



# real estate UPDATE

Your Greater Toronto Real Estate Newsletter

## Market calms as listings rise Reaction to housing policy changes

The GTA real estate market got some breathing room in May, as new government policies resulted in a surge of new listings and fewer sales. The number of active listings was 42.9 per cent higher than last May, while sales dropped by 20.3 per cent compared to a year ago. The average selling price for all types of properties combined was down from April, but still 14.9 per cent more than prices recorded in May 2016.

Almost everyone agreed that the torrid pace set during the last year – characterized by record low inventories of homes for sale, bidding wars and sharply escalating prices – was unsustainable. However, as evidenced by the Vancouver market, housing policy measures can cool real estate sales but may not last long. Measures implemented in the Vancouver area last August slowed sales initially, but they are now returning to almost record levels.

“The actual, or normalized, effect of the Ontario Fair Housing Plan remains to be seen,” says Jason Mercer, the Toronto Real Estate Board (TREB) director of market analysis. “In the past, some housing policy changes have initially led to an overreaction on the part of homeowners and buyers, which later balanced out. On the listings front, the increase in active listings suggests that homeowners, after a protracted delay, are starting to react to the strong price growth we’ve experienced over the past year by listing their home for sale to take advantage of these equity gains.”

Even with the increase in listings, TREB president Larry Cerqua explains that inventory levels are still low. “At the end of May, we had less than two months of inventory,” Cerqua adds. “This is why we continued to see very strong annual rates of price growth, albeit lower than the peak growth rates earlier this year.”

The average selling price for detached homes in May was \$1,503,868 in the City of Toronto, up 16.6 per cent from a year ago. In the 905 regions, detached homes averaged \$1,025,893, up 15 per cent. Semi-detached homes sold for an average of \$1,062,318 in Toronto, which was a jump of 27.2 per cent, and for an average of \$682,565 in the 905 regions, an increase of 16.1 per cent. Condo apartment sales remain strong, averaging \$564,808 in the city (up 27.7 per cent compared to 2016) and \$448,867 in the 905 regions, a 29 per cent increase compared to last May. With interest rates staying low, sales should be steady during the summer months. *REU*



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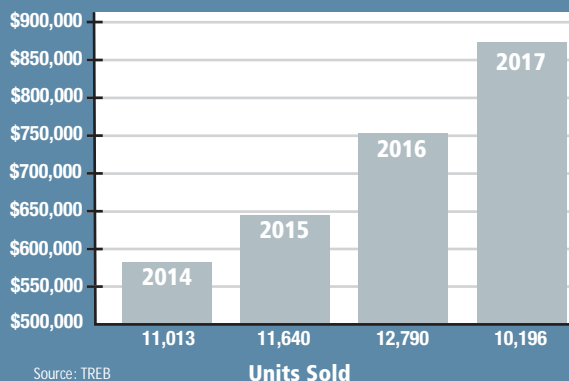
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### Average Home Prices - May in the Greater Toronto Area



## Monthly sales

and average price  
by area

### May 2017

Central.....	1,958	\$1,022,740
East.....	2,210	701,423
North.....	1,747	1,024,017
West.....	4,281	809,811

### April 2017

Central.....	2,099	1,080,388
East.....	2,482	752,289
North.....	2,402	1,128,008
West.....	4,647	831,593

### March 2017

Central.....	2,166	1,003,774
East.....	2,330	743,897
North.....	2,803	1,121,479
West.....	4,778	841,025

### February 2017

Central.....	1,489	986,604
East.....	1,485	699,779
North.....	1,819	1,076,445
West.....	3,221	792,875

### January 2017

Central.....	963	811,972
East.....	1,065	623,967
North.....	1,114	983,357
West.....	2,046	711,980

### December 2016

Central.....	1,082	790,734
East.....	1,009	604,624
North.....	1,180	895,773
West.....	2,067	665,993

### November 2016

Central.....	1,740	901,035
East.....	1,744	621,062
North.....	1,869	935,767
West.....	3,194	700,825

### October 2016

Central.....	1,853	857,596
East.....	1,968	617,054
North.....	2,125	945,746
West.....	3,822	690,617

### September 2016

Central.....	1,747	868,380
East.....	2,036	606,364
North.....	2,255	921,600
West.....	3,864	686,765

### August 2016

Central.....	1,743	737,422
East.....	1,961	568,498
North.....	2,222	904,959
West.....	3,887	658,678

### July 2016

Central.....	1,755	\$744,796
East.....	2,134	587,972
North.....	2,129	905,100
West.....	3,971	655,158

### June 2016

Central.....	2,286	874,834
East.....	2,661	599,933
North.....	2,772	903,744
West.....	5,075	679,770

Source: TREB

## Money matters

### Financing your renovation **Some options to consider**

**W**hether you plan to upgrade your home's energy efficiency, replace worn-out components, add living space or just give your home a facelift, there are plenty of financing options available for your improvement plans.

