

UPDATE

Your Greater Toronto Real Estate Newsletter

Surprising strength in market Prices still rising

During the last decade, the real estate market in the Greater Toronto Area has constantly surprised analysts. This summer was no exception as the market roared back to life after taking a breather for about a year.

The resale market is brisk for all types of housing; perhaps in response to mortgage interest rate hikes. A shortage of good listings continues to drive up sales for detached and semi-detached homes. Condos have also seen price appreciation compared to this time last year.

"GTA households are approaching home ownership with a renewed sense of confidence," says Diane Usher, president of the Toronto Real Estate Board (TREB). "Prospective home buyers have taken a hard look at their household balance sheets over the past year and have found that, despite stricter lending guidelines, there are affordable property types from which to choose."

Prices for detached homes are up by almost eight per cent in the GTA, and by seven per cent in the 905 regions, according to the most recent sales figures from TREB. In the City of Toronto, the average price for a detached home now tops \$856,000. In the 905 regions, the average is just over \$608,000.

Buyers have been turning to more affordable semi-detached houses. The average Toronto semi now sells for more than \$616,000, while in the 905 regions it is priced at just under \$406,000.

Fear of interest rate increases and more government regulation in the mortgage market has helped fuel real estate sales, but most experts believe the Bank of Canada will move slowly with further increases because of global economic uncertainty

and concerns over Canadian household debt. Interest rates are still far below historic levels. TD Economics determined that housing affordability in Canada is at its most favourable level since the early 2000s.

"The anticipated three to four per cent growth in personal incomes over the next two years will likely help offset much of the impact of gradually rising rates, helping to keep household debt affordable to the average Canadian," according to TD Economics.

Meanwhile, all of the factors that have driven Toronto's real estate market during the last decade are still in play. More households are being formed as the baby boomers' children start their own families. More single people are purchasing property and living alone. Immigration continues to support the market and real estate investors from all over the world see great potential in Toronto housing. *REU*



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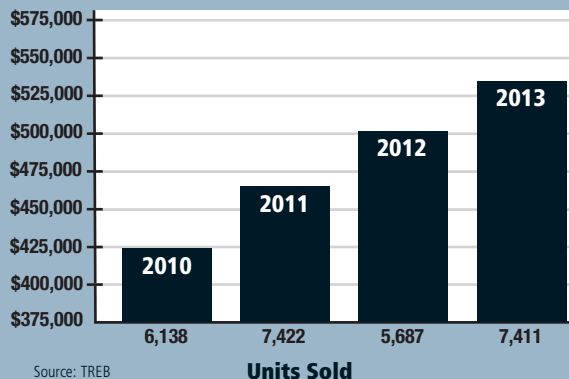
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Average Home Prices - September
in the Greater Toronto Area



Source: TREB

Monthly sales

and average price
by area

September 2013

Central.....	1,215	\$687,849
East.....	1,704	408,651
North.....	1,545	617,658
West.....	2,947	498,679

August 2013

Central.....	1,163	615,505
East.....	1,741	387,889
North.....	1,666	599,065
West.....	2,999	473,066

July 2013

Central.....	1,359	621,480
East.....	1,918	403,654
North.....	1,875	591,093
West.....	3,392	488,820

June 2013

Central.....	1,455	678,003
East.....	2,057	412,548
North.....	1,929	593,140
West.....	3,620	507,046

May 2013

Central.....	1,725	720,990
East.....	2,276	416,452
North.....	2,070	589,293
West.....	4,111	513,020

April 2013

Central.....	1,596	688,116
East.....	2,306	409,362
North.....	2,106	587,372
West.....	3,803	495,569

March 2013

Central.....	1,319	676,257
East.....	1,777	400,051
North.....	1,594	583,892
West.....	3,075	488,866

February 2013

Central.....	992	673,149
East.....	1,398	396,636
North.....	1,200	563,775
West.....	2,169	480,239

January 2013

Central.....	706	606,299
East.....	969	375,643
North.....	933	558,459
West.....	1,767	451,894

December 2012

Central.....	650	582,861
East.....	846	368,854
North.....	750	570,650
West.....	1,444	448,510

November 2012

Central.....	1,003	612,603
East.....	1,407	378,502
North.....	1,144	547,825
West.....	2,239	463,511

October 2012

Central.....	1,214	634,288
East.....	1,642	385,549
North.....	1,362	568,952
West.....	2,678	483,189

Source: TREB

Money sense

How to save on home insurance **Look for discounts**

After the record flooding in Toronto and southern Alberta this summer, it is no surprise that home insurance rates are climbing. Here are some ways to reduce your premium.

