



Your Greater Toronto Real Estate Newsletter

## Prices stable, sales down Balanced market for detached homes

**R**eal estate sales in the GTA were down 35 per cent in September compared to a year ago, but prices have stabilized in all but the condo market. The average price for detached homes throughout the GTA was unchanged from last September. Semi-detached home prices were 7.4 per cent higher than last year, with townhouses up 7.1 per cent. Condo apartments continue to get the most attention, with prices up 23.2 per cent from a year ago.

“The improvement in listings in September compared to a year earlier suggests that homeowners are anticipating an uptick in sales activity as we move through the fall,” notes Toronto Real Estate Board (TREB) president Tim Syrianos. “As we move through the fourth quarter, we could see some buyers moving off the sidelines, taking advantage of a better supplied marketplace.” A consumer survey commissioned by TREB in the spring showed that many people still intend to buy a home this year.

The average price for a detached home in the City of Toronto was \$1,355,234 in September, a 4.4 per cent increase from last year. The average in the 905 regions was \$912,921, down by 1.7 per cent. The average semi-detached home sold for \$935,467 in Toronto (up 5.2 per cent) and \$630,797 in the 905 regions (up 3.7 per cent). Townhouses went for an average of \$685,016 in the city (up 4.8 per cent) and \$586,731 in the 905 regions (up 8.6 per cent).

“With more balanced market conditions, the pace of year-over-year price growth was more moderate in September compared to a year ago,” says Jason Mercer, TREB’s director of market analysis. The market is still feeling the effects of the provincial government’s Fair Housing Plan that was introduced in April, as well as two recent mortgage rate increases. Many buyers and sellers decided to wait over the summer to see how the market would play out.

“We still maintain that supply-demand fundamentals in the GTA are terrific, and any correction now is more about cleaning up the recent price froth,” explains BMO senior economist Robert Kavcic. He points out that economic conditions in Toronto “quite simply remain about as supportive as they can get” for the market, with economic growth “running at least a full percentage point above potential, while jobless rates are falling steadily to a 15-year low in Ontario.” *REU*

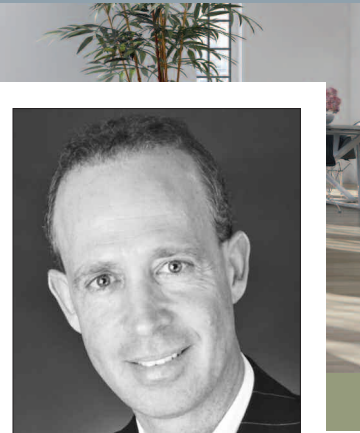
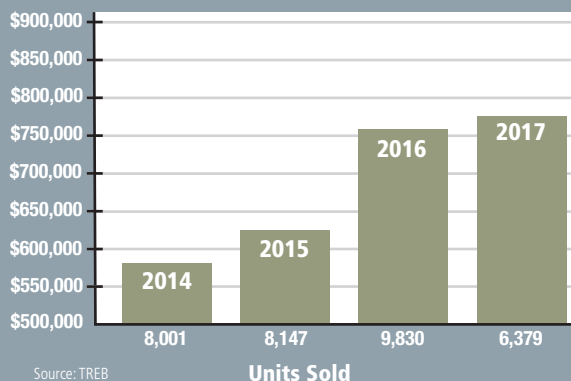
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in the Greater Toronto Area



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## Monthly sales

and average price  
by area

### September 2017

Central.....	1,250	\$906,357
East.....	1,479	643,346
North.....	1,108	935,945
West.....	2,542	718,223

### August 2017

Central.....	1,257	798,797
East.....	1,393	626,990
North.....	1,099	883,513
West.....	2,608	692,759

### July 2017

Central.....	1,144	820,906
East.....	1,334	621,778
North.....	937	897,574
West.....	2,506	721,771

### June 2017

Central.....	1,562	926,177
East.....	1,728	658,865
North.....	1,314	926,533
West.....	3,370	750,149