If your project is under \$5,000 it's likely you'll pay either with cash or - if you can pay off the full balance immediately - with a credit card. If you need a loan, a

personal line of credit has lower interest rates than credit cards. This is a good option for renovations because you only access the funds when needed as the work progresses. You only pay interest on the money used, and each time you make another payment you can do so without having to re-apply for a loan.

A home equity line of credit can be considered for bigger home improvement projects. This allows you to borrow up to 80 per cent of your home's value. You'll need to pay set-up and appraisal fees, but you can pay off your balance at any time without penalty.

Another option is to finance your renovation using a mortgage, which offers lower interest rates than other types of loans and spreads the payments over a longer period. If you are buying a house that needs renovations, you may be able to include the home's purchase price and the renovation costs in the same mortgage. For existing mortgages, you can refinance to borrow up to 80 per cent of the home's value.

Check with a financial advisor to see what works best for you. [REU](#)



## Condo update

### Condo market still hot **Lack of listings persists**

**W**hile most of the real estate market saw a surge of listings in May, the condominium apartment sector is still suffering from a lack of inventory. There were 3,509 active condo apartment listings in May, compared to 5,527 that were available in May 2016.

This year the average GTA condo apartment sold after just 12 days on the market, for 105 per cent of the listed price. In the City of Toronto, the average price was \$564,808 in May, an increase of 27.7 per cent compared to May 2016. In the 905 regions, sales were strong in Peel, Halton, York and Durham. The average price in those communities was \$448,867, up 29 per cent from a year ago.

Although prices are up from last year, they dipped slightly from April. Current prices may prompt more condo owners to

put their homes on the market to cash in their equity, which would be good news for buyers who have been waiting on the sidelines to get into the market because of bidding wars and lack of inventory.

Sales dropped by 6.4 per cent in May. That's being attributed to new provincial housing policies introduced on April 20. Some properties are no longer exempt from rent control regulations, making them less attractive to investors.

The economic fundamentals that have driven the condo market for several years are still in place. There is no sign that mortgage interest rates will increase in 2017. Employment in the GTA is steady and migration from other provinces and from outside the country remains strong. [REU](#)



# Demographics

## Snapshot of Toronto housing Population trends

Toronto's population is getting older and more people are living alone, according to the 2016 Census. To no one's surprise, the number of high-rise apartments and condos continues to grow, but it turns out there are fewer single and semi-detached homes in Toronto than there were five years ago.

As of June 2016, there were 2,731,570 people living in the City of Toronto, an increase of 4.5 per cent since the last census in 2011. For the first time, there are more people over the age of 65 in Toronto than people under the age of 15. Between 2011 and 2015, the fastest-growing age group was those 90 and over; the number of people over 100 increased by 43.9 per cent.

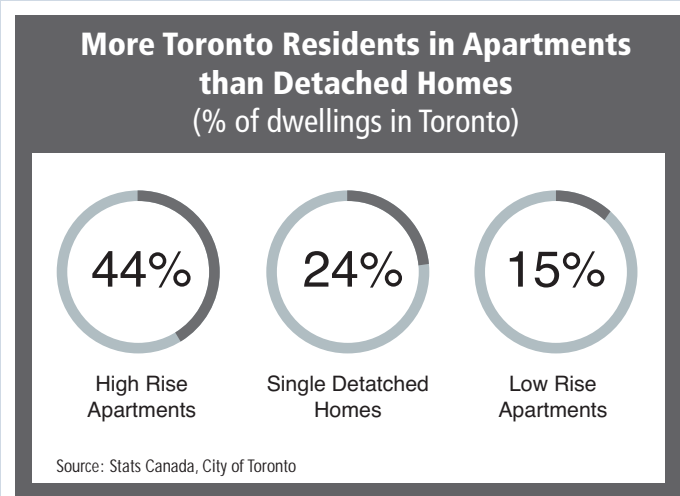
The average age of a Torontonian is 40.6 years, just below the average for Canada and Ontario, which are both 41.

