

real estate UPDATE

Your Greater Toronto Real Estate Newsletter

Active spring market

Detached, semi-detached listings in demand

At long last, spring has arrived! It is traditionally the busiest time of the year in the GTA real estate market, but detached and semi-detached home sales have been hot since the beginning of 2014 due to a lack of listings.

"Despite the poor weather conditions experienced during the first half of March, an abundance of willing buyers were actively searching for a home to purchase," says Toronto Real Estate Board (TREB) president Dianne Usher. "However, many of these people continued to be affected by the enduring shortage of single-detached, semi-detached and townhouse listings, which means that in some cases they could not find a home on which to make an offer, or they were facing stiff competition from other buyers."

As if the improving weather and shortage of inventory wasn't enough, mortgage interest rates also dropped again, heading to near-historic lows. The new federal finance minister declared he had no plans to take action to cool down the market, unlike his predecessor.

In March, the average price of a detached GTA home was \$709,487, an increase of 8.3 per cent compared to the same time period in 2013. The average detached home price in the City of Toronto in March was \$898,332, up 6.8 per cent from the year before. Throughout 2014, analysts predict strong price growth for detached homes in the GTA.

Semi-detached home prices in the GTA were up 8.6 per cent in March, to an average of \$514,867. In the city, the average price was \$658,429 up 8.7 per cent. Semi-detached homes are selling well because they "represent a more affordable home ownership option for some households," says Jason Mercer, TREB's senior market analyst. "Because of this, some semi-

detached listings have attracted many interested buyers. This competition has served to exert strong upward pressure on the average selling price."

The stiff competition prompted the Real Estate Council of Ontario (RECO) to study the home-buying behaviour of the province's buyers.

"We're seeing more and more people – especially younger home buyers – getting swept up in the frenzied market, making emotional decisions they could later regret," says Joe Richer, registrar of RECO. "Working with a registered real estate professional will help you understand your rights and prepare for the real costs of buying a home. It's all about being home smart versus acting with your heart."

To help homebuyers, RECO has launched a public education campaign. You can find information at www.reco.on.ca or check out their Facebook page at www.facebook.com/recohelps. *REU*



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Average Home Prices - March in the Greater Toronto Area



Monthly sales

and average price
by area

March 2014

Central.....	1,325	\$711,051
East.....	1,843	436,411
North.....	1,734	643,200
West.....	3,179	517,423

February 2014

Central.....	1,059	708,437
East.....	1,216	424,716
North.....	1,237	629,132
West.....	2,219	507,176

January 2014

Central.....	739	669,711
East.....	918	414,833
North.....	825	614,906
West.....	1,653	480,436

December 2013

Central.....	718	640,823
East.....	878	416,447
North.....	874	605,424
West.....	1,608	477,171

November 2013

Central.....	1,153	698,592
East.....	1,438	434,977
North.....	1,304	615,369
West.....	2,496	485,007

October 2013

Central.....	1,448	711,212
East.....	1,849	425,919
North.....	1,587	605,188
West.....	3,116	492,636

September 2013

Central.....	1,215	687,849
East.....	1,704	408,651
North.....	1,545	617,658
West.....	2,947	498,679

August 2013

Central.....	1,163	615,505
East.....	1,741	387,889
North.....	1,666	599,065
West.....	2,999	473,066

July 2013

Central.....	1,359	621,480
East.....	1,918	403,654
North.....	1,875	591,093
West.....	3,392	488,820

June 2013

Central.....	1,455	678,003
East.....	2,057	412,548
North.....	1,929	593,140
West.....	3,620	507,046

May 2013

Central.....	1,725	720,990
East.....	2,276	416,452
North.....	2,070	589,293
West.....	4,111	513,020

April 2013

Central.....	1,596	688,116
East.....	2,306	409,362
North.....	2,106	587,372
West.....	3,803	495,569

Source: TREB

Home matters

We wanted robots **But today's home technologies are better**

A few decades ago, when we envisioned the home of the future it usually included robots that could do all the housework, make us dinner and give us a lot more time to enjoy ourselves.

Today, technology in the home has come a long way. While we don't have a robot running around dusting and sweeping, we do have systems that can control our heating and cooling, lighting, security and even our appliances, all via

the Internet.

