

UPDATE

Your Greater Toronto Real Estate Newsletter



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TEL: (416) 928-6833
 FAX: (416) 928-2156
 vvessio@trebnet.com
 www.vitovessio.com

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1251 Yonge Street
 Toronto, Ontario M4T 1W6



VITO VESSIO
 sales representative / buyer specialist

The market is sizzling! Competing offers at all price points

Maybe it was our mild winter weather. Maybe buyers believe mortgage interest rates cannot go any lower. Maybe news reports about multiple offers on homes have convinced buyers they need to act now or be shut out. Whatever the reasons, the GTA's real estate market is sizzling, bucking the slowdown that the rest of the country is experiencing.

Sales across the GTA are up almost eight per cent compared to this time last year. Prices are up by over ten per cent. On average homes are selling within three weeks for 100 per cent of the asking price. Toronto Real Estate Board analyst Jason Mercer says this "suggests that sellers are very much in tune with the current market situation and know the fair market value of their home."

A recent report indicated that more than 50 per cent of homes in the \$600,000 to \$900,000 price range sell for more than list price in neighbourhoods such as the Cricket Club, Lytton Park, Cedarville, Leaside, Riverdale, the Beach, Leslieville, Bloor West Village and High Park. Even homes priced over \$1.5 million are seeing some multiple offers.

The average sale price for all properties in the GTA is just over \$500,000. In the city, the average detached home sells for more than \$840,000, while semi-detached homes sell for just over \$550,000. In the 905 areas, an average detached home sells for about \$560,000 and semi-detached houses are more than \$385,000.

The market continues to thrive despite doom-and-gloom stories in the news media. It is true that low interest rates will not last forever, and anyone buying a house must be prepared for the inevitable rise. Most analysts believe the rates will not start going up significantly until at least mid-2013.

Buyers should use caution if they are in a multiple offer situation. The Real Estate Council of Ontario (RECO) reminds buyers that the "competitive and emotional circumstances" of a bidding war "could cause you to spend more than you planned or remove home inspection clauses and other conditions that are designed to protect you."

Once an offer has been submitted, the seller's real estate representative must tell potential buyers how many other offers are on the table, but they must keep details of the offers confidential.

"Have an informed, in-depth conversation with your salesperson before you make your next move," says RECO. "Your real estate broker or salesperson has the training and experiences that can help you make the right choices."

Good listings are still in short supply, so if you are thinking of selling your home now is the ideal time to put it on the market. *REU*

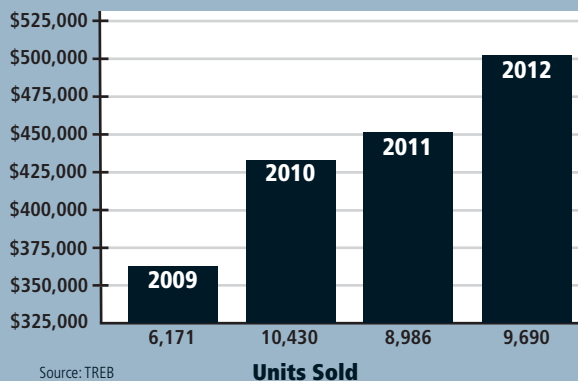
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Average Home Prices - March
 in the Greater Toronto Area



Source: TREB

Monthly sales

and average price
by area

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

January 2012

Central.....	770	616,598
East.....	1,084	357,623
North.....	893	542,066
West.....	1,820	423,326

December 2011

Central.....	871	566,589
East.....	1,079	355,886
North.....	928	515,168
West.....	1,840	421,068

November 2011

Central.....	1,443	632,881
East.....	1,599	368,836
North.....	1,430	532,956
West.....	2,620	435,879

October 2011

Central.....	1,479	629,335
East.....	1,664	369,286
North.....	1,570	529,833
West.....	2,929	435,918

September 2011

Central.....	1,437	581,840
East.....	1,780	366,655
North.....	1,624	531,718
West.....	2,817	430,079

August 2011

Central.....	1,395	534,171
East.....	1,633	352,186
North.....	1,653	522,629
West.....	2,861	427,211

July 2011

Central.....	1,439	555,051
East.....	1,791	359,803
North.....	1,707	524,803
West.....	2,985	434,909

June 2011

Central.....	1,925	600,479
East.....	2,214	373,309
North.....	2,247	520,788
West.....	3,844	447,614

May 2011

Central.....	1,836	650,687
East.....	2,182	365,942
North.....	2,288	529,906
West.....	3,740	447,047

April 2011

Central.....	1,687	633,667
East.....	1,973	370,053
North.....	2,039	517,333
West.....	3,342	437,547

Source: TREB

Condo update

Condo market healthy Suburbs see largest price hikes

Condominium sales in the GTA are strong and steady, but condos are not selling as briskly as detached homes.

Overall, sales and prices are up by four per cent compared to this time last year, with the biggest increases in the suburban 905 markets, where price increases average eight per cent. In the city, condo prices are up three

per cent compared to last year.

The price gap between new and resale condos continues to widen, making resales more attractive to end-users, and the tight rental market continues to attract investors. The most sought-after units are one-bedroom plus den units, which include parking. But there is still a shortage of good listings of all types of condos.

The average condo apartment in the GTA currently sells for over \$335,000. In the city, the average price is over \$360,000, while in the suburbs, the average is about \$275,000.

