

real estate UPDATE

Your Greater Toronto Real Estate Newsletter

Home sales roar back Ending short lived buyers' market

Home sales in the GTA soared 37 per cent in comparison to January 2023, ending the short-lived buyers' market that followed a sluggish fall season that hit a multidecade low for sales.

New listings were up 6.1 per cent year-over-year, but by a lower annual rate compared to sales, creating a tighter market in comparison to the same period last year. Higher sales are attributed to more homebuyers taking advantage of lower fixed rate mortgages which have been offered in the last few months. While home prices have been trending lower, TRREB says that the continuation of the tighter market potentially signals the return of more robust price growth closer to spring.

The MLS Home Price Index Composite, which excludes the highest priced transactions, was down by less than one per cent year-over-year in January versus January 2023. The average selling price at \$1,026,703 was down by one per cent year-over-year and lower than the \$1,084,692 price seen in December.

In the City of Toronto, a detached home went for \$1,570,520, an improvement of 5.7 per cent in comparison to January 2023. The average price for a semi-detached house climbed to \$1,199,531, up by 4.3 per cent year-over-year, while the townhouse drew an average price of \$895,307, declining 8.8 per cent. The condo apartment average price remained more or less flat in comparison to last year's price, up by 0.1 per cent to \$709,419.

In the 905 areas, most housing categories saw a slight year-over-year bump in average price with the exception

of the condo apartment sector which saw a dip of 2.7 per cent to \$628,375. The average price for a detached home came in at \$1,297,275; a semi drew \$966,193, and a townhouse average price registered at \$890,645.

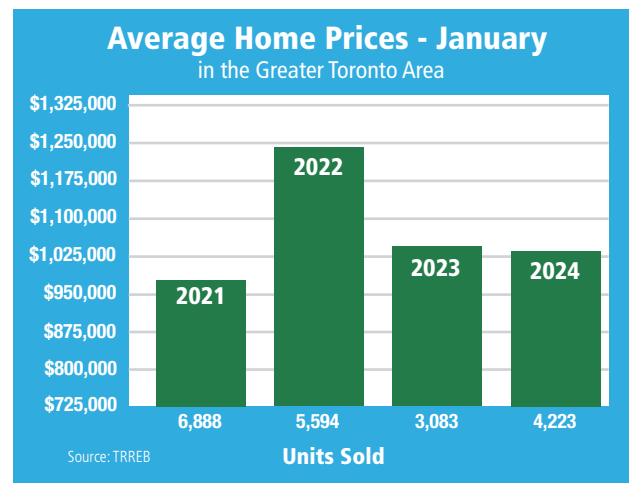
TRREB expects more buyers to enter the market in the next few months, emboldened by the Bank of Canada's (BoC) softer position on interest rates and by most experts' predictions of interest rate cuts in the near future. "A lot of would-be homebuyers are waiting for the Bank of Canada to make an actual cut," says TRREB's chief marketing analyst Jason Mercer. He predicts that as soon as BoC starts making interest rate cuts, home sales will rise even more. If tight market conditions remain in place, there will be an upward pressure on home prices. *REU*

GTA BY THE NUMBERS

DETACHED
↑ 0.8%
Avg. Price Yr/Yr

SEMIS
↑ 1.8%
Avg. Price Yr/Yr

CONDO APTS
↓ 0.6%
Avg. Price Yr/Yr



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Monthly stats

January average price by area

416

DETACHED

↑5.7%

YEAR
YEAR

\$1,570,520
Average Price

CONDO APT

↑0.1%

YEAR
YEAR

\$709,419
Average Price

905

DETACHED

↑0.1%

YEAR
YEAR

\$1,297,275
Average Price

CONDO APT

↓2.7%

YEAR
YEAR

\$628,375
Average Price

Source: TRREB

Your carbon footprint

Don't waste, donate **Recycling done right changes lives**

The average Canadian throws out 37 kilos of clothes annually. Value Village, a nationwide thrift shop, states that when clothes are thrown into landfill that the reusable item and the natural resources used to create it are both wasted. In other words, for every old t-shirt you throw out, you are wasting 700 gallons of water needed to make that t-shirt.

An estimated 3.8 million pounds of used textiles are

generated annually by Canadian households, according to Diabetes Canada. "This not only represents a significant amount of material being sent to landfills, but it is a missed opportunity to generate revenue for critical, life-saving diabetes research," says an official.