Google recently purchased Nest, a company that developed a smart thermostat that adapts itself to homeowners' schedules and programs itself to heat and cool homes as needed. Nest also developed smoke and carbon monoxide alarms that have a human voice to warn when there is a problem. If you have simply burned your toast, a quick wave at the device will silence the alarm.

This year, Samsung introduced the Smart Home service to provide the foundation for connected home services using Samsung and other third-party devices. Users can control and manage their refrigerators, washing machines, TVs, digital cameras, smartphones and more. The system includes a voice command function. For example, if you say, "Going out," to your device, it will turn off lights and selected appliances. If you say, "Good night," to the TV remote control, it would turn off the TV, dim the lights and gradually turn them off.

Refrigerators can already tell you when food is about to spoil and home security systems allow you to monitor your home from anywhere in the world. Technology will help us do more and more around the home. [REU](#)



Condo update

Condo prices rise **Bubble fears "overblown"**

Condominium apartments showed strong price growth during the first half of March, with GTA prices up 7.7 per cent compared to the same time period in 2013. The average price for a GTA condo apartment was \$368,233. In the City of Toronto, the average price was \$399,207 - an 8.3 per cent increase over the same time period last year. While in the 905 regions, the average price was an affordable \$288,682.

The condo market does not have the same inventory issues as the single and detached home markets - there is plenty of choice for potential buyers.

During the last few years there has been a lot of noise that the real estate market is overheated and that a housing bubble is imminent. Most financial institutions and analysts still believe that if the market cools, it will be a "soft landing" and

not a crash. With rock-bottom mortgage interest rates, the market continues to see steady sales and price appreciation. Recently the Conference Board of Canada issued a report called Bubble Fears Overblown.

"Mortgage costs, not just house prices, are the principal deciding factor for potential homebuyers," says the board's senior analyst, Robin Wiebe. "Mortgage rates are expected to rise this year, but not dramatically, because the Canadian economy remains in slow-growth mode."

The board states price growth in the Toronto real estate market is healthy and "a major price correction is hard to envision, given solid employment and population growth."

Another report says that resale condos now cost almost \$100,000 less than new condos. [REU](#)

On the internet

Interesting websites

torontojazz.com

Canadian and international acts are expected to perform at this year's Toronto Jazz Festival, as outdoor stages, hotels and lounges around the city host shows ranging from blues to free jazz.

June 19-28

redtag.ca

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

ontario.ca./consumers/home-renovations-and-repairs

Protect yourself and your home by knowing your rights before starting a home renovation.

aaia.ca

Allergy/Asthma Information Association empowers individuals and provides education to create safer environments and improve quality of life for Canadians affected by allergy, asthma and anaphylaxis.

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

Money sense

Portable and assumable mortgages Worth checking out

This is a great time to be shopping for a mortgage, with mortgage interest rates near historically low levels and, as banks and financial institutions are aggressively competing to get your business. If you are about to take out a new mortgage, it is worth investigating portable and assumable mortgages.

Portable mortgages are designed to let you keep your existing mortgage if you decide to move to a different house. Also called transferring or moving your mortgage, a portable mortgage lets you transfer the interest rate and the terms and conditions of your current mortgage - a great benefit if rates have gone up by the time you are buying your next house.

If you need a larger mortgage than your existing one, your financial institution may allow you to blend the new funds at current rates with the fixed rate of your existing mortgage, which will result in a better rate than if you took out a brand-new mortgage. If you are breaking a closed mortgage early, you can probably avoid prepayment charges by taking your mortgage to your new house.

One of the advantages of the portable mortgage is that you avoid some closing costs. However, you may still have

to pay appraisal fees as well as legal fees to register the mortgage on your new home. You may be able to avoid some of the financial institution fees though.

If you decided against taking your mortgage with you, an assumable mortgage allows you to transfer the loan to the buyer of your existing house. Again, if it's a great rate, you can use it as an incentive for buyers. As the seller, you must make sure that the buyer is eligible to assume the



mortgage. If you are the buyer, it's important that you study all the terms and conditions of the loan before you take it on. Make sure that it works for you and that it won't be cheaper in the long run to arrange your own new mortgage.

