



# real estate UPDATE

Your Greater Toronto Real Estate Newsletter

## Cautious sellers limit listings Prices up month-to-month

The GTA's real estate market saw prices edge up for the fifth consecutive month in May, but sellers are cautious and the number of new listings is down. The average GTA property sold for \$805,320 in May, down 6.6 per cent from a year ago but the highest average price since May 2017. Sales were down 22.2 per cent. Although there are 13.2 per cent more active listings than last year, new listings dropped by 26.2 per cent.

Sellers, who may be disappointed that they missed the peak of the market last May, are delaying putting their homes on the market in the hope that prices will improve. "Market conditions are becoming tighter in the Greater Toronto Area and this will provide support for home prices as we move through the second half of 2018 and into 2019," says Jason Mercer, director of market analysis at the Toronto Real Estate Board. "There are emerging indicators pointing toward increased competition between buyers, which generally leads to stronger price growth. In the City of Toronto, for example, average selling prices were at or above average listing prices for all major home types in May," he explains.

The average detached home in the city sold for \$1,426,094 in May, down 5.6 per cent from a year ago. In the 905 regions, the average detached price was \$929,401, down nine per cent. Condo apartments in the city sold for an average price of \$602,804, up 6.5 per cent from May 2017. Many condo units are now selling for more than \$1,000 per square foot. In the 905 regions, the average condo sold for \$455,413 in May, up 1.2 per cent from a year ago.

Despite affordability issues, exacerbated by the introduction of the mortgage stress test and rising interest rates, the average home in the GTA spent just 20 days on the market in May and sold for 99 per cent of the listed price.

Market fundamentals remain positive for long-term growth. The labour market is strong. Earlier this year the unemployment rate fell to its lowest level in 17 years. Immigration to the city continues at a high level. RBC reports that the rate of growth in the adult population grew from 1.6 per cent in 2015 to 2.2 per cent. The millennial generation has a desire to own a home as they reach the prime age to start their families.

While many believe that the market was unsustainable in early 2017 and some measures were needed to put on the brakes, now it's time for the new government to introduce policies that will help increase the supply of affordable housing. *REU*



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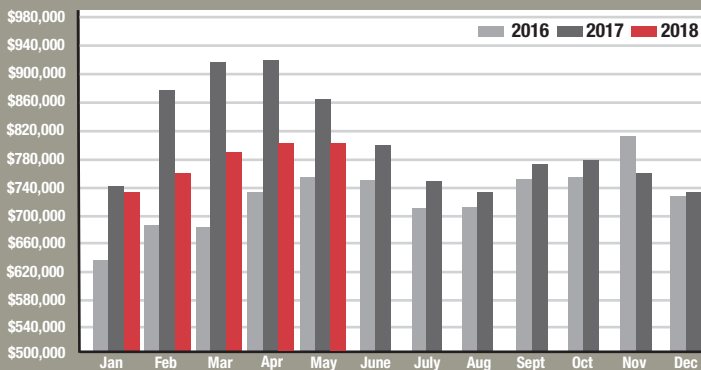
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### Average Home Prices in the Greater Toronto Area



Source: TREB

## Monthly sales

and average price  
by area

### 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.....	1,446	910,508
East.....	1,614	624,941
North.....	1,195	877,410
West.....	3,119	719,284

### October 2017

Central.....	1,373	901,180
East.....	1,574	649,981
North.....	1,238	908,652
West.....	2,933	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

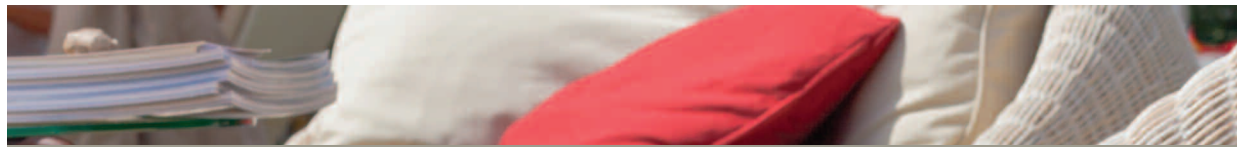
### July 2017

Central.....	1,144	820,906
East.....	1,334	621,778
North.....	937	897,574
West.....	2,506	721,771

### June 2017

Central.....	1,562	926,177
East.....	1,728	658,865
North.....	1,314	926,533
West.....	3,370	750,149

Source: TREB



## Condo update

### Shopping malls add condos Mixed-use projects planned

The popularity of online shopping has had a devastating impact on brick-and-mortar retailers.