### May 2017

Central.....	1,958	1,022,740
East.....	2,210	701,423
North.....	1,747	1,024,017
West.....	4,281	809,811

### April 2017

Central.....	2,099	1,080,388
East.....	2,482	752,289
North.....	2,402	1,128,008
West.....	4,647	831,593

### March 2017

Central.....	2,166	1,003,774
East.....	2,330	743,897
North.....	2,803	1,121,479
West.....	4,778	841,025

### February 2017

Central.....	1,489	986,604
East.....	1,485	699,779
North.....	1,819	1,076,445
West.....	3,221	792,875

### January 2017

Central.....	963	811,972
East.....	1,065	623,967
North.....	1,114	983,357
West.....	2,046	711,980

### December 2016

Central.....	1,082	790,734
East.....	1,009	604,624
North.....	1,180	895,773
West.....	2,067	665,993

### November 2016

Central.....	1,740	901,035
East.....	1,744	621,062
North.....	1,869	935,767
West.....	3,194	700,825

### October 2016

Central.....	1,853	857,596
East.....	1,968	617,054
North.....	2,125	945,746
West.....	3,822	690,617

Source: TREB

## Real estate investments

### Tips for first-time investors **Research, research, research**

**W**hen purchasing an investment property, the three most important words are not location, location, location. They are research, research, research.

Of course, location is clearly important – a property is valuable for its convenience to potential tenants. It's good to consider locations near decent public transit, employment hubs, entertainment areas or, if aiming at the student market,



post-secondary institutions. But before you start touring potential investment properties, consider the following:

- How much can you afford to pay for your property? Visit a bank or mortgage brokerage and find out.
- What's your risk tolerance when it comes to investments? Are you going to lose sleep at night if you take a dip in the real estate market and have your name on the mortgage?
- What's your investment goal? How much money does the property need to earn monthly to cover your mortgage? Don't forget to set aside funds for insurance, property taxes, legal fees, property repairs and unexpected bills.
- Will you screen and rent to tenants yourself? Will you undertake repairs and maintenance on your own? If you plan to hire a property manager, research how much that will cost and what impact it will have on your bottom line.
- Are you prepared to invest over a long period? Toronto lawyer Mark Weisleder warns that if you buy and sell properties too quickly, Canada Revenue Agency may deem your profits as business income and there may be a hefty tax bill. If you sell after a longer period the sale will be classified as a capital gain, with less tax pain. *REU*

## Money matters

### Tax credits for seniors **Benefits of being 65+**

**A** homeowner who is 65 or over may be able to take advantage of some tax credits. The Ontario Senior Homeowners' Property Tax Grant offers up to \$500 for Ontario senior homeowners. For singles, with net adjusted family income over \$35,000, the grant given will be reduced by 3.33 per cent for income up to \$50,000. Seniors above that income level do not qualify for the grant. Married or common law couples may qualify for the full amount if their adjusted family net income is \$45,000 or less. The grant is reduced by 3.33 per cent of income over \$45,000. However, if your income as a couple is \$60,000 or more you do not qualify. For further information, call 1-877-627-6645.

Some municipalities, including Toronto, have property tax relief programs for low-income seniors. Contact your

municipality for more information.

The federal government offers the Home Accessibility Tax Credit (HATC), which allows eligible seniors and people with disabilities to receive a non-refundable tax credit, with a maximum credit of \$1,500, for up to \$10,000 of expenditures for qualifying renovations made to a principal residence (either house, condo or cottage).

Qualifying renovations include items such as wheelchair ramps, walk-in bathtubs and grab bars. Canada Revenue Agency states renovations must "allow the qualifying individual to gain access to, or to be mobile or functional within, the dwelling" or reduce the risk of harm to the individual. You can't claim the credit for regular maintenance, appliances, electronics or security systems. *REU*



# Condo update

## Condo prices up 23.2% Rental market strong

While sales are down from this time last year, condo apartment prices continue to rise. In September the average selling price for a GTA condo apartment was \$520,411, an increase of 23.2 per cent compared to September 2016.

