

UPDATE

Your Greater Toronto Real Estate Newsletter

Record sales for spring market More listings increase choice

The March real estate market came in like a lion and roared all month, setting a new record for sales. Growing consumer confidence in the economy, combined with low mortgage interest rates, created a busy market that resulted in multiple offers on well-priced properties in some desirable neighbourhoods.

The good news for buyers is that the number of homes available for sale also increased by about one-third over last year. The Toronto Real Estate Board stated that seasonally adjusted figures indicate new listings have climbed back to levels not seen since the fall of 2008. A few months ago, the GTA had about half as many listings as in early 2009. More homes for sale should bring balance to the market. With more choice for buyers, prices should start to moderate and present fewer multiple offer situations.

Each month the media has been reporting double-digit price increases from the year before, but don't forget that this year's market is being compared to 2009, before the economic recovery took hold. Strong economic fundamentals lead most experts to believe that there is no "housing bubble" forming, but that price increases will gradually slow and come in line with broader economic indicators such as disposable income.

Several factors may slow the market down this summer. Interest rates are expected to start inching up. The Harmonized Sales Tax, which kicks in on July 1, doesn't apply to the cost of a resale home but it will be charged on closing and moving costs, legal fees and real estate commissions. Some analysts think that buyers are rushing forward in the first half of the year to avoid these extra costs.

In the GTA condominium market, another factor will be the large number of new downtown projects that will be completed later this year. When that happens, many investors will place their units on the resale market to cash in on their equity. This will be welcome news to some buyers who have been searching for a condo in a tight market.

Looking ahead, it appears that Ontario's economy will continue to grow, with particular improvement in the construction and automotive industries. Toronto's traditionally strong base in financial services remains healthy. The rising Canadian dollar is not good for exporters but provides more spending power for some goods and services. Unemployment rates are expected to decline.

If you are thinking of selling your house, now is the time to list while the market is hot. If you are buying, there are many more listings available. One could be your dream home. *REU*



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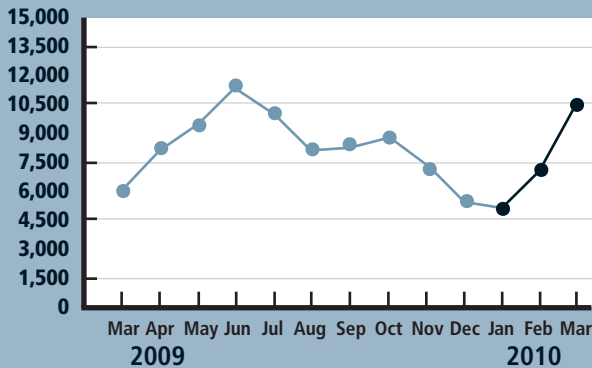
IN THIS ISSUE

2 Condo rental market
Large buildings most popular

2 Waste reduction tips
Keep it out of landfill

3 New mortgage rules
Qualifying slightly tougher

Single-family dwelling sales in the Greater Toronto Area



Source: TREB

Monthly sales

and average price
by area

March 2010

Central	1,859	\$566,447
East	2,293	346,989
North	2,224	484,956
West	4,054	396,317