- Shop around. Many insurance companies offer online quotes, which makes it easier to compare prices.
- Increase your deductible, which is the amount of money



you pay towards any claim before the insurance company pays.

- Ask your insurance company about other discounts. You may be able to pay less if you are a senior, mortgage-free, or if you have not had an insurance claim for several years.
- Stop smoking. You may get a discount for that, too.
- If you have a sprinkler system or a monitored alarm system in your home, it may qualify you for a discount.
- Don't over-insure your home. You are buying insurance for the cost to replace your house and contents, but that's different than the real estate market value of your property.
- Consider buying all your insurance from the same company as you may get a discount.
- Don't let your current policy lapse and then try to purchase it again. You may find the premium is higher.
- Pay your home insurance all at once every year. The insurance company may charge an administrative fee if you pay monthly.
- Make a detailed inventory of what you own to make sure you are not over or under-insured. **REU**

Home safety

Going away for the holidays? **Keep your home safe**

The holidays are the busiest time of the year to visit family and friends, but unfortunately it's also a busy time for opportunistic burglars. If you are going away for the holidays, here are some common-sense ways to limit your chances of suffering a break-in, courtesy of the Insurance Bureau of Canada.

Go to the post office and get them to hold your mail while you are away. Don't forget to stop any newspapers too. It's a good idea to give a house key to a trusted neighbour and ask them to clear out any flyers or junk mail that is delivered. Your neighbour can also turn lights off and on, open and close curtains and generally make the house look lived in.

Timers are inexpensive and effective. It's best to find

timers that can handle multiple times. If you have the lights and a radio come on at different times of the day, it may be enough to make a potential burglar move on to the next house.

Don't leave ladders outside or a picnic table against a wall where it could be used to access a window. Cut back evergreen shrubs near windows or doors that could offer cover to a burglar.

Good locks on doors and windows will discourage burglars. If you have an interior garage door, it should be locked as securely as the exterior doors.

Consider installing an alarm system and good exterior lighting.

Have a great holiday! **REU**



Condo update

Condo prices edge higher steady growth predicted

The GTA condominium market is probably discussed more than any other real estate story. It's impossible to travel anywhere in the GTA and not notice all the new condos under construction, and wonder what impact that's having on the resale market.

The resale condo market is doing well, although sales earlier in 2013 were down from previous years. Currently, the average GTA condo apartment sells for just under \$340,000, which is up about two per cent from this time last year. In the City of Toronto, the average price is about \$355,000, while in the 905 regions the average price is just under \$300,000.

First-time buyers were hit the hardest by strict 2012 mortgage regulations, which dampened the market for the first half of this year. But demographics and economic trends favour condos - they are affordable and attractive for everyone from new arrivals to Canada to first-time buyers to seniors who are downsizing from detached homes.

There is more commercial development going on downtown than we've seen in years, which will provide jobs for people living in the dozens of downtown condos now in place or under construction.

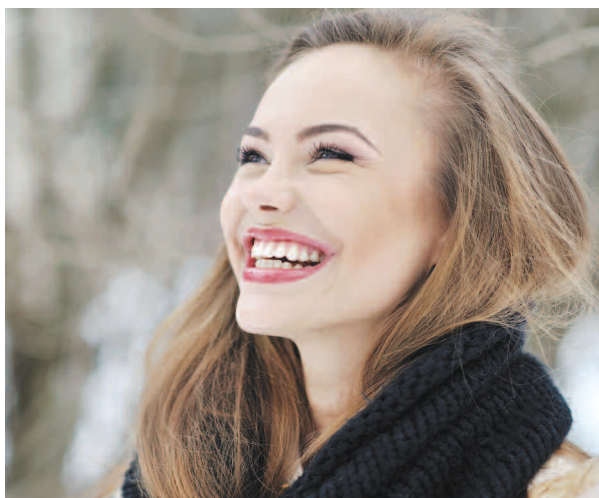
Investors are also an important part of the equation. The Toronto Real Estate Board reports that condo

apartment rental transactions are up by almost 23 per cent compared to last year, resulting in above-inflation rent increases for one- and two-bedroom units. The vacancy rate remains low, so investors are able to rent their properties. However, competition for those renters will increase during the next two years as a record number of new units are completed. Many of those units will find their way to the resale market.