This is a fantastic time to negotiate a mortgage that's tailored to your needs. Shop around to get a great deal. [REU](#)



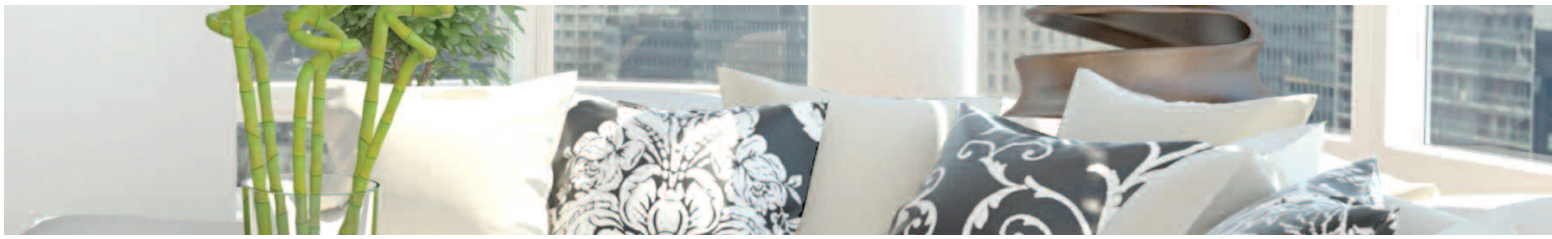
Mortgages

2014 Rates

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

At April 6, 2014

6-month	4.00%
1-year	3.00%
2-year	3.05%
3-year	3.10%
4-year	3.30%
5-year	3.34%
Prime rate	3.00%



Stone vs. Stucco

Enhancing your home's exterior

One of the best ways to enhance your home's curb appeal is to replace some or all of your home's exterior siding. Depending on your siding choice, it is possible to increase the insulation value and provide better resistance against water damage. Stone and stucco systems are two of the many options that homeowners use to increase their home's esthetic appeal.

Stone

Many different stone surfaces are used in home construction. Stone can be anything from granite to limestone. Stone and brick walls suffer from similar problems. Stone can crack or erode depending on its quality. Mortar can deteriorate; and mortar needs repairs more often than stone. Natural stone can stain or rust, depending on the minerals in the stone; however, this is a cosmetic issue.

Artificial stone

There are two common varieties of artificial stone, and both are typically made of concrete. One is a brick substitute. It is typically three to four inches thick, and installed like any other masonry, laid in a bed of mortar. The other is a thin veneer-type covering that is less than one inch thick. Its performance depends largely upon the quality of the installation. The most

common problem is the stone detaching from the house. Loose or damaged pieces must be re-secured to prevent moisture getting into the walls.

Conventional stucco

Stucco is the exterior equivalent of plaster. It is made of cement, lime, aggregate and water. You can think of stucco as a thin coat of concrete. Much like plaster, stucco requires periodic maintenance as cracks develop. Stucco over masonry walls tends to stand up better than stucco over wood-frame construction. The rigidity of a masonry structure allows for virtually no flexing of the stucco, and consequently, less cracking and surface separation is likely to occur.

Synthetic stucco (EIFS)

Exterior Insulated Finish Systems (EIFS) look similar to stucco but it is made of different materials. Rigid wall sheathing, such as plywood, is covered with foam insulation board. Then, a thin base coat reinforced with fiberglass mesh is applied and covered with a thin acrylic finish coat. It is a two-step process, and the finished coating is more flexible than conventional stucco. Problems arise when water gets trapped behind the finish and insulation. The water ultimately leads to rot of the sheathing and other structural components.

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What's the best option?

There are many factors to consider when determining what your best option is. For example, in terms of structural framework, do you have solid masonry or wood-frame walls? From a heat-loss perspective, do you want to improve your home's insulation value? These are important considerations but, perhaps, the most important factor is the esthetic appeal that you wish to achieve for your home's exterior.

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GTA '14 totals

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

Active listings
 March16,543
 YTDN/A

New listings
 March14,829
 YTD34,440

Sales
 March8,081
 YTD17,897

Average price
 March\$557,684
 YTD\$549,068

Median price
 March\$473,000
 YTD\$460,888

Average days on market
 March21
 YTD26

Average percentage of list price
 March99
 YTD99

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
Mar '13	7,537	14,618
Mar '14	8,081	14,829
% Change	7.2%	1.4%