Condos offer the most affordable route to home ownership, as well as an attractive lifestyle choice for everyone from young first-time buyers to empty nesters. New immigrants as well as local and foreign investors continue to take advantage of low interest rates to buy into the market.

Condo prices have risen, on average, by seven per cent per year since 2004. Most analysts believe that prices will level off near their current level, and then appreciate by about three per cent per year. *REU*



Mortgages

Broker could save you money Helps find best deals

If you are looking for a new mortgage or it is almost time to renew a current one, chances are you will go to your bank to make the deal. But that might mean you are missing out on savings and mortgage flexibility.

Mortgage brokers say they provide a better option because they can shop around to find the best deal and terms to suit the buyer's specific situation. Like insurance brokers or real estate agents, mortgage brokers have contacts with many different lenders and know what is available in the marketplace. Banks, on the other hand, may have rules that do not offer the same rate discounting and mortgage term flexibility.

Some years ago the mortgage brokerage industry had a somewhat shady reputation, but today the best brokers are

members of the Canadian Association of Accredited Mortgage Professionals (CAAMP). Brokers with an Accredited Mortgage Professional (AMP) designation must pass special training and adhere to a code of ethics that did not exist in the industry 20 years ago.

While only 8 per cent of mortgages originated from mortgage brokers in the late 1990s, today brokers have 33 per cent market share for first mortgages and 20 per cent of the renewal and renegotiation market.

In addition to traditional lenders, mortgage brokers also have access to secondary lenders who loan money to people with a poor credit history or those who cannot provide standard income confirmation.

For more information, visit www.caamp.org. *REU*



Money matters

Stock market versus real estate **It's no contest**

During the last 50 years, residential real estate in Canada has increased in value by an average of six per cent per year. While savvy investors have made money in the financial markets, the volatile global economy of recent years has created heartache for many others.

Consider this: if you have \$40,000 to invest, you can purchase \$40,000 worth of equities. Or, you can use \$40,000 as a down payment to buy a property worth much more. You put up only a small percentage of the investment but earn on 100 per cent of the property's appreciation. When the value of the property grows, you get the benefit of the growth on the entire value, not just the down payment.

Property appreciation is like an RRSP; it is tax-free until you sell it. If it is your principal residence, it remains tax-free. You can also increase the value of your investment by renovating it, something that is not possible with other investments.

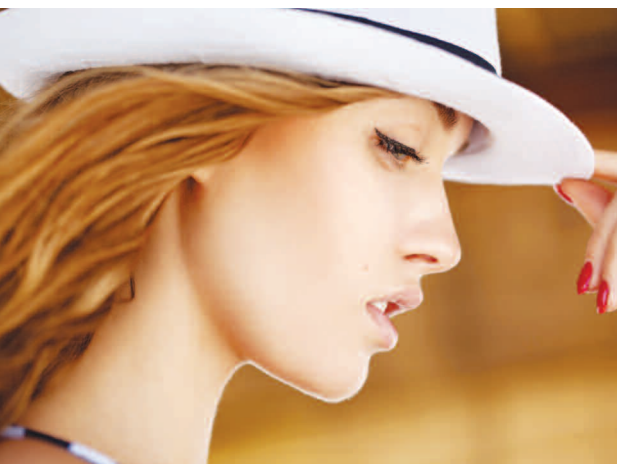
If you buy an investment property, your tenants pay towards the mortgage and you increase your equity in the property as it appreciates in value. There are also tax advantages as interest on the mortgage and building repairs are both tax deductibles.

For many people, the biggest advantage to a real estate investment is the peace of mind it offers. Yes, it is possible that real estate can lose its value, but over the long term, history has shown that the values always bounce back and appreciate. The stock market is far riskier and offers less control than a real estate investment.

Banks will not provide you with large loans to buy



stocks, bonds or mutual funds because of this risk, but they will lend you the money for real estate because they know it will be secured by real property and they will be able to recoup their loan. **REU**



On the internet

Interesting websites

torontojazz.com

One of North America's premier jazz festivals which has become a destination event, not just for music lovers but also for some of the greatest jazz celebrities in the world. June 22 - July 1.

landscapeontario.com

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

voyage.gc.ca

Information for Canadians travelling abroad – on safety issues including travel reports and warnings.

diabetes.ca

Supports people affected by diabetes by providing information, diabetes research, education, service, and advocacy.

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

Mortgages

2012 Rates

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

At April 4, 2012

Mortgage Rates

6-month4.45%
1-year3.09%
2-year3.15%
3-year3.19%
4-year3.25%
5-year3.49%
Prime rate3.00%



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, cracking and surface separation is less 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 rotting of the sheathing and other structural components.

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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“The highest compliment my clients can give me is the referral of their friends,

family and neighbours.
Thank you for your trust.”

— Vito Vessio

VITO VESSIO

sales representative
/buyer specialist

416-928-6833
vessio@trebnet.com
www.vitovessio.com

GTA '12 totals

Sales activity of single-family homes

Most recent month, year to date

Active listings

March16,920
YTDN/A

New listings

March16,309
YTD38,509

Sales

March9,690
YTD21,022

Average price

March\$504,117
YTD\$494,847

Median price

March\$420,793
YTD\$415,000

Average days on market

March21
YTD25

Average percentage of list price

March100
YTD100

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB

	Sales	New Listings
Mar '11	8,986	15,224
Mar '12	9,690	16,563
% Change	7.8%	7.1%