



# real estate UPDATE

Your Greater Toronto Real Estate Newsletter

## Market continues to adjust As borrowing costs climb

The Greater Toronto Area housing market continues its adjustment to higher borrowing costs in September. According to Toronto Regional Real Estate Board (TRREB), home sales were down by 44.1 percent year-over-year and new listings dropped 16.7 per cent. The average price dipped by 4.3 per cent to \$1,086,762, although it inched up slightly month-over-month.

The detached home market segment had the biggest decline in average price year-over-year. At \$1,585,589, a detached home price dipped by 11 per cent in the City of Toronto and by 9.5 per cent in the suburbs to \$1,310,639. The semi-detached category had the second biggest decline in average price, dropping by 7.3 per cent to \$1,210,715 in the City and by 4.2 percent in the suburbs to \$949,142. The condo townhouse average price in the City saw a modest price growth to \$943,922, up by 1.3 per cent compared to September 2021, whereas in the suburbs, the price declined by 1.4 per cent to \$890,608.

The condo apartment segment was the only housing segment that saw a price growth in both the City and the suburbs, rising to \$769,058 (up by 3.4 per cent) and \$655,117 (up by 3.3 per cent) respectively, year-over-year.

September had 11,237 new listings which was the lowest level of new listings reported for the month of September since 2002. TRREB notes that the downward trajectory of new listings is a concern for market activity going forward and played a role in keeping the market tight in some areas. "With new listings down quite

substantially year-over-year and well below historic norms, some homebuyers are quite possibly experiencing tighter market conditions in some GTA neighbourhoods," says TRREB chief market analyst Jason Mercer.

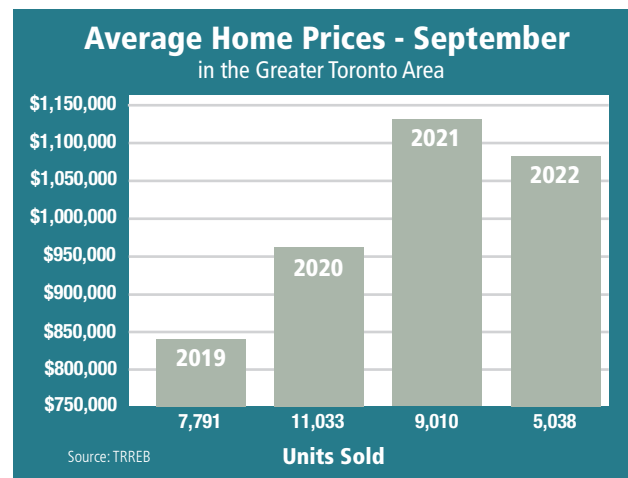
The results of the new Ipsos poll commissioned by TRREB show the majority of respondents agree that lack of housing supply is a major issue. TRREB contends that numerous current and potential municipal policies do, and will in the future, constrain listings and new home construction. TRREB is calling for the easing of the protracted development approval processes, lower development fees and changing policies that make it more challenging for homeowners to sell their homes, such as significant added upfront costs like the land transfer tax and the proposed mandatory home energy audits. [REU](#)

GTA BY THE NUMBERS

**DETACHED**  
↓ 10.2%  
Avg. Price Yr/Yr

**SEMIS**  
↓ 6.5%  
Avg. Price Yr/Yr

**CONDO APTS**  
↑ 3.2%  
Avg. Price Yr/Yr



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## Monthly stats

September average price by area

416

DETACHED

↓11.0%  
YEAR  
YEAR

\$1,585,589  
Average Price

CONDO APT

↑3.4%  
YEAR  
YEAR

\$769,058  
Average Price

905

DETACHED

↓9.5%  
YEAR  
YEAR

\$1,310,639  
Average Price

CONDO APT

↑3.3%  
YEAR  
YEAR

\$655,117  
Average Price

source: TRREB

## Connection and belonging

### Home ownership **Building healthy communities**

There are many benefits to home ownership. Studies show that owning a home rather than renting one has a direct correlation not only to financial well-being (the ability to bridge wealth gap) but also to community engagement, and higher achievement in children.

Trevor Maunder, a real estate expert and contributor to *Toronto Star* explains, "Owning a home is a powerful tool for savings and asset appreciation, something that government

policies, such as capital gains exemptions for a principal residence, actively reinforce." Studies also indicate that neighbourhood engagement, "specifically the standard of neighbourhood maintenance, increases with the number of owner-occupied dwellings." This engagement factor extends to homeowner involvement with local organizations, support for local businesses, and community causes. Maunder points out that there is a body of work, including research from Habitat for Humanity, linking the welfare of children growing up in the relatively stable environment of owner-occupied homes with regular school attendance, higher secondary school graduation rates, and higher cognitive test scores.

