



real estate UPDATE

Your Greater Toronto Real Estate Newsletter

Hot summer market continues Sales see double-digit growth

Recently the Bank of Montreal's well-known chief economist, Douglas Porter, got some laughs with his parody of the Rolling Stone's classic song, *Sympathy for the Devil*. Porter's version poked fun at the housing bears who have been warning for some time that a crash is imminent. "Please allow me to introduce myself/I'm a bear of stealth and haste/I've been around for long, long years/Stole many homebuyer's soul and faith," wrote Porter. "Got it wrong last year too/Though I'll keep saying the same/Ah, but truly scaring you/Is the nature of my game."

Porter admits that the housing boom in Toronto cannot go on at this pace forever, but in the near future he believes interest rates are unlikely to see a huge jump. Demand for housing in the GTA remains strong.

In July, home sales in the GTA were up by 10 per cent compared to the same time last year. In the 905 regions, sales were up by 11.1 per cent.

In the City of Toronto, the average detached home sold for \$880,433, up 11 per cent from a year ago. The average detached home in the 905 regions was \$638,864, up 7.3 per cent. Semi-detached homes also sold well, at an average price of \$635,311 in the city and \$452,536 in the 905 regions.

Townhouses in the GTA sold for an average of \$425,596, an increase of seven per cent compared to last July, while condo apartments averaged \$357,345, up 5.3 per cent.

"Annual average price growth remains in the high single-digits or low double-digits for many home types across the GTA," says the Toronto Real Estate Board's senior analyst, Jason Mercer. "It is possible that we could see more choice for buyers in the second half of 2014 in the form of increased new listings. A sustained increase in choice for buyers could serve to gradually ease the pace of price growth in some market segments."

While earlier generations were happy to cash in the built-up equity in their homes and move to smaller houses, condos or out of town, it appears the baby boom generation in Toronto is less inclined to move. They are staying in their large homes and often renovating them to suit their needs. The result has been fewer homes on the market.

Porter says that the boomers' children, who have lived at home longer than past generations, are now in their prime house-buying years and will continue to boost the real estate market. Generally the echo boomers are in better financial shape than their parents were at the same age and can afford a home despite the rising prices during the past decade. *REU*



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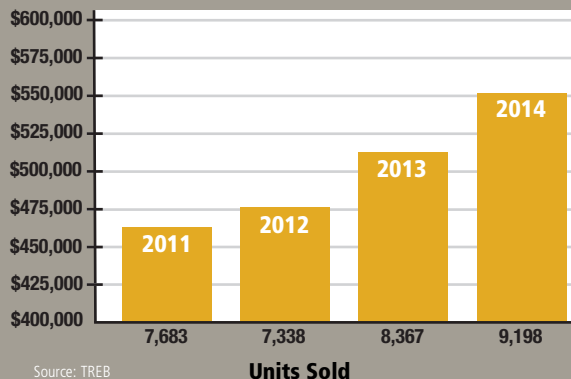
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Average Home Prices - July
in the Greater Toronto Area



Source: TREB

Monthly sales

and average price
by area

July 2014

Central.....	1,533	\$656,226
East.....	2,058	444,098
North.....	1,944	641,569
West.....	3,663	518,203

June 2014

Central.....	1,721	726,072
East.....	2,278	451,298
North.....	2,075	645,320
West.....	4,106	546,350

May 2014

Central.....	1,816	787,515
East.....	2,549	454,005
North.....	2,318	657,169
West.....	4,396	539,758

April 2014

Central.....	1,644	767,648
East.....	2,185	449,713
North.....	2,004	640,098
West.....	3,873	537,486

March 2014

Central.....	1,325	711,051
East.....	1,843	436,411
North.....	1,734	643,200
West.....	3,179	517,423

February 2014

Central.....	1,059	708,437
East.....	1,216	424,716
North.....	1,237	629,132
West.....	2,219	507,176

January 2014

Central.....	739	669,711
East.....	918	414,833
North.....	825	614,906
West.....	1,653	480,436

December 2013

Central.....	718	640,823
East.....	878	416,447
North.....	874	605,424
West.....	1,608	477,171

November 2013

Central.....	1,153	698,592
East.....	1,438	434,977
North.....	1,304	615,369
West.....	2,496	485,007

October 2013

Central.....	1,448	711,212
East.....	1,849	425,919
North.....	1,587	605,188
West.....	3,116	492,636

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

Source: TREB

Home safety

Toronto has fewest break-ins in Canada **Security tips**

Statistics Canada reported that break-ins in Toronto dropped by 20 per cent in 2013 compared to the year before to a rate of 227 per 100,000 population. That is the best rate in the country (tied with Barrie) and well below the national average of 445 per 100,000 population.

Although the rate of breaking and entering is dropping



every year, the police still get thousands of break-in calls. The police tell homeowners that the most effective way to prevent a break-in is to know what burglars look for and then make sure your house doesn't seem enticing to them.

Criminals look for landscaping and dark areas around doors and windows, so they won't be seen from the street when they break in. They look for signs that people are away, such as a mailbox full of flyers or a walkway that hasn't been shovelled in winter. Open garage doors, ladders or garbage bins that give access to the second-floor and open curtains that show the treasures inside are all temptations that a burglar may not be able to resist.

Police say more experienced criminals know which door styles and locks are easy to break. Homes with a good quality deadbolt and security strike plate on the door frame are a lot tougher to breach.