February 2010

Central	1,395	566,589
East	1,623	326,461
North	1,520	464,191
West	2,753	406,946

January 2010

Central	882	517,846
East	1,123	313,741
North	1,001	455,973
West	1,979	390,990

December 2009

Central	1,096	551,052
East	1,223	308,892
North	1,112	458,252
West	2,110	374,979

November 2009

Central	1,466	532,019
East	1,623	328,153
North	1,455	449,947
West	2,902	395,614

October 2009

Central	1,642	556,402
East	1,898	329,720
North	1,756	460,138
West	3,180	390,775

September 2009

Central	1,501	519,583
East	1,857	323,805
North	1,730	442,187
West	3,108	382,425

August 2009

Central	1,394	472,648
East	1,818	303,896
North	1,756	439,160
West	3,067	369,882

July 2009

Central	1,784	499,201
East	2,201	311,238
North	2,221	436,628
West	3,761	371,108

June 2009

Central	2,049	518,423
East	2,360	317,748
North	2,449	434,392
West	4,097	378,215

May 2009

Central	1,797	510,325
East	2,158	314,238
North	2,144	416,372
West	3,490	374,101

April 2009

Central	1,496	493,103
East	1,820	306,890
North	1,713	405,462
West	3,078	368,945

Source: TREB

Condo update

Condo rental market Large buildings most popular

Canada Mortgage and Housing Corp. (CMHC) estimates that about 20 per cent of condominium apartments in the GTA are owned by investors and rented out. Last year nearly 7,000 condo apartments were added to the rental pool – an increase of 16 per cent. This year several more buildings will come online and will boost the number of rental condos to almost 60,000 units.

However, demand for rentals remains strong.



The overall average apartment vacancy rate which includes all types of rental units will be 3.3 per cent this year, predicts CMHC. But the vacancy rate for condo apartments is expected to remain at or below 1 per cent this year, which is similar to last year's

condo vacancy rate of 0.8 per cent.

In 2009, the average rent for a two-bedroom condo apartment was \$1,487, about \$400 more than the average rent for a similar unit in a purpose-built rental building. Condo buildings generally offer more amenities and better-quality finishes than rental buildings, so renters are willing to pay more for them. Average rents will likely rise by about 2 per cent this year.

CMHC says buildings that have 100 or more units are the most popular with renters. The largest buildings are generally located in the most densely populated areas of the city and also have the most amenities. They also tend to have a higher percentage of investor-owned units than average.

CMHC predicts that as the year progresses, there will be an increase in rental demand brought on by slower home sales activity. It foresees slightly higher vacancy rates as the increase in the supply of condo apartments will slightly outweigh the recovery in the job market and stronger migration to the GTA. **REU**

Reducing your impact

Waste reduction tips Keep it out of landfill

Last summer's Toronto garbage strike was a graphic and smelly reminder of how much garbage we produce every day. The Recycling Council of Ontario offer suggestions for how we can cut down the amount of trash we produce.

To start with, don't buy garbage in the first place. Avoid purchasing non-recyclable plastics, and get reusable, refillable containers. Buy in bulk instead of single servings. Don't buy anything you don't really need. With the five cent charge for plastic bags, most of us have learned to take our own shopping bags instead of acquiring new ones.

Most of the GTA's municipalities now have good green bin and recycling programs. But what about all the other junk you want to get rid of?

If you have an old computer or other electronic materials,

groups such as Computers for Schools (www.rcto.ca) and Reboot Canada (www.rebootcanada.ca) might be able to use them. Old toner and ink cartridges, cell phones and batteries can be dropped off at community centres and at major office supply stores in the GTA.

Goodwill, the Salvation Army and the Canadian Diabetes Association will take clothing, fabric and textiles. If you have furniture that you no longer need, you can donate it to the Furniture Bank (www.furniturebank.org) which will provide a tax receipt and gives the furniture to those in need.

Garage or lawn sales are a great way to get rid of anything else that you don't want.

To learn more about recycling and other resources, visit the Recycling Council of Ontario's website at www.rco.on.ca. **REU**

On the internet

Interesting websites

tojazz.com

Toronto Jazz festival has an excellent (and well-deserved) reputation for concerts, club performances and promotion of world-class jazz. (Jun 25 to Jul 4).

2doapp.com

This award-winning app for iPhone has everything you would expect from an organizer.

www.lsuc.on.ca/public

Need to talk to a lawyer? Click on Lawyer Referral Service and you can get a free 30-minute consultation with a lawyer.

chs.ca

The Canadian Hearing Society offers services that enhance the independence of deaf and hard of hearing people, and provides advice to help prevent hearing loss.

These sites are provided for your interest and entertainment only. The information is believed to be reliable, but their accuracy cannot be guaranteed.

Mortgages

2010 Rates

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

At April 5, 2010

Mortgage Rates

6-month	3.60%
1-year	2.90%
2-year	3.40%
3-year	3.70%
4-year	4.19%
5-year	4.39%
Prime rate	2.25%

Money matters

New mortgage rules Qualifying slightly tougher

New mortgage rules make it a little tougher for buyers to qualify for high-ratio mortgages. In announcing the change, federal Finance Minister Jim Flaherty said Canada's housing market is "healthy, stable and supported by our country's solid economic fundamentals. However, a key lesson of the global financial crisis is that early policy action can help prevent negative trends from developing."