But, as home affordability and availability become more challenging, there are calls for new ways to ease the path to home ownership. The new Tax Free First Home Savings Account introduced in the last federal budget is a step forward, as is the co-ownership model - a shared living arrangement where two or more people own and live in a home together.

Putting families into their own homes extends to the broader community and its future resilience. [REU](#)



## Home safety

### Smoke alarms **Placement matters**

It goes without saying that every house must have smoke alarms - smoke alarms save lives. But, if not optimally positioned, smoke alarms can be rendered ineffective.

Tragically, a couple of years ago, a cottage fire killed a Toronto family despite the fact that the cottage had multiple wall-mounted smoke alarms. Investigators determined the fire appeared to have started in the living room and the placement of smoke alarms likely played a role in preventing the victims from escaping.

The Ontario Fire Code doesn't require homes to have a smoke alarm in every bedroom, but Scott Evenden, operations manager with the Office of the Fire Marshal says it's better to be safe than sorry. At minimum, a smoke alarm

should be installed outside each bedroom and sleeping area, and on each level of the home, including the basement.

For best performance, an alarm should be mounted on the ceiling in or near the centre of the room, hall or stairway, and at the head of each stairway leading to any living areas, such as dens, living and family rooms. Alarms should not be placed near doors and windows, and never in front of an air register, fans or vents, and at least 60 cm (2 feet) from any corner.

Evenden advises that the first question to ask when placing a smoke alarm is, "If there's a fire, where is that smoke going to go?" He stresses that homeowners should always consider the home's high points and rooms that may be blocked off from other parts of the house. [REU](#)



# Condo update

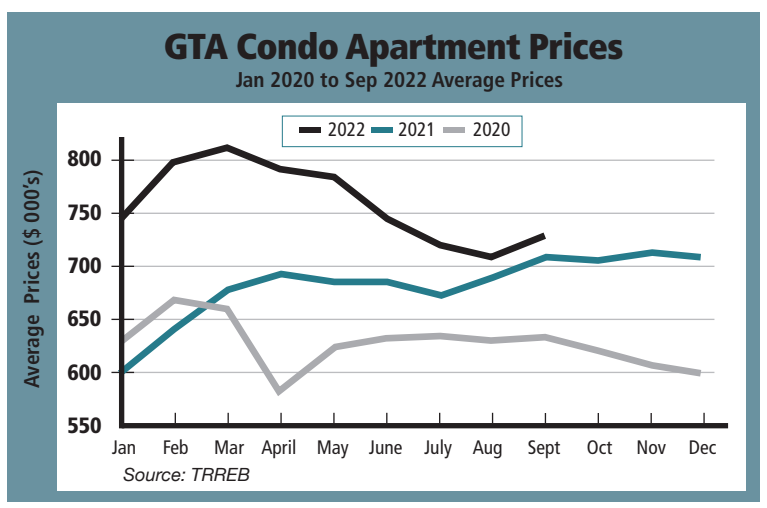
## Investors Why they are not selling

The GTA condominium market over the past few years has seen quite a ride. As the 2020 pandemic hit people started fleeing high density areas, which created a surge in condo listings resulting in prices and rents falling. "An increase in the share of investors selling was a large part of the story," comments industry data analyst, John Pasalis. "Investors are typically the first ones to exit when the housing market begins to cool because unlike owner-occupiers, they are less attached to their properties and approach selling as a business decision rather than a personal decision to uproot oneself and one's family," explains Pasalis.

The condo market lull did not last very long. The resurgence in the condo market was a key real estate story in 2021, as investors and first-time buyers re-entered the market in large numbers as the number of available units dropped in the face of strong demand. The resulting double-digit price growth carried forward into early 2022 until rising borrowing costs cooled the housing market. The average condo selling price in the GTA, in March rose 19.6 per cent year-over-year to \$808,566 but dropped to \$730,818 in September, as market conditions become more balanced.