The high profile failures of Target, Sears and many other smaller chains have left a lot of empty space in area malls and plazas.

Developers realized some time ago that those aging stores and the enormous parking lots surrounding them were prime redevelopment targets. Your neighbourhood mall or plaza is likely to see some major changes. "The

population is growing and there's no real land left," RioCan CEO Ed Sonshine told Reuters. "Demand for retail space isn't growing" and redeveloping the lands into residential and mixed-use projects "makes perfect sense on so many levels," he explains.

Major malls, including Yorkdale, have plans to add residential units to their sites. As well, the latest plans for Toronto's Galleria Mall at Dupont and Dufferin Streets includes building eight condo towers ranging from 19 to 35 storeys. Some sites will also include office space.

The new Eglinton Crosstown LRT has prompted a number of redevelopment plans in Scarborough. A plan for the Eglinton Square Shopping Centre at Victoria Park would keep the mall in its entirety but add a mixed-use project around it, including five towers ranging from 25 to 40 storeys and several three-storey townhouses. Across the street at the Golden Mile Shopping Centre, a proposal calls for 11 buildings that would add 2,500 residential units. There would also be ground-level retail, a public open space and new roads and walkways. *REU*



## Environment

### Economic benefits of trees Save money and lower pollution

Trees provide a long list of benefits to homeowners, including reducing energy costs, improving air quality and contributing to higher property values.

"He that plants trees, loves others besides himself" is a quote attributed to British physician Thomas Fuller (1654 – 1734). A U.S. study found that within five years of planting a tree, you can save three per cent on your energy bills and at the 15-year mark, savings can increase to 12 per cent.

A Toronto and Region Conversation Authority (TRCA) study determined that Oakville residents saved more than \$800,000 in heating and cooling costs in 2005 thanks to tree shading, windbreak and transpiration. Trees in Ajax saved residents more than \$70,000 on summer cooling costs in 2008 and reduced the town's carbon emissions by

118 tonnes.

The City of Toronto has about 10.2 million trees that provide more than \$28.2 million in savings from energy conservation, pollution removal and carbon sequestration, according to city figures.

The TRCA recommends planting trees on the south and west sides of houses to reduce or eliminate the need for air conditioning. Small trees and shrubs placed near air conditioning units will also save energy because the units will take in cooler air and so use less energy to cool the house. And, as all farmers know, a row of tall evergreen trees planted on the north side of the house act as a natural windbreak. *REU*



## Financial matters

### Fixed or variable mortgage? **A fresh look at options**

It's estimated that about 47 per cent of all existing mortgages will come up for renewal this year, which means a lot of people will have to consider whether to choose a fixed or variable rate mortgage. Although most people opt for the security of a fixed mortgage, recent developments make it worthwhile to compare and see what's right for you.

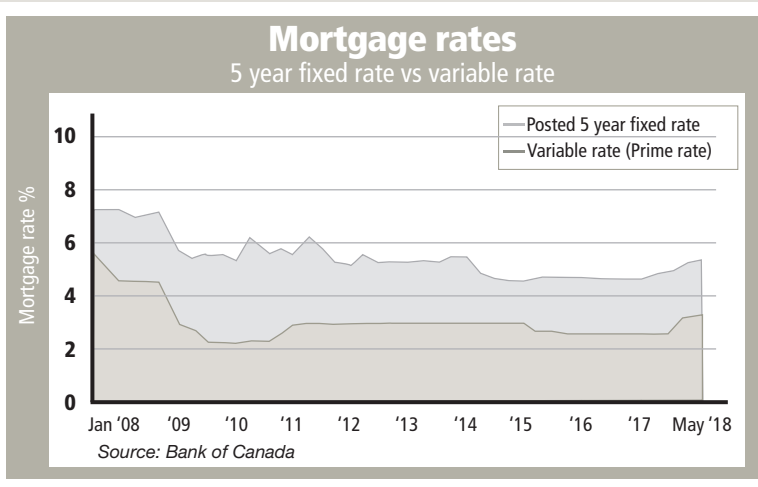
With a five-year fixed mortgage you know exactly how much you'll be paying each month until the end of the term.

Variable mortgages fluctuate based on the Bank's prime rate. If you are in a tight financial situation, worried about your job security, or if you simply want peace of mind by knowing how much your payments will be, then you should go for a fixed mortgage.

