



real estate UPDATE

Your Greater Toronto Real Estate Newsletter

Prices soar again

TREB cautions against knee-jerk reaction

With GTA house prices soaring by 33 per cent compared to this time last year, pressure is building on the federal and provincial governments to slow things down. The trouble is that nobody can agree on what would be effective. Many call for a tax on foreign buyers, similar to the 15 per cent levy on Vancouver-area homes that was implemented last August. That move was credited with decreasing the number of sales but it has had little impact on affordability. The Toronto Real Estate Board (TREB) notes that only about five per cent of their transactions involve foreign buyers and that many are purchasing homes for themselves.

Others believe that speculators - both foreign and domestic - have pushed the market to the boiling point and should be reined in with some kind of tax. Ontario Finance Minister Charles Sousa asked his federal counterpart to raise capital gains taxes in the last federal budget but that didn't happen. Other ideas to slow down the market and curb speculation are to include a tax on empty homes and a progressive capital gains tax.

"It has been encouraging to see that policy makers have not implemented any knee-jerk policies regarding the GTA housing market," says TREB president Larry Cerqua.

"Different levels of government are holding consultations with market stakeholders and TREB has participated... Policy makers must remember that it is the interplay between the demand for and supply of listings that influences price growth."

In March, sales jumped by 17.7 per cent and the average selling price was 33.2 per cent more than March 2016. The average price of a detached home in the City of Toronto was \$1,561,780, an increase of 32.8 per cent, while the

average detached home in the 905 regions was \$1,124,088, up 34.3 per cent. The average semi-detached home in the GTA sold for \$858,202, an increase of 34.4 per cent. Townhouses averaged \$705,078, up 32.9 per cent. Condo apartments sold for an average of \$518,879, which was 33.1 per cent more than in March 2016. A sliver of good news is that the number of new listings rose by 15.2 per cent in March, but the total number of active listings is still 35.2 per cent less than at this time last year.

"Annual rates of price growth continued to accelerate in March as growth in sales outstripped growth in listings," says TREB director of market analysis Jason Mercer. "A substantial period of months in which listings growth is greater than sales growth will be required to bring the GTA housing market back into balance. As policy makers seek to achieve this balance, it is important that an evidence-based approach is followed." *REU*

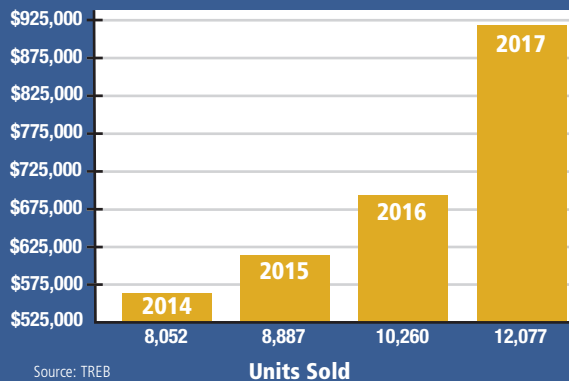
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Average Home Prices - March
in the Greater Toronto Area



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Monthly sales

and average price
by area

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

May 2016

Central.....	2,283	904,532
East.....	2,649	588,067
North.....	2,902	909,542
West.....	5,036	678,063

April 2016

Central.....	2,129	873,681
East.....	2,413	585,908
North.....	2,840	896,544
West.....	4,703	661,653

Source: TREB

Home renovations

The underground economy Pitfalls of not paying taxes

Everyone's least-favourite government department, the Canada Revenue Agency, is cracking down on construction contractors who don't pay their taxes - part of the so-called underground economy. While it is tempting to pay for renovation work in cash or "under the table" to avoid paying taxes, you should know the pitfalls of doing so.

For your protection, every home renovation job should include a written contract so you can ensure the job is done

correctly. The contract should include the contractor's full contact information, proof of Workers' Compensation and business liability insurance, and confirmation that they have the necessary permits and licenses to do the job.

Failure to follow these procedures could mean you will be liable should a worker get injured on your property. Without the proper permits, building inspectors may order alterations or even demolition of the project. If the contractor fails to pay a tradesperson who worked on your reno that person could place a lien on your home.

You should also insist on a written warranty that details what work is covered and for how long.

The Canadian Home Builders' Association says that contractors who don't follow the rules make it hard for honest contractors who strive to do quality work since those who don't pay their taxes have an unfair business advantage.