So, with the market cooling again, why aren't investors

rushing to sell? "This time around, a very strong rental market with rapidly rising rents has helped keep investors optimistic about their investments. In 2020, when investors rushed to sell, prices and rents were trending down which made many investors very pessimistic. Today, only prices are trending down and condo prices are actually holding up better than low-rise prices," says Pasalis. "Condo rents, on the other hand, are up 20% in Toronto hitting a record average of \$2,806 in August according to research firm Urbanation, making in-



vestors optimistic about the future path of home prices and rents." After falling as much as 24 per cent for studio units, for example, during 2021's first quarter, studio and one-bedroom units recorded annual rental growth rates of 25 per cent and 19 per cent respectively in the second quarter of this year. *REU*



## On the internet

### Interesting websites

#### **[mirvish.com](http://mirvish.com)**

**Mean Girls** is a ferociously funny new musical from an award-winning creative team, including Tina Fey. Oct 25-Nov 27

#### **[furnitureBANK.org](http://furnitureBANK.org)**

Change someone's life today by donating furniture and household items for distribution to women and children, refugees etc.

#### **[tripIT.com](http://tripIT.com)**

Forward email booking confirmations to this nifty trip planning tool and it puts them into in one sleek, shareable itinerary - everything from flights to restaurants.

#### **[womensHEALTHmatters.ca](http://womensHEALTHmatters.ca)**

A trusted source of information, news and research findings on women's health from Women's College Hospital.

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

## Mortgages

**October 8, 2022**

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

<b>Prime</b> .....	<b>5.45%</b>
<b>Variable</b> .....	<b>4.94%</b>
<b>1-year</b> .....	<b>5.54%</b>
<b>2-year</b> .....	<b>5.54%</b>
<b>3-year</b> .....	<b>5.54%</b>
<b>4-year</b> .....	<b>5.44%</b>
<b>5-year</b> .....	<b>5.14%</b>



# Furnaces Heating your home this winter

**F**urnaces aren't known for being fickle, but there are certain protective measures homeowners should implement to ensure their homes are warm and comfortable this winter.

### Furnace Filters

Your furnace filter should be checked monthly to determine if it needs cleaning or changing. Typically located in the air return duct adjacent to the furnace, making sure your furnace filter is in good condition can help improve both comfort and heating costs. You will need to see if you should purchase a cleanable or disposable furnace filter – most homeowners choose to have a disposable filter, for convenience, but both are good choices.

### Furnace Humidifiers

While ideal humidity for homes can be as low as 5%, people feel the most comfortable in environments with 60% humidity. Unfortunately, houses can have a hard time coping with this in cold weather. Too little humidity makes people feel uncomfortable. Too much can cause condensation, mold, mildew, and rot in homes as the warm moist air hits cool surfaces. Contrary to popular belief, homeowners actually have to lower the humidistat setting as the weather outside gets colder. The colder it is outside, the easier it is for condensation to form on cool surfaces, like windows. Homeowners can re-

duce condensation and the risk of mold by lowering the interior humidity level. The recommended house humidity levels are:

Outside Temperature	Recommended House Humidity
-20°F (-28°C)	15%
-20 °F to -10°F (-28 to -23°C)	20%
-10 ° F to 0°F (-23°C to -18°C)	25%
0°F to +10°F (-18°C to -12°C)	35%
10+° F (above -12°C)	40%
Summer months	Off

Watching for condensation on your windows is another great way to gauge your house humidity level. Lower the humidity when you see condensation. In addition, room temperature and humidity monitors, available at hardware and building supply stores, can help you manage your humidity.

### Furnace Efficiency

High efficiency furnaces are complex, and as a result they're often more expensive than conventional furnaces. High efficiency furnaces on average cost about \$1,000 – \$1,500 more than a conventional furnace. If you spend \$1,000 per year heating your house with a conventional furnace, you can save close to \$350 with a high efficiency furnace. A high efficiency furnace may pay for itself in 3 years.

If you're considering a high efficiency furnace for your home, speak with a reliable heating or HVAC contractor to discuss the pros and cons of various models and any estimated increase in furnace maintenance costs.

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*– Vito*

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## GTA '22 totals

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

**Active listings**  
September .....13,534  
YTD .....N/A

**New listings**  
September .....11,237  
YTD .....129,502

**Sales**  
September .....5,038  
YTD .....62,638

**Average price**  
September ....\$1,086,762  
YTD .....\$1,212,963

**Median price**  
September .....\$945,000  
YTD .....\$1,050,000

**Average property days on market**  
September .....35  
YTD .....19

**Average percentage of list price**  
September .....98  
YTD .....107

Source: TRREB

## Housing market indicators

### Single-family dwellings

Source: TRREB

	Sales	New Listings
Sept '21	9,010	13,494
Sept '22	5,038	11,237
% Change	-44.1%	-16.7%