Looking ahead, the Conference Board of Canada predicts that as Toronto's economy strengthens next year,



demand for resale condos will rise. It forecasts a 2.2 per cent increase in sales in 2014 and an average growth of 2.5 per cent from 2015 to 2017. The Conference Board says the market will be balanced, leading to modest price growth of 1.8 per cent annually.



On the internet

Interesting websites

mirvish.com

Aladdin – a timeless musical with extravagant sets, costumes and a host of memorable characters that will transport you to a place you only know in your dreams. (Nov 1 – Jan 5).

homeverified.ca

Don't just sell your home's curb appeal and layout... sell its history as well as your neighbourhood – this site provides home history reports to inform potential buyers of property insurance claims made, local school rankings, neighbourhood amenities etc.

lowestrates.ca

Find the lowest rates instantly by comparing offers from leading Canadian mortgage, insurance and credit card providers to find the right solution that meets your needs.

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

Mortgages

2013 Rates

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

October 6, 2013

6-month	4.00%
1-year	3.09%
2-year	3.14%
3-year	3.40%
4-year	3.50%
5-year	3.79%
Prime rate	3.00%



Household Glossary

Building technical terms explained

Air-conditioner condenser - The outside fan unit of the air conditioning system. The condenser discharges heat to the building exterior.

Ampacity - It refers to how much current a wire can safely carry. For example, a 12-gauge electrical copper wire can safely carry up to 20 amps.

Beam - A structural member transversely supporting a load. A structural member carrying building loads (weight) from one support to another. It's sometimes called a girder.

Condensation - The change of water from vapour to liquid when warm, moisture-laden air comes in contact with a cold surface.

Downspout - A pipe for draining water from roof gutters. It's also called a leader.

Eaves protection - An additional layer of roofing material applied at the eaves to help prevent damage from water backup, which is typically caused by ice damming.

Flashing - It has two meanings. It can be pieces fitted to the joint of any roof intersection, penetration or projection (chimneys, copings, dormers, valleys, vent pipes, etc.) to prevent water leakage. It's also the building component used to connect portions of a roof, deck, or siding material.

Foundation - The supporting portion of a structure below the first floor construction, or below grade, including the footings.

Gutter - The trough that channels water from the eaves to the downspouts.

Joist - One of a series of parallel beams, usually two inches in thickness, used to support floor and ceiling loads, and supported in turn by larger beams, girders, or bearing walls.

Masonry - This is stone, brick, concrete, hollow-tile, concrete block, or other similar building units or materials.

Modified bitumen roof - A roof covering that is typically composed of a factory-fabricated composite sheet consisting of a copolymer-modified bitumen.

Pilot light - A small, continuous flame (in a boiler or furnace) that ignites gas or oil burners when needed.

Plumbing stack - A plumbing vent pipe that penetrates the roof.

R-value - A measure of insulation's resistance to heat flow. The higher the R value the more effective the insulation.

Refrigerant - A substance that remains a gas at low temperatures and pressure and can be used to transfer heat.

Retaining wall - A structure that holds back a slope or elevation of land and prevents erosion.

Sump pump - A submersible pump in a sump pit that pumps any excess ground water to the storm sewer.

Vapour barrier - A building product installed on exterior walls and ceilings under the drywall and on the warm side of the insulation.

Weep holes - Small holes in exterior wall cladding systems that allow moisture to escape and air pressure equalization in the cavity space drained by the weep hole.

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GTA '13 totals

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

Active listings
September20,194
YTDN/A

New listings
September14,938
YTD130,092

Sales
September7,411
YTD68,907

Average price
September\$533,797
YTD\$520,118

Median price
September\$449,000
YTD\$439,900

Average days on market
September27
YTD26

Average percentage of list price
September98
YTD98

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
Sept '12	5,687	15,138
Sept '13	7,411	14,938
% Change	30.3%	-1.3%

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Thank you for your trust."

— Vito

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