

# UPDATE

Your Greater Toronto Real Estate Newsletter

## Sales, prices hold steady 'Positive' start to 2013

**D**espite the cold weather, Toronto's real estate market is off to a strong start in 2013. "The New Year started off on a positive note with residential sales slightly above last year's levels," says Toronto Real Estate Board President Ann Hannah. "It will be important to watch sales trends closely as we move through the first quarter to see if some of the households who moved to the sidelines as a result of stricter lending guidelines are starting to renew their decision to purchase a home."

Most of the action is occurring in the detached-home market, where there have been anecdotal stories about huge open house crowds and multiple offers on well-priced homes in some of the popular neighbourhoods. Detached home prices in the City of Toronto average about \$765,000, up by about 2.7 per cent compared to a year ago. In the 905 areas, the average detached home sells for about \$563,000, up by more than 6.8 per cent.

Spring is traditionally the busiest time for real estate sales in the GTA, and in recent years the spring market kicked off as early as February.

The condo market, which felt the most impact from the new lending guidelines, shows about five per cent fewer sales than a year ago. The average condo apartment in the City of Toronto currently sells for about \$340,000, while the average condo in the 905 region sells for about \$269,000.

Recently the Bank of Canada changed its message about the immediate future of interest rates. For several months the bank had warned consumers that interest rates may increase and that they should cut back on their debt. But the most

recent outlook predicts a lower inflation forecast and a balancing of the housing market, which means interest rate increases are "less imminent than previously anticipated." Analysts don't think rates are likely to rise any time this year.

Combine the low interest rates with Toronto's decent employment numbers and strong immigration, and the fundamentals are in place for a steady real estate market. There are no huge economic shocks in sight that could cause housing sales to drop quickly or force prices down.

All signs point to a stable, steady real estate market in 2013, with little change in prices or sales figures. Most people who have their homes listed for sale are not desperate to sell, and if their homes are reasonably priced there is no need for them to cut their prices. If you are thinking of moving up or downsizing, now is the time to get in on the spring market. **REU**



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**Average Home Prices - January**  
in the Greater Toronto Area



## Monthly sales

and average price  
by area

### January 2013

Central.....	706	\$606,299
East.....	969	375,643
North.....	933	558,459
West.....	1,767	451,894

### December 2012

Central.....	650	582,861
East.....	846	368,854
North.....	750	570,650
West.....	1,444	448,510

### November 2012

Central.....	1,003	612,603
East.....	1,407	378,502
North.....	1,144	547,825
West.....	2,239	463,511

### October 2012

Central.....	1,214	634,288
East.....	1,642	385,549
North.....	1,362	568,952
West.....	2,678	483,189

### September 2012

Central.....	1,012	658,196
East.....	1,453	386,097
North.....	1,180	578,792
West.....	2,234	470,440

### August 2012

Central.....	1,005	576,960
East.....	1,588	376,764
North.....	1,257	566,787
West.....	2,568	461,152

### July 2012

Central.....	1,172	579,837
East.....	1,811	378,671
North.....	1,527	561,461
West.....	3,060	453,529

### June 2012

Central.....	1,519	682,341
East.....	2,165	389,443
North.....	2,001	571,565
West.....	3,737	473,352

### May 2012

Central.....	1,863	681,261
East.....	2,428	395,183
North.....	2,308	577,079
West.....	4,251	481,426

### April 2012

Central.....	1,762	680,087
East.....	2,391	393,339
North.....	2,229	574,696
West.....	3,968	488,394

### March 2012

Central.....	1,666	665,856
East.....	2,214	378,285
North.....	2,135	567,940
West.....	3,675	469,524

### February 2012

Central.....	1,277	667,708
East.....	1,590	380,790
North.....	1,498	561,157
West.....	2,667	463,030

Source: TREB

## Money matters

### Financing your renovation Plenty of options

**H**ome renovation in Canada is a \$21-billion industry. When people buy a home, often the first thing they do is renovate, ranging from a quick paint job to gutting and re-designing and re-building the entire interior.