The aging population will put a huge strain on health-care providers as the baby-boom generation (those born between 1946 and 1965) pushes up the number of seniors in the city.

The number of occupied private dwellings in the city rose by 6.2 per cent, and most of the new units are high-rise apartments. There were 64,050 new apartments since the last census, an increase of 14.9 per cent. In contrast, Toronto had 5,340 fewer single-detached homes (down 1.9 per cent) and 1,175 fewer semi-detached units (down 1.6 per cent) than in 2011.

There was an 8.7 per cent increase in the number of one-person households. Many of these are young people moving into downtown condos, but the numbers also indicate that many single and widowed seniors are downsizing into apartments.

Looking ahead, Toronto's population growth shows no sign of slowing. City Hall figures show there were 321,200 residential units in active development projects from July 1, 2011 to June 30, 2016. Of those, about 127,200 proposed



units were approved but not yet built. They are mostly apartments and will house 213,500 people when constructed.

High-rise apartments account for 44.3 per cent of dwellings in the city. Single detached homes are 24.2 per cent of the housing stock, while low-rise apartments represent 14.9 per cent. *REU*



## On the internet

### Interesting websites

#### **tasteofthedanforth.com**

Toronto's favourite street festival is a fun way to celebrate the flavour of Greek food, culture and music this summer. Aug 11 - 13

#### **zipcar.com**

Car sharing service gives members an alternative to the hassles of car ownership and headaches of car rentals.

#### **redtag.ca**

Search for last minute vacation packages, discounted flights, hotels and cruises.

#### **aaia.ca**

Allergy Asthma Information Association helps individuals and their families cope with everything from the sniffles and sneezes of allergic rhinitis to life-threatening allergies and asthma.

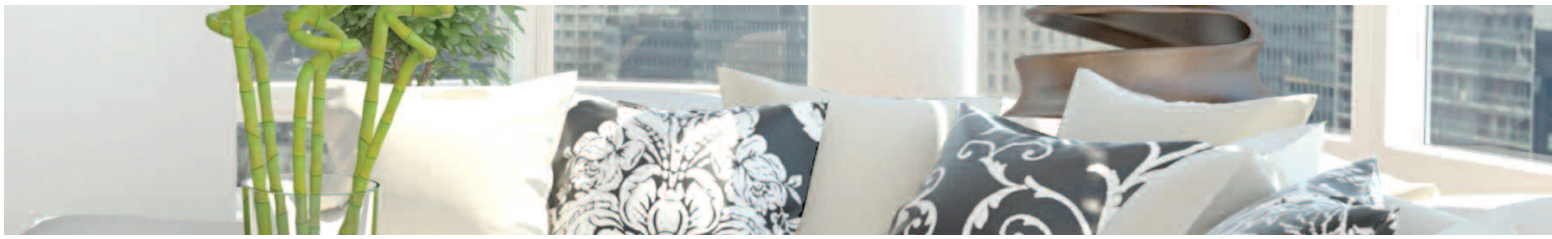
*These sites are believed to be reliable but their accuracy cannot be guaranteed.*

## Mortgages

June 8, 2017

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

<b>6-month</b> .....	<b>3.14%</b>
<b>1-year</b> .....	<b>2.64%</b>
<b>2-year</b> .....	<b>2.19%</b>
<b>3-year</b> .....	<b>2.49%</b>
<b>4-year</b> .....	<b>2.59%</b>
<b>5-year</b> .....	<b>2.69%</b>
<b>Prime rate</b> .....	<b>2.70%</b>



# 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.

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

## GTA '17 totals

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

**Active listings**  
May .....18,477  
YTD .....N/A

**New listings**  
May .....25,837  
YTD .....81,498

**Sales**  
May .....10,196  
YTD .....46,940

**Average price**  
May .....\$863,910  
YTD .....\$882,937

**Median price**  
May .....\$710,000  
YTD .....\$730,000

**Average days on market**  
May .....11  
YTD .....11

**Average percentage of list price**  
May .....104  
YTD .....108

Source: TREB

## Housing market indicators

Single-family dwellings		
Source: TREB	Sales	New Listings
May '16	12,790	17,356
May '17	10,196	25,837
% Change	-20.3%	48.9%

*“The highest compliment my clients can give me is the referral of their friends, family and neighbours.”*

*Thank you for your trust.”*

*— Vito*

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