



Your Greater Toronto Real Estate Newsletter

Housing market red hot Propelled by low interest rates

March came in like a lion in the GTA real estate market except that it didn't go out like a lamb, as the proverb predicts. The lion stayed and it's still roaring. Sales in March 2021 hit 15,652, close to double that of March 2020. Throughout the region, the average selling price was \$1,097,565, which was a 21.6 per cent increase over the previous March. "Confidence in economic recovery coupled with low borrowing costs supported a record pace of home sales last month," says Lisa Patel, president of the Toronto Regional Real Estate Board (TRREB).

In the 416 area, sales of detached homes jumped by 75.1 per cent in comparison to March 2020, with the average price hitting \$1,750,518, up 19.2 per cent. Semi-detached home sales skyrocketed by 106.6 per cent, pushing the average price to \$1,288,005, a hike of 11.5 per cent from March 2020. Sales of townhouses also shot up by 90.7 per cent, and the average price rose by 15 per cent, reaching \$960,894. While the average price of a condo in Toronto decreased minimally, down 0.7 per cent to \$707,835, sales soared, surpassing March 2020 by 87.9 per cent.

Following the recent trend, low-rise home sales in regions surrounding the City of Toronto drove price growth. Sales of detached homes exceeded March 2020 sales by eye-popping 111.6 per cent, with the average price climbing to \$1,320,570, a hike of 31.4 per cent from March 2020. Sales of semis, townhouses and condos almost doubled 2020 levels, rising by 95 per cent, 90.5 per cent and 99.2 per cent respectively. The average price growth for semis

and townhouses was in the 20 per cent range, with values registering at \$932,215 and \$846,401 respectively. In contrast to the 416 area, the average condo price in the 905 areas rose by 13.5 per cent versus March 2020, reaching \$607,220.

It has been a year since COVID-19 hit, prompting a dramatic real estate rebound after a brief dip. Consumer demand has been seen across multiple generations of homeowners and buyers. Many are flush with unspent cash and motivated by low interest rates and the desire for bigger spaces.

A recent poll by Nano Research indicated that 63 per cent of respondents believe the value of real estate in their neighbourhood will continue to rise. However, the Canada Housing and Mortgage Corporation has been concerned about the market overheating and the rise of speculation. [REU](#)



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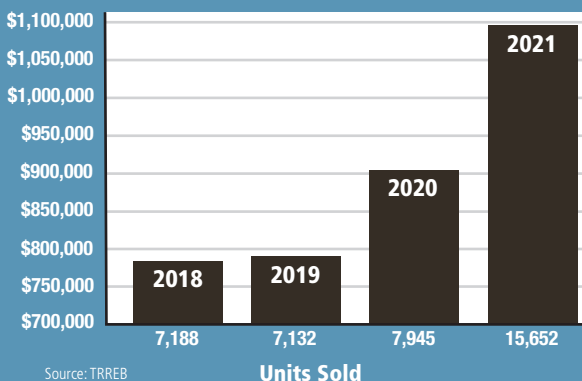
GTA BY THE NUMBERS

DETACHED
↑ 26.6%
Avg. Price Yr/Yr

SEMIS
↑ 17.5%
Avg. Price Yr/Yr

CONDO APTS
↑ 2.6%
Avg. Price Yr/Yr

Average Home Prices - March
in the Greater Toronto Area



Source: TRREB

Monthly stats

March average price by area

416

DETACHED

↑19.2%

YEAR
YEAR

\$1,750,518
Average Price

CONDO APT

↓0.7%

YEAR
YEAR

\$707,835
Average Price

905

DETACHED

↑31.4%

YEAR
YEAR

\$1,320,570
Average Price

CONDO APT

↑13.5%

YEAR
YEAR

\$607,220
Average Price

source: TRREB

Schools and property values

Changing demographics **Can impact school ranking**

Buying a home in an area with a good school is often a priority for homebuyers with kids or those planning to have a family.

A survey conducted by the market research firm Leger found that 84 per cent of Canadian parents check out neighbourhood schools when they're searching for a home. Another survey of potential homebuyers found that one in five would give up an extra bedroom or a garage if it meant

moving into the "right" school district. So, not surprisingly, how a school performs and ranks has an impact on home values in school catchment areas.

But with home prices already steep and climbing, it might be a good idea to consider other aspects of a neighbourhood. For instance, is the area up and coming and gentrifying with lots of young parents and kids? Schools in these areas might not necessarily have the top ranking, but typically it only takes a few years for changing demographics to have an impact on schools.

Educators have seen an improvement in school ratings when young professionals start arriving. Generation Y and the older cohort of Generation Z have the reputation of paying extremely close attention to children's experiences and problems, particularly at educational institutions. Parents can have a huge impact on a school ranking, highly educated moms and dads tend to be quite involved in their children's schools, which often translates into better test scores and helps the school climb the ranking ladder. This means a greater demand for homes in the school's catchment which in turn drives up property values. [REU](#)



Money matters

Financing your renovation **Some options to consider**

The pandemic-related "stay at home" mandate has turned many homeowners into renovators. Whether you plan to upgrade your home's energy efficiency, replace worn-out components, add living space or just give your home a facelift, there are plenty of financing options available for your improvement plans.

If your project is under \$5,000 it's likely you'll pay either with cash or if you can pay off the full balance immediately, with a credit card. If you need a loan, a personal line of credit has lower interest rates than credit cards. This is a good option for renovations because you only access the funds when needed as the work progresses. You only pay interest on the money used, and each time you make another payment you can do so without having to re-apply for a loan.