Banks and financial institutions offer several renovation financing options.

For smaller jobs, credit cards are fine but this is the most

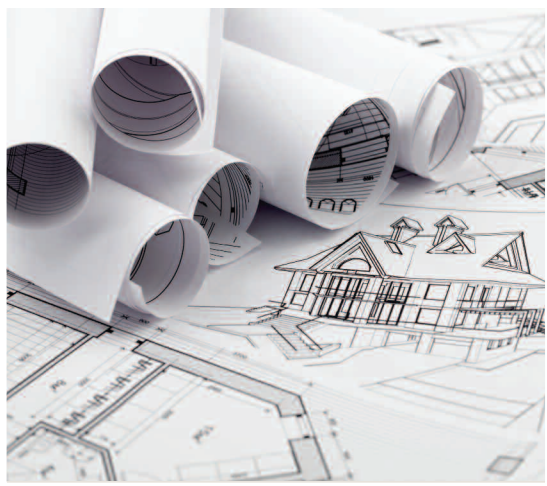
costly type of loan. Unless you can completely pay off your credit card balance every month, you'll pay high interest rates.

One of the most popular options for larger jobs is a personal line of credit. It is perfect for a larger renovation project because you borrow the money when you need it as the renovation progresses. You are only charged interest on the money that is used each month, and you can start repaying the money at any time. Interest rates are lower than credit cards.

Personal loans, which are usually arranged for a set period, are also an option. They have smaller interest payments than credit cards.

Home equity loans secure the loan with your home's equity. They offer competitive interest rates but like a mortgage, there are legal and appraisal fees when you set up the loan. Another financing option is a second mortgage. Many people find this an attractive option since mortgage rates are low.

Speak to your financial institution to see what works best for you. *REU*



## Legalities

### Garage sales Watch what you sell

**W**ith spring fast approaching, garage sale season will soon be here. It's a great way to get rid of things you don't need but, like anything else in society, garage sales have a few rules and regulations.

A City of Toronto by-law states that no one can hold more than two garage sales a year. Each sale can last for no more than two consecutive days.

You can only sell "personal property that has actually been used on, about or in connection with the residential premises or, in case of a joint garage sale held with a neighbour, the residential premises of a neighbour," the by-law states. You cannot sell items left with you on a consignment basis or sell things acquired for resale.

The federal Canada Consumer Product Safety Act states that

everyone holding a garage sale is legally responsible to ensure that all items for sale are safe and meet current regulatory requirements.

Some items, in particular, that you should make sure meet current requirements are: cribs, cradles and bassinets; playpens; strollers and carriages; car seats; children's jewellery; corded window coverings; cosmetics; ice hockey helmets and face protectors; toys and toys with magnets. In addition, some items are banned in Canada such as baby walkers, infant self-feeding devices, jequirity beans or anything made with jequirity beans, lawn darts with elongated tips and polycarbonate baby bottles containing BPA.

For more detailed information, visit [www.healthycanadians.gc.ca](http://www.healthycanadians.gc.ca) and search for "garage sales." *REU*



# Condo market

## Investors eye condos Rental units cater to growing market

Canadians born between 1972 and 1992 are now the largest age group in Canada. They represent about a quarter of Ontario's population, but according to a recent report by TD Economics, almost half of the population of Toronto's downtown core is made of these "eco boomers."