If you are taking out a mortgage with a down payment less than 20 per cent of the purchase price of the home (a high-ratio loan), federal law requires lenders to obtain mortgage insurance on the loan. You must pay the premium for this insurance, which protects the lender if you default.

The new rules include three major changes for these government-backed insured mortgages.

First, all borrowers must meet the standards required to qualify for a five-year fixed-rate mortgage, even if they are taking out a mortgage with a lower interest rate and a shorter term. This rule will make sure buyers can continue to pay if interest rates rise. TD Bank Financial Group says that under the former rules, buyers were income-tested with a qualifying interest rate of the three-year posted rate. By testing against the five-year posted rate, it will ensure that individuals can absorb a hike of three percentage points.

For example, under the new rules a buyer purchasing a \$337,000 home with five per cent down would require an annual income of \$68,838 - up from \$59,626 - to qualify.

The second change restricts mortgage refinancing to 90 per cent from 95 per cent of the value of the home. This is a



move some analysts say will ensure that "homeowners don't use their homes as an ATM" and draw equity from their homes back to the five per cent they originally put down on their property.

Finally, the government will now require a minimum down payment of 20 per cent for those buying non owner-occupied properties. Borrowers who buy a building that they will live in but that also includes some rental suites (such as a duplex where they live in one unit and rent the other one) will still be able to buy with five per cent down. **REU**





Asphalt roofing Covering the facts

Water can stain, grow mould and otherwise ruin a perfectly good home. Like most things, the key to water management starts at the top - with the roof.

While there are many different ways to cover a roof, the most popular choice is the humble asphalt shingle. Made of layers of asphalt tar and fiberglass felts, the asphalt shingle comes in many shapes, sizes and colours. It is easy to install and relatively maintenance free over its life. Unfortunately the average shingle's life span is probably the single most misunderstood piece of roofing information by most homeowners.

Like most things, shingles can vary in quality; there are the premium ones and the economical ones. This, of course, satisfies various budget and aesthetic considerations of the average homeowner. There are also design considerations to take into account when choosing a shingle. You need to look at the roof's pitch, sunlight exposure, and the climate. For most houses with a standard pitch you generally find that a classic "25-year" shingle is used.

The use of "x years" is a naming convention that has been retained from bygone days when shingles were classified by the length of time they were expected to last. Whether the shingles really lasted that long or not is unknown but the naming designation stuck. Unfortunately a "25-year" shingle will typically last 12-15 years. You will find that darker colour shingles and those with a more southern or western exposure will often get fewer years and lighter ones will get more years.

Another common shingle is the architectural or "35-year" shingle. It was designed to somewhat resemble a wooden roof. Because these shingles are thicker, heavier and are made from more asphalt and fiberglass, it takes longer for them to fail and you can usually bet on 20-25 years before replacing them. As with the other shingles, life span depends on sun exposure, rain, roof slope, etc.

So what causes a shingle to fail? As mentioned above the southern and western exposures typically fail sooner than their northern and eastern counterparts because of the amount of UV light. The UV rays "boil" the asphalt causing it to dry out and become brittle. The shingles take on the characteristic curling or cupping that even many novices can recognize as signs of imminent roof failure. Once the shingles are brittle, they will start to break off during high winds leading to the steady decline of the roofing system.

We have explored the tip of the iceberg when it comes to roofing, but you can see that there are many factors to consider when assessing a roof system. Getting educated is the first step to having a dry home. *REU*

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GTA '10 totals

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

Active

March18,684
YTDN/A

Listed

MarchN/A
YTD41,446

Sales

March10,430
YTD22,418

Average price

March\$434,696
YTD\$427,948

Median price

March\$370,000
YTD\$365,000

Average days on market

March20
YTD22

Average percentage of list price

March100
YTD100

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
Mar '09	6,171	13,357
Mar '10	10,430	18,914
% Change	69%	42%