The CRA claims the underground economy places an unfair burden on law-abiding taxpayers. Unpaid taxes mean less money for programs such as health care, employment insurance and pensions. *REU*



Home insurance

What's your stuff worth? Take a home inventory

It may be time to review your home insurance policy if you haven't looked at it lately. The Insurance Bureau of Canada (IBC) suggests that during spring-cleaning or before a move are ideal times to make sure your home has enough insurance coverage. You should have enough insurance to cover rebuilding costs for your home if it is destroyed. Remember that this amount isn't the same as your home's market value or its tax assessment value.

But what about your home's contents? You probably have a lot of electronic items and valuable furniture, but what about antiques, jewellery, original artwork, clothing, coin, stamp or baseball card collections among other things? You may have many items that can't be replaced easily. Some more treasured or valuable items may need optional additional insurance coverage.

The first step in insuring your belongings is to complete an inventory of your home's contents and take photos or video of all your belongings. The IBC recommends keeping bills, receipts, warranties and instruction manuals of your most valuable possessions, which can serve as proof of ownership. Write down the model and serial numbers of electronic items. You can find a free downloadable inventory checklist at <http://assets.ibc.ca/Documents/Brochures/Personal-Property-Inventory.pdf>.

IBC advises that this list, along with records of credit cards, taxes, government and other household documents, should ideally be stored in an off-site location. It's also important to keep your home inventory up to date. If you buy something new, get into the habit of adding it to the inventory list. *REU*

luminatofestival.com

Toronto festival of arts and creativity. Toronto's stages, streets and public spaces are illuminated with free and ticketed events.

Jun 14 - 25

lonelyplanet.com

Love travel? Plan your perfect trip with expert advice, travel tips, and destination information.

landscapeontario.com

Everything you need to know about gardening - plant care tips, articles, plant encyclopaedia, ask an expert etc.

kidshealth.org

Everything you need to know about children's health including articles, animations and more, for parents, teens, and children.

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

Condo update

Condo prices rise 33 per cent **Will more families choose condos?**

Condo apartment prices in the GTA are 33.1 per cent higher than at this time last year, according to the March statistics released by the Toronto Real Estate Board (TREB).

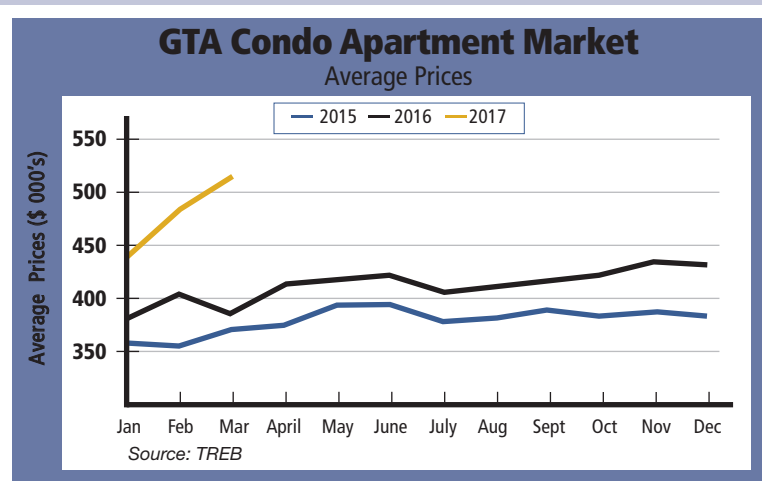
In the City of Toronto, the average condo apartment sold for \$550,299, up 32 per cent from March 2016. In the 905 regions, the average apartment went for \$440,950, up 33.2 per cent. In the GTA overall, units spent an average of just 12 days on the market before they sold for 108 per cent of the asking price.

Condo apartments are selling quickly everywhere. In TREB's Toronto East areas, units spent only 10 days on the market and sold for 110 per cent of the listed price. Toronto Central condos averaged 11 days on the market and sold for 108 per cent of the asking price, while Toronto West apartments spent 15 days on the market before selling for 106 per cent of the listed price. Outside the city, the average Mississauga condo apartment sold in 11 days for 108 per cent of the listed price. In Markham, the average was 11 days and 109 per cent of the listed price.