This principle also applies to electronics, furniture, food, plastic, paper, and other recyclable items. When you replace your old sofa instead of opting for the quickest disposal method by throwing it into the dumpster, spare a thought about how to help others by donating the sofa instead. Furniture Bank outlets throughout the GTA are improving the living conditions of deserving, struggling families by providing them with discarded reusable furniture. The Furniture Bank will even pick up your goods for a small fee.

What is often overlooked is the impact recycling has in changing the lives of those who can't afford what you can. Ninety-five per cent of lightly worn clothes can be donated to charitable organizations, yet only a fraction of it ends up there. Donating helps provide for those in need, while reducing your carbon footprint on earth. [REU](#)



Taxing matters

Filing your taxes **Make it stress-free**

Most of us leave this annual chore to the last minute. But preparing and filing your taxes early ensures you will get your refund sooner and you can take full advantage of the numerous tax breaks and credits offered by the Canada Revenue Agency (CRA). Tax-filing procrastinators run the risk of missing the April 30 filing deadline which will cost them in penalties. To make the tax filing process faster and easier, consider the following:

- Electronic filing: Take advantage of CRA digital services and electronic filing. Filing electronically is fast as returns are generally processed within two weeks. Register for My Account on the CRA website before the tax season rush to start the process.
- Get free tax help: If you have a simple tax situation and a

modest income, volunteers at a free tax clinic may be able to complete your tax return. Free tax clinics are available in person or virtually. Find out about the Community Volunteer Income Tax Program by going to CRA's free tax clinics page.

- Income tax changes: The government made several tax changes for 2023, such as an increase to the Basic Personal Amount, a new grocery rebate, a shift in tax brackets to account for inflation, new TFSA, RRSP and OAC limit amounts and an expansion of the Canadian Dental Benefit.

Other tax credits of note for homeowners: First-Time Home Buyers' Tax Credit up to \$10,000 of their home's purchase price. Multigenerational Home Renovation Tax Credit permits you to claim 15 per cent of the renovation value up to \$50,000 of qualifying expenses. [REU](#)

Qustodio

A parental control app that makes it easy to manage your child's mobile activity. Its best features are its web content filters and ability to set device usage time limits.

Duolingo

Looking to learn another language, this app gamifies language learning with bite-sized lessons. Free

Cookpad

Connects you with vibrant array of recipes. Easily add favorite recipes, manage shopping lists, and find new recipes based on those you already like. Free

Mint

A fantastic online app to keep track of your finances. A new bill paying feature makes sure that you never miss a payment. Free

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

Mortgages

February 8, 2024

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

Prime	7.20%
Variable	6.55%
1-year	6.34%
2-year	6.04%
3-year	5.59%
4-year	5.69%
5-year	5.39%

Interest rate

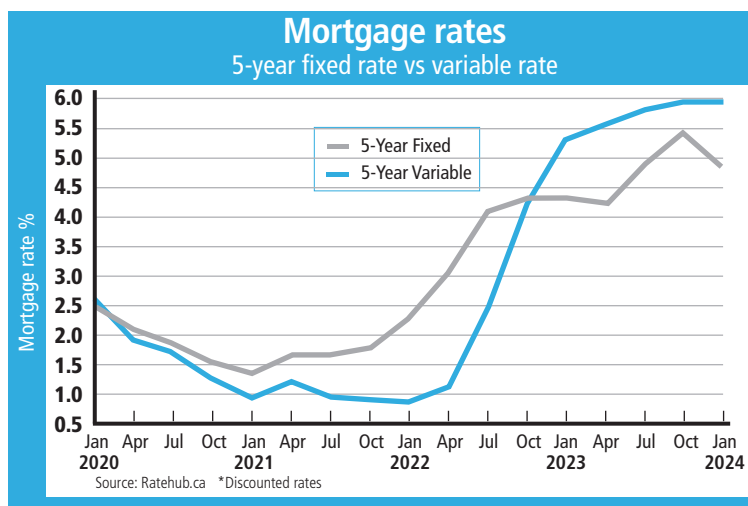
Bank of Canada announcement Triggers rate cut predictions

On January 24th, the Bank of Canada (BoC) announced its decision to hold its key rate at five per cent and signalled that it is shifting its focus to the viability of interest rate cuts.