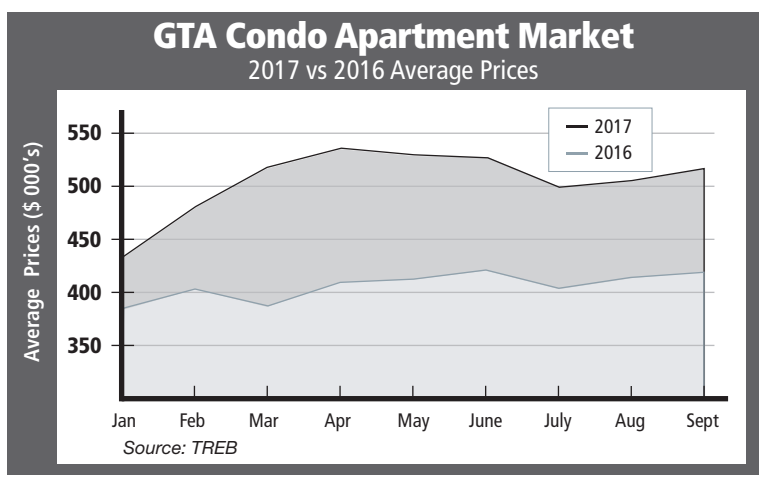
"Tighter market conditions for condominium apartments follows consumer polling results from the spring that pointed toward a shift to condos in terms of buyer intentions," explains Jason Mercer, director of market analysis for the Toronto Real Estate Board. The average condo apartment in the City of Toronto sold for \$554,069, while the average price in the 905 regions was \$428,360.

The condo rental market is also strong, with one report stating there were more than twice as many condo apartments leased in August than there were sales. Some would-be buyers have been pushed back into the rental market because of stricter mortgage qualification rules and two recent mortgage interest rate increases.

A report from the Federation of Rental-housing Providers of Ontario and Urbanation indicates that vacancy rates will continue to drop unless at least 6,250 new rental units are added to the market every year. This limited supply is putting upward pressure on rental rates. Another report found that the GTA's luxury condo market -

units that sold for more than \$1 million - grew by more than 85 per cent during the first six months of this year. Although the provincial government's 15-per-cent non-resident speculation tax had an impact on overseas buyers, the report discovered that the luxury condo market is still strong.

However, it may soon cost more to purchase a condo. Most analysts believe that interest rates will continue to edge up this year and through 2019. In addition, the Office of the Superintendent of Financial Institutions - a federal government agency that regulates banks, insurance



companies, trust and loan companies and pension plans - will soon introduce new rules that will make it more difficult for buyers to qualify for a mortgage. Many in the housing industry believe this is an unnecessary move because sales have already cooled. *REU*



## On the internet

### Interesting websites

#### houzz.com

Browse 15 million interior design photos, home decor, decorating ideas and local professionals online.

#### adblockplus.org

Blocks all the annoying ads on the site that you are visiting and makes your internet surfing enjoyable again.

#### getsmarteraboutmoney.com

From a non-profit Investor Education Fund, a division of the Ontario Securities Commission, aims to educate and offers easy-to-use unbiased financial information, programs and tools.

#### heartandstroke.ca

A great source of information about stroke, heart disease, surgeries and treatments.

