter Ants should not be confused with termites. Termites are white in color and are smaller than a grain of rice. Carpenter ants look like regular black ants, except a little bigger. Adult carpenter ants grow to be as much as one-half inch long. Queens are often twice that size. You will never see a termite unless you break open a piece of infested wood or a shelter tube (tunnels that termites use to get from the soil, where they live, to the wood they are eating). Carpenter ants, on the other hand, roam around looking for food the same way ordinary ants do. Termites eat wood. Carpenter ants do not. Instead, they burrow into wood to make a nest and they push the wood and other debris out of their colonies. The inside of the infested wood is spotlessly clean and consists of smooth galleries through the wood.

Finding A Home

Most carpenter ant nests are outdoors in tree stumps, fence posts, and unfortunately, sometimes in porches. But these ants will also nest indoors in rotten or damp wood adjacent to a source of moisture such as a sweaty pipe, washing machines, dishwashers or baseboards in damp areas. Al-

though they normally excavate their colonies, they sometimes live in hollow doors, window frames, etc.

Carpenter ants are omnivorous meaning they eat all different types of food. Outdoors they eat plants, insects, (their favourite are aphids), fruit, etc. Indoors they eat household foodstuff, especially syrup, honey, sugar, fat and grease.

On their way back to the colony, they rarely take the same route twice, which can make it difficult to locate the nest. Even though the colony may be indoors, most of the ants will go outdoors to feed. This also reduces the likelihood of detection. To make matters worse, the ants are more active at night than in the daytime and some colonies go dormant during the winter. (The colony is most active during the spring and summer.)

Kissing Your Ants Goodbye

We have to find the colony to get rid of the ants. This can be tricky. Sawdust at entrances to the colony is one method. Listening for the ants is another. At quiet times, a dry rustling sound can be heard from the colony (some specialists use stethoscopes to listen for them). If you bang on the wood, it disturbs them and the noise level from the colony will increase. Finding and eliminating the colony is best left to a pest control specialist.

Your best defense against carpenter ants is elimination of damp environments and rotted wood within the home. Storing firewood adjacent to the house or in the basement is not wise. While chemical treatment can kill the colony, they'll be back next year if suitable conditions exist.

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GTA '15 totals

Sales activity of single-family homes

Most recent month, year to date

Active listings

May18,585
YTDN/A

New listings

May18,697
YTD72,153

Sales

May11,706
YTD42,513

Average price

May\$649,599
YTD\$620,819

Median price

May\$542,000
YTD\$521,000

Average days on market

May18
YTD21

Average percentage of list price

May101
YTD101

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
May '14	11,013	18,846
May '15	11,706	18,697
% Change	6.3%	-0.8%