"With overall demand in the economy no longer running ahead of supply, governing council's discussion of monetary policy is shifting from whether our policy rate is restrictive enough to restore price stability, to how long it needs to stay at the current level," says Governor Tiff Macklem. Following this announcement, economists and analysts have been weighing in on the implications of BoC's statements. Despite Macklem not saying explicitly that rate hikes are over, the majority of industry pundits see this as a foregone conclusion and have begun hypothesizing about the timing and frequency of BoC rate cuts.

Economists from both CIBC and the Bank of Montreal reacted to the BoC's announcement by predicting an interest rate cut in June 2024. BMO also stated that "rate hikes over the past two years are doing their job." Ed Devlin, founder of Devlin Capital and senior fellow at the C.D. Howe Institute, also believes cuts will come in June with four cuts of 25 basis points expected for 2024. "The market's priced in 100 (basis points) and I don't have a big disagreement with that, we'll see how the data evolves," he says.

Other economists see the interest rate cuts coming sooner. "The big change in the policy statement was that the bank dropped its bias toward more tightening," says Stephen Brown, deputy chief North America economist at Capital Economics. "Given the shift in tone today, we are sticking to our view that the bank will be prepared to make policy less restrictive by beginning to cut interest rates at the April policy



meeting," Brown continues.

David Larock, an independent mortgage broker and industry insider, wrote in his recent column that BoC has finished with rate hikes, and that "it is now reasonable to expect a reduction as soon as its following meeting on March 6... Bond-market investors are pricing in about a 50% probability that the BoC will cut key rate this March. [REU](#)





GTA '24 totals

Kitchen renovations Costly mistakes to avoid

An updated kitchen adds enjoyment and value to your home. The kitchen is the heart of the home; a place where the family hangs out much of the time so it needs to suit your family's lifestyle. "Unfortunately, prices have gone up as well: in July 2023, the average kitchen remodeling cost was up to \$30,944 (or \$195 per square foot), but could climb up to \$50,000 and higher depending on the choice of appliances and materials," says Amber Dowling, a lifestyle expert at HGTV. You don't want to break the bank doing your kitchen renovation, so avoiding costly mistakes and redos is critical.

Failing to plan: The first and most important step to avoid renovation mistakes is a detailed plan. Get all your ducks in a row before beginning your kitchen remodel because delays and changes midstream can send costs soaring.

Underestimating costs: Decide what your family's life will look like in this new space now and in the future because the kitchen must meet those needs. Then figure out how much you'd like to spend and stick to that amount. Roughly add 20 per cent for unexpected costs, such as price hikes, unforeseen problems, and hidden costs (take-out meals or renting

other accommodations if you need to move out for a bit). Take time and do as much research as possible on flooring, countertops, cabinetry, lighting, accessories, appliances, etc.

Cabinetry, flooring and appliances: These are the three most noticeable and largest items in a kitchen. Some things to consider:

- Decide if you need new cabinets or if repainting will suffice. If your current cabinetry meets your functional needs and is in good condition, then painting is the cheaper option.
- Hardwood flooring in the kitchen is fine (if it's pre-sealed hardwood with a proper finish), but keep in mind that the kitchen is one of the most used areas and a space where accidents tend to happen while cooking and eating. Your flooring material needs to be up to the task.
- Select new appliances at the same time as your cabinetry to ensure proper fit and a complementary design.

Forgetting function: Style is great, but it shouldn't come at the expense of function.

- Plan for at least two to three accessible outlets on dedicated 20 amp outlets, including all of the kitchen counter outlets.
- A proper kitchen triangle (the space between your stove, sink and refrigerator) is essential. All three should be within a few feet from one another for the most efficient use of space. But not too close!
- Ensure that your design has plenty of space to store everything. Look for any opportunities to create extra storage so that you don't regret the lack of it later.

And, as tempting as it is, avoid the trendy in favour of the timeless, unless it's something that can be easily changed in a few years - like the tile backsplash, cabinet hardware and light fixtures. **REU**

Sales activity of all home types
Most recent month, year to date

Active listings
January10,093
YTDN/A

New listings
January8,312
YTD8,312

Sales
January4,223
YTD4,223

Average price
January\$1,026,703
YTD\$1,026,703

Median price
January\$890,000
YTD\$890,000

Average property days on market
January54
YTD54

Average percentage of list price
January98
YTD98

Source: TRREB

Housing market indicators

Single-family dwellings		
Source: TRREB	Sales	New Listings
Jan '23	3,083	7,836
Jan '24	4,223	8,312
% Change	37.0%	6.1%

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

Thank you for your trust."

— Vito

Vito Vessio

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