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

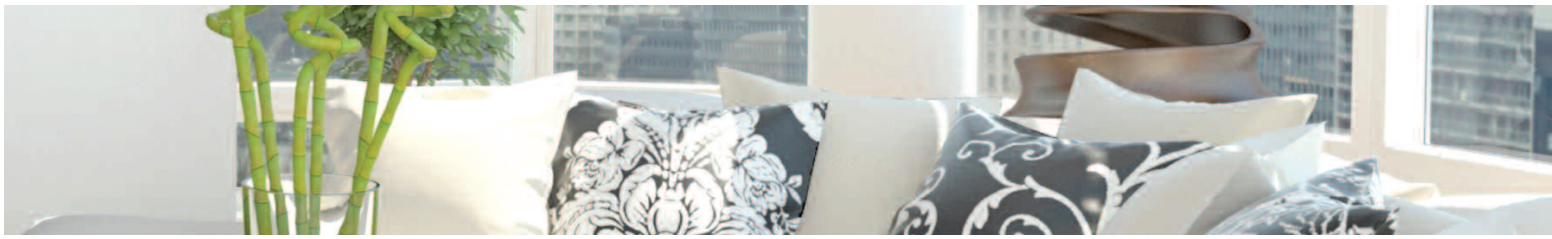
## Mortgages

October 5, 2017

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

<b>6-month</b> .....	<b>3.39%</b>
<b>1-year</b> .....	<b>2.69%</b>
<b>2-year</b> .....	<b>2.84%</b>
<b>3-year</b> .....	<b>2.74%</b>
<b>4-year</b> .....	<b>2.84%</b>
<b>5-year</b> .....	<b>2.94%</b>
<b>Prime rate</b> .....	<b>3.20%</b>





## Window Glazing What you need to know

**W**indows allow light and ventilation into the home, and can provide emergency exits. We will limit our discussion here to the glazing portion of the window system.

**Materials** - Window frames and sashes may be made of wood, vinyl, metal (steel or aluminum) or fiberglass.

**Glazing materials** - Conventional glass is the most commonly used material whilst acrylic is common for skylights.

**Glazing types** - Windows may be single, double or triple-glazed. Double and triple-glazed windows and skylights may have additional energy efficiency features, such as low-E glass and gas-filled spaces.

**Energy Efficiency** - Current standards for wall insulation often call for R-values of approximately 20. A double-glazed window has an R-value of roughly 3, and a triple-glazed window has an R-value of roughly 4.

**Low-E glass** - Low-E glass uses coatings that reduce the emissivity of windows. The emissivity of a material describes its ability to radiate heat.

**Reduced heat flow** - These low-E coatings reduce heat transfer through the window by reflecting heat. In colder climates

during the winter, the heat is moving out of the house; the low-E glass reflects some of the heat back into the home. In the summer, the heat typically moves through the window from the outdoors in; the low-E reflects much of this solar heat back outside, helping with the cooling.

**Blocks ultraviolet** - Low-E glass has slightly less light transmission than traditional glass, although it's not usually noticeable. Low-E glass also helps screen out ultraviolet light, resulting in less fading of draperies and furniture, for example.

**Gas-filled windows** - Conventional windows have air in the space between the glazing layers. Higher efficiency windows use heavy gases, such as argon, krypton, carbon dioxide or Freon®, for example, to improve performance. These gases have lower thermal conductance than air.

**Spacing between layers of glass** - If the air space between panes of glass is too small, there will be conductive heat loss through the window, and the advantage of double-glazing will be substantially reduced. If the air space is too large, convective loops will be set up and, again, the advantage of double-glazing will be lost. The optimum air space appears to be about five-eighths of an inch. Common gaps are roughly one-half inch, which is close to the optimum spacing.

**Excess condensation** - Excess condensation will usually only occur during cold weather. It is the result of high humidity levels in the house as well as a cold window surface. Eliminating moisture sources and using exhaust fans are obvious steps to control indoor moisture levels.

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## GTA '17 totals

### Sales activity of single-family homes

Most recent month, year to date

#### Active listings

September .....19,021  
YTD .....N/A

#### New listings

September .....16,469  
YTD .....143,083

#### Sales

September .6,379  
YTD .....73,152

#### Average price

September.....\$775,546  
YTD .....\$839,192

#### Median price

September.....\$640,000  
YTD .....\$690,000

#### Average days on market

September .....24  
YTD.....15

#### Average percentage of list price

September .....98  
YTD .....105

Source: TREB

## Housing market indicators

### Single-family dwellings

Source: TREB	Sales	New Listings
Sept '16	9,830	10,500
Sept '17	6,379	16,469
% Change	-35.1%	9.4%