However, variable mortgages could save you money. The difference between the two rates wasn't that much during the last few years, but recently major banks have started offering more competitive variable rates. The difference in late May was about 1 per cent less than the prime rate. HSBC went a step further than the other major banks and offered an even lower variable rate in the hopes of attracting customers to its other financial products such as car or renovation loans.

Another reason to consider a variable mortgage is if you may need to break your mortgage before the term is up (e.g., moving, restructuring debt, etc.). Breaking a variable mortgage will cost the equivalent of three months of interest. It could cost more to break a fixed rate, which is based on interest rate differential - something the lenders calculate to determine how much interest they will lose due to you breaking the mortgage.

Shopping around for a better rate may save you money,



but there's a new twist. If you go to a different lender, you will need to qualify based on the new stress test regulations. That's not necessary if you renew with your existing lender.

Start planning your renewal early and research all the options to make an informed choice. *REU*



## On the internet

### Interesting websites

#### **rom.on.ca**

Dare to brave the bat cave? Explore cave formation in this exhibit, how bats use echolocation, and experience a spectacular dramatization of bats in flight during a nightly exodus for food.

#### **ca.kayak.com**

Find deals on flights, hotel rooms, and rental cars. The best features about this site are the pricing trends and the predictive algorithms on where prices are going - up or down. Useful for booking now or holding off. Also get email alerts when deals pop up for your intended destination.

#### **aايا.ca**

Allergy/Asthma Information Association's mission is to improve quality of life for Canadians affected by allergies and asthma.

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

## Mortgages

**At June 8, 2018**

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

<b>6-month</b>	<b>3.69%</b>
<b>1-year</b>	<b>2.99%</b>
<b>2-year</b>	<b>3.09%</b>
<b>3-year</b>	<b>3.14%</b>
<b>4-year</b>	<b>3.29%</b>
<b>5-year</b>	<b>3.34%</b>
<b>Prime rate</b>	<b>3.45%</b>



# Air Conditioner Maintenance

## Beat the Heat

It's important to consider the effects the summer heat will have on your cooling system. Like the majority of your home's systems, proper maintenance can help to increase your air conditioner's lifespan and ensure that it works properly.

There are many types of air conditioning systems; however they all work on the same principle: moving heat from a relatively cool space to a relatively warm space. In the summer, air conditioners take heat from the house air and transfer it to the exterior. Air-cooled air conditioning systems are the most common. They have two main components:

The condenser – a large metal box outdoors. It's an item you have to carefully rake around in the fall and clear snow off in the winter. Sometimes it even comes with its own special plastic cover. Inside the condenser is the compressor: a pump that moves the refrigerant through the system and compresses the refrigerant, raising its temperature significantly. The compressor is the heart of the system.

The evaporator – is inside the home, it may be in the ductwork immediately above the furnace or in a fan coil in

the attic. It is used to turn the refrigerant, the medium which carries the heat, from a liquid into a gaseous state.

Severe damage can occur to air conditioning compressors if they are turned on when the outside temperature is below 65° F (16° C). The life expectancy of a compressor is typically 10 to 15 years in moderate climates and as little as 8 to 10 years in hot climates. It's important to make sure the condenser is on level ground. You should also check to make sure that the condenser is positioned a safe distance away from exhaust discharge vents. Hot air discharging from a water heater exhaust vent or a dryer vent can affect the operation of air conditioning systems. These should be kept several feet from the condenser.

If your condenser is running loudly, the best course of action you can take is to contact a service specialist to diagnose and correct the issue. There are several causes for noisy condensers; a technician will be able to assess the problem and offer remediation advice. Many of the complications you can encounter with your air-cooling system will be hard for the majority of homeowners to identify.

There are also some air conditioner maintenance tasks homeowners can assume themselves. Change the filter – dust and dirt can build up on the filter, affecting the efficiency and performance of the unit. Keep your condenser clear of dirt and debris – dirt outside your condenser quickly becomes dirt inside your condenser as the fan draws air through the coils.

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

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*– Vito*

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## GTA '18 totals

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

**Active listings**  
May .....20,919  
YTD .....N/A

**New listings**  
May .....19,022  
YTD .....68,768

**Sales**  
May .....7,834  
YTD .....31,957

**Average price**  
May .....\$805,320  
YTD .....\$785,822

**Median price**  
May .....\$675,000  
YTD .....\$665,000

**Average days  
on market**  
May .....20  
YTD .....22

**Average percentage  
of list price**  
May .....99  
YTD .....99

Source: TREB

## Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
May '17	10,066	25,764
May '18	7,834	19,022
% Change	-22.2%	-26.2%