A recent report by Ben Myers of Fortress Real Developments notes the median size of downtown condo apartments is now 650 square feet, while the median size

of suburban condo apartments is 800 square feet. A survey of real estate professionals and the public asked if more families are likely to move into downtown condominiums, given the increasing prices of detached and semi-detached homes in recent years. Forty-seven per cent of respondents believe this trend will ramp up within the next 5 to 10 years, while almost 12 per cent said it's already happening.

Some people have suggested that developers should be forced to include larger units aimed at families in



every project, but Myers believes that idea will just increase the cost of all other units. He thinks move-down buyers and investors planning to rent out the bedrooms would likely snap up those units, rather than families. *REU*

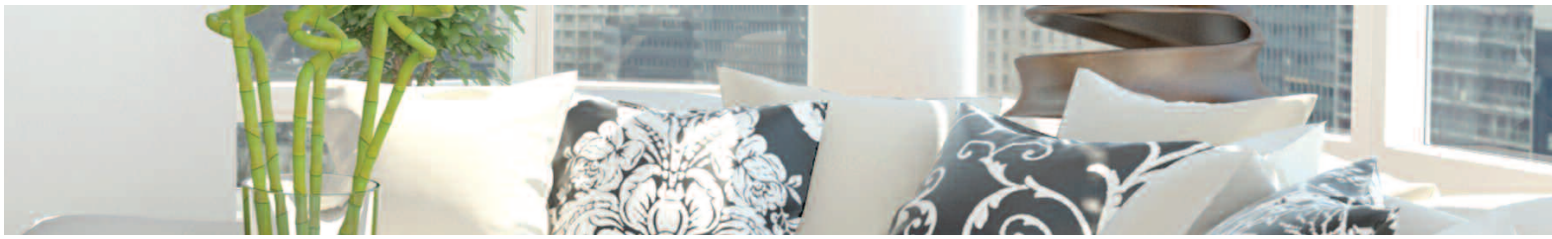


Mortgages

At April 10, 2017

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

6-month	3.14%
1-year	2.49%
2-year	2.14%
3-year	2.34%
4-year	2.59%
5-year	2.49%
Prime rate	2.70%



Know your roof Understanding what's up top

While most homeowners don't think much about roofs until they leak, roofs are a significant part of your home, both functionally and aesthetically. The two main components of roofs are the structure below the covering (typically made up of plank or plywood) and weather-resistant roof covering on top (typically asphalt shingles). These two components have different life spans. The structure should last the life of the home while the covering will wear out and need replacement. On average, a conventional asphalt roof might last for 15 years.

Roof coverings

Let's focus on the roof coverings because they are more interesting and, more often, require your attention. First of all, you need to know that flat and sloped roofs work differently. A flat roof is a watertight skin. It is a continuous membrane, often protected from sunlight and mechanical damage with a granular topcoat. Today, the most common flat roofing material is modified bitumen.

Sloped roofs are not watertight. They shed water; relying on gravity and the fact that water runs downhill. You can

think of them as a series of overlapping umbrellas.

Roof shapes

The roof's shape helps define the home's style. The flat roof is generally not visible, and while it defines the shape of the home's top, it does not create any architectural impact on its own.

Sloped roof structures are most commonly gable roofs. Steeper roofs are more visible and have a bigger impact on the home's overall look. Different rooflines often intersect.

Sloped roofing coverings vary in material, colour, size and texture. Asphalt shingles are the most popular with heavier thicker shingles typically lasting longer. Some asphalt shingles can mimic the look of wood or slate roofs. Other sloped roof coverings include slate and clay tiles, which are more common on older homes and high-end modern homes. These materials can have a very long life expectancy. Wood shingle roofs have a strong visual appeal. Metal roofs have become popular in both sheet and shingle form and tend to be long-lasting roofs.

Taking care of your roof

An annual roof tune-up by a roofer who can inspect the roof safely, and catch and correct small problems before they become big ones is recommended. Avoiding even one significant leak and the resulting damage to the structure, finishes, and your home's contents may be the best home investment you make.

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GTA '17 totals

Sales activity of single-family homes

Most recent month, year to date

Active listings

March7,865
YTDN/A

New listings

March17,051
YTD34,168

Sales

March12,077
YTD25,239

Average price

March\$916,667
YTD\$873,631

Median price

March\$765,000
YTD\$720,000

Average days on market

March10
YTD12

Average percentage of list price

March111
YTD109

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
Mar '16	10,260	14,795
Mar '17	12,077	17,051
% Change	17.7%	15.2%