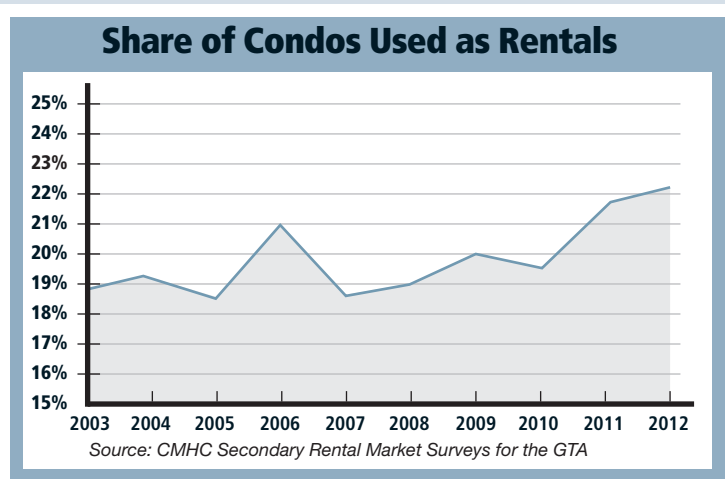
"This highly skilled, highly educated and young population is trading the larger and (relatively) more affordable housing choices of their parents for proximity to transit, work and amenities," reveals the TD Economics report. The group has prompted the wave of condominium development, not only downtown but in North York and Peel Region as well.

If you are thinking of buying a condominium as an investment, this group is your prime target market. Canada Mortgage and Housing Corp. (CMHC) says that 46 per cent of those aged 25 to 29 live in an apartment – and this is the fastest-growing age group. In addition, one-parent families and one- or two-person households are among the fastest growing household types and the most likely categories of people to live in an apartment.

With very few purpose-built rental buildings constructed during the last decade, condo investors have filled the void by offering their units for rent. In 2012, CMHC

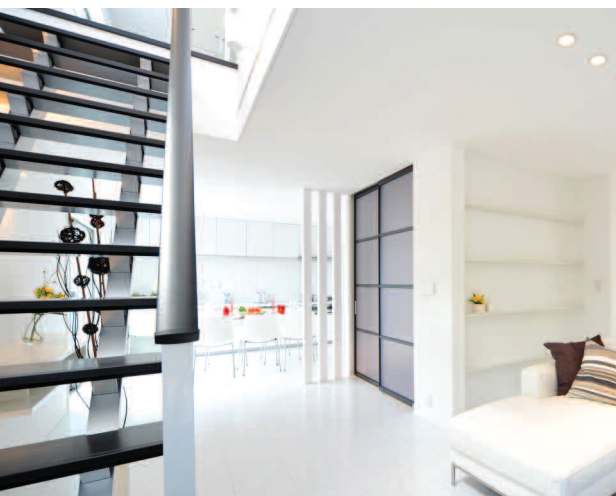
found the average vacancy rate for condo apartments was 1.2 per cent. This number is below the vacancy rate for the purpose-built market. The share of all condos in the GTA used as rentals was 22.3 per cent. About one-third of new condos become part of the rental market.

Looking ahead, CMHC says the overall rental market will remain stable, with the average vacancy rate moving to about 1.5 per cent. It says although more new buildings will be completed next year, rental demand will



strengthen along with employment opportunities and migration. Some would-be first-time buyers have been pushed back into the rental market by tougher mortgage lending standards.

Average two-bedroom rents in the GTA are expected to be about \$1,200 per month, says CMHC. *REU*



## On the internet

### Interesting websites

#### ebates.ca

Find coupons, promo codes and discounts. Plus get up to 10% cash back savings with big-name online retailers.

#### wildaboutgardening.com

Learn how to plan your garden to meet both your needs and those of the wildlife you wish to attract.

#### ratesupermarket.ca

Compare Canada's best mortgage rates from the big banks and different brokers. Independent, impartial comparison of the whole market.

#### yogavision.com

Information on yoga therapy and natural medicine; yoga in the workplace; yogability for special groups; links to yoga websites.