A home equity line of credit can be considered for bigger home improvement projects. This allows you to borrow up to 80 per cent of your home's value. You'll need to pay set-up and appraisal fees, but you can pay off your balance at any time without penalty.

Another option is to finance your renovation using a mortgage, which offers lower interest rates than other types of loans and spreads the payments over a longer period. If you are buying a house that needs renovations, you may be able to include the home's purchase price and the renovation costs in the same mortgage. For existing mortgages, you can refinance to borrow up to 80 per cent of the home's value. Check with a financial advisor to see what works best for you. [REU](#)



Condo market overview

The condo market see-saw **What's behind it?**

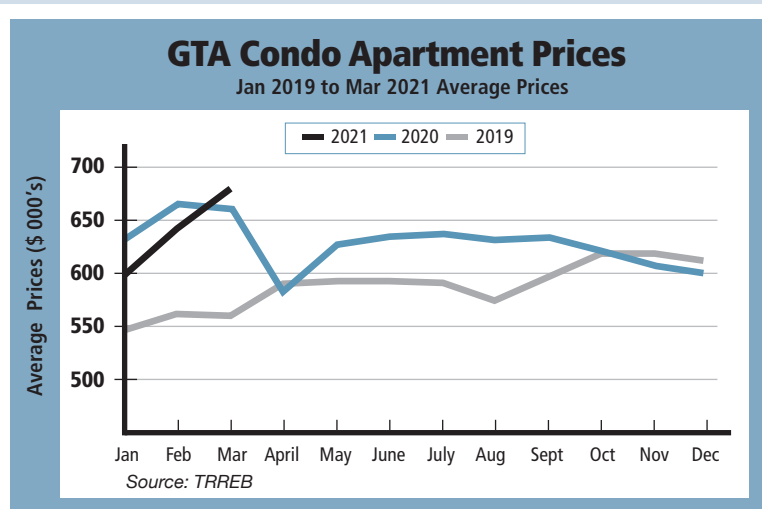
Condo sales in the GTA for March 2021 almost doubled in comparison to March 2020 (when the pandemic hit), skyrocketing by 91.3 per cent, with an 87.9 per cent jump in the City of Toronto and an eye-popping hike of 99.2 per cent in the 905 areas. The average price saw an encouraging increase with a 2.6 per cent growth in value over last year. Although the City saw a nominal decrease in price, down by 0.7 per cent to \$707,835, the 905 suburbs scored a double-digit price hike, up by 13.5 per cent to \$607,220. It should also be noted that the average condo prices in both the City and the suburbs went up by 4.5 and 7.7 per cent respectively month-over-month.

Before the pandemic, the condo market in the GTA was very competitive with Months of Inventory (MOI) at 1 month in the first quarter of 2020. The MOI statistic indicates the length of time it would take for every condo currently on the market to sell, and 1 month of inventory indicates a strong seller's market. MOI levels of 4 to 6 signals a balanced market, and MOI of 6 or more months marks a buyer's market.

As the COVID lockdowns started to take a toll, buyers shifted towards ground-level properties with more inside space and backyards. Travel restrictions meant Airbnb rentals

suffered and renters started to move in with family and friends during the lockdowns. This resulted in more rental units available and lower rents, and that in turn, prompted condo investors to sell. The flood of new listings pushed up the inventory of available condos (MOI) to 4 months in April 2020.

In December 2020, another shift in the market started and condo sales rocketed 75.4 per cent over the previous year. Consequently, condo sales in January, February and March have continued to trend upwards to 85.5, 64.3 and 91.3 per



cent year-over-year. This dramatic surge in demand has reduced condo inventory levels (MOI) to 0.73, which firmly puts the condo market back into seller's territory. Many experts believe the current turnaround in the condo market is driven by a renewed demand from condo investors. *REU*



On the internet

Interesting websites

skyskate.THEporchTO.com

One-of-a-kind experience in Toronto, skating on a synthetic ice rink on rooftop patio with unmatched views of the CN Tower. COVID safety measures in place, reservations required. May till June.

covid-19.ONTARIO.ca

Ontario government has launched a web portal to help with booking appointments for COVID vaccines by postal codes and eligibility.

insuranceHOTLINE.com

Get best rates on home, auto or life insurance from over 30 online companies.

mindBODYgreen.com

Lifestyle media dedicated to inspiring you to live your best life - mentally, physically, spiritually, emotionally, and environmentally.

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

Mortgages

At April 8, 2021

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

Prime	2.45%
Variable	1.29%
1-year	1.99%
2-year	1.74%
3-year	1.89%
4-year	1.84%
5-year	2.09%



GTA '21 totals

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

Active listings
March10,603
YTDN/A

New listings
March22,709
YTD47,291

Sales
March15,652
YTD33,503

Average price
March\$1,097,565
YTD\$1,053,585

Median price
March\$945,000
YTD\$910,000

Average property days on market
March13
YTD19

Average percentage of list price
March107
YTD106

Source: TRREB

Housing market indicators

Single-family dwellings		
Source: TRREB	Sales	New Listings
March '20	7,945	14,434
March '21	15,652	22,709
% Change	97.0%	57.3%

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.

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Hope you, your family and friends are safe and in good health. Vaccine-fuelled economic optimism and low interest rates

continues to push the housing market up. If you have any questions, please do not hesitate to get in touch.

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