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

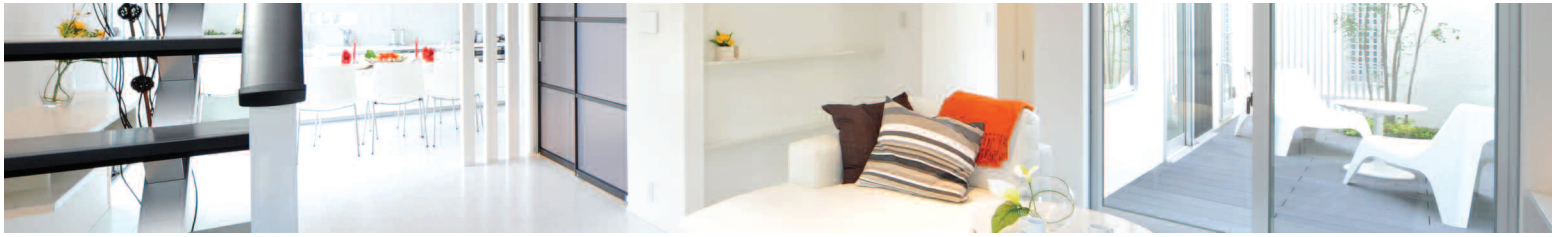
## Mortgages

### 2013 Rates

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

At February 7, 2013

- 6-month . . . . . 4.00%
- 1-year . . . . . 3.00%
- 2-year . . . . . 3.00%
- 3-year . . . . . 2.79%
- 4-year . . . . . 3.10%
- 5-year . . . . . 3.09%
- Prime rate . . . . . 3.00%



## Thermal Imaging A non-invasive process

**W**e've all heard about thermal imaging - probably because it has numerous applications in industries such as Home Inspection, Police Services, Energy Conservation and Health Services. However, you might be wondering what its role is in a Home Inspection and whether or not it's even necessary.

### What is it?

Thermal imaging is a non-invasive process that uses an infrared camera to measure and record the surface temperature of materials. Colour images show temperature differences on surfaces. Thermography is not X-ray vision, and does not look through walls or materials. Whether a home inspection should include a thermographic scan really depends on the goals of the home buyer. There are two ways thermal imaging can be used in conjunction with a Home Inspection:

1. To help evaluate energy performance.
2. To look for problems that may not be otherwise found.

### 1. Energy performance evaluation

This is for missing insulation and heat loss due to air leaks, for example. Thermographic scans may be included with energy audits

### 2. Identify problems that may not be identified in a visual inspection

This is useful for concealed water leaks, overheated systems, insect nests, etc. Thermal imaging is often used to identify leaks on the flat roofs of large buildings for example, because the cost for reroofing can be very high.

### Conditions matter

Infrared cameras read temperatures. It is up to the operator to interpret what the camera records. Temperature differences in the building shell only exist if there is a difference between the indoor and outdoor temperature. Even with significant temperature variance, several factors can make it difficult to interpret the readings. With small temperature differences, interpretation is even more difficult.

### Can anyone do it?

There is no licensing, and anyone can buy and use an infrared camera. The cameras are expensive and can vary in quality (starting from \$2,000 all the way up to \$50,000), and quality training and experience are important to get good results. There are three levels of certification for thermographers (Level I, Level II and Level III) available from the Infrared Training Center, for example. These designations

include both training and experience criteria. Many offer the service with little training and experience, and misinterpretation of data is common. Heat sources, solar loading and shading, foil and metal surfaces, and mirrors and windows can all lead to bad conclusions. It's like the medical profession - owning a stethoscope does not make one a doctor. If you are buying a home, the Home Inspection is a 'must have'. A professional thermographic scan and report may add value for homebuyers depending on their goals.

*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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## GTA '13 totals

### Sales activity of single-family homes

Most recent month, year to date

#### Active listings

January .....14,231  
YTD .....N/A

#### New listings

January .....10,624  
YTD .....10,624

#### Sales

January .....4,375  
YTD .....4,375

#### Average price

January .....\$482,648  
YTD .....\$482,648

#### Median price

January .....\$412,500  
YTD .....\$412,500

#### Average days on market

January .....37  
YTD .....37

#### Average percentage of list price

January .....98  
YTD .....98

Source: TREB

## Housing market indicators

### Single-family dwellings

Source: TREB

	Sales	New Listings
Jan '12	4,432	9,598
Jan '13	4,375	10,624
% Change	- 1.3%	10.7%