Good lighting, secure locks and neighbours who keep an eye on the community are the best defence against break-ins. *REU*

Condo update

Condo sales up by over 10% **Solid price growth**

GRETA condo sales in the second quarter of 2014 were 10.4 per cent higher than at the same time last year, reports the Toronto Real Estate Board (TREB). New listings are up too, but by just 4.4 per cent.

"We are increasingly seeing households choose condos as the place where they will raise a family," says TREB president Paul Etherington. "This diversity of buyers explains why sales more than kept up with increased listings in the second quarter."

TREB reports the average selling price was \$367,010 in the second quarter, an increase of 5.5 per cent compared to 2013. In the City of Toronto, where 71 per cent of the condo sales took place, the average price was \$392,739, an increase of 5.3 per cent.

"We should see enough demand to sustain price growth above the rate of inflation in the second half of the year," says TREB's senior analyst Jason Mercer.

In the downtown core, the most popular condo is a one-bedroom plus den, followed by one-bedroom and then two-bedroom units. The average size of new condos has been shrinking, which makes existing buildings more attractive for young families who are looking for more space. Existing buildings are also more affordable.

There is good news for investors. Condo rental market transactions were up compared to last year, and the vacancy rate is a low 1.7 per cent in Toronto, 1.5 per cent in Peel Region and 2.7 per cent in York Region. *REU*

On the internet

Interesting websites

scotiabanknuitblanche.ca

The annual all-night arts festival transforms Toronto into a de facto art gallery, providing space for art installations, performances (music, film, dance, performance art), themed social gatherings, and other activities. All free. October 4, sunset to sunrise.

opentable.com

This real-time site lets you make online reservations by location (local, country-wide and international), read reviews and earn points towards free meals.

CityMaps2Go

Need to find your way to a hotel but don't have a map? This free App (Android and iPhone) will download maps to your phone and can be accessed from anywhere even abroad – you don't need Wi-Fi or data service.

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

Mortgages

2014 Rates

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

At August 7, 2014

6-month	4.00%
1-year	3.00%
2-year	3.05%
3-year	3.10%
4-year	3.14%
5-year	3.19%
Prime rate	3.00%

Income properties

Avoiding bad tenants **Advice for landlords**

There is a lot of bad press portraying landlords as being greedy, miserly characters who oppress tenants.

However, recent media stories present the other side of the coin. There are some bad tenants who know how to use the legal system to avoid paying rent.

If you are one of the thousands of Torontonians who buy income properties and become landlords, make sure you do your homework or you could end up with a nightmare tenant.

Renting property in Toronto is highly regulated and most landlords will tell you that tenancy laws are tilted in favour of tenants. Read the Ontario Residential Tenancy Act so you know what you can and cannot do when renting property.

When advertising for tenants, mention in your ad that you'll complete background and credit checks.

You are allowed to ask prospective tenants for the following information: employment information and income, current address, how many people will live in the unit, names of people living in the unit, references from friends and relatives. You can ask if they smoke and if they have pets. However, in Ontario "no-pets" clauses are not allowed, so if a tenant gets a pet after they move in, you can't evict them unless it damages the unit, causes an allergic reaction or is considered dangerous.

According to Canada Mortgage and Housing Corp., there are some things you cannot ask prospective tenants. These include: race, ancestry, place of origin, or ethnic origin, citizenship, religion, sex, age, marital status, disabilities, or whether they receive public assistance.

Follow through and do a credit check with Equifax or TransUnion. Interview the applicant's references and, if possible, talk to their former landlords. You can also look the

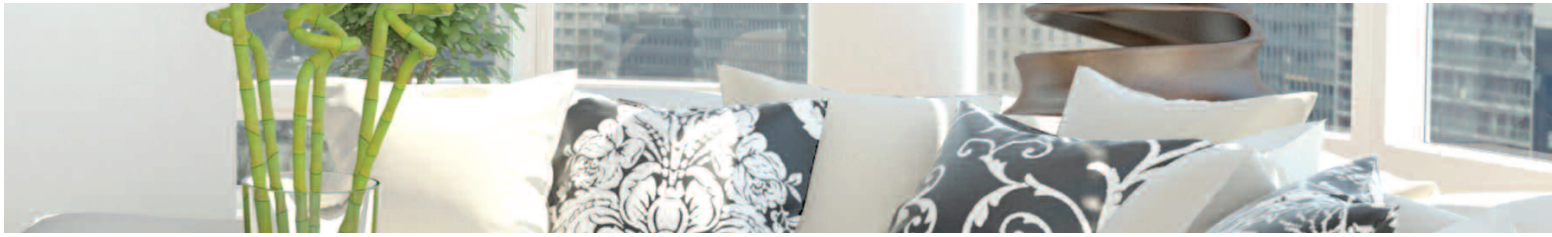


applicant up on Google.

Some landlords check out the applicant's car to see if it is clean and well-maintained. Some chat with the applicant's children to see if they are well behaved.

You can find more tips and advice on the Ontario Landlords Association's website at www.ontariolandlords.org REU





Energy efficiency

Tips to save money and reduce consumption

Although homeowners can't fight the increases in gas and electricity costs on a larger scale, they can change their behaviour at home to limit their monthly costs. Consider these energy-saving tips to control your gas and hydro bills.

Control your heating and cooling systems

Turn down your furnace in the winter and air conditioner in the summer when you go to bed and when you leave your home. Most people don't require the same temperature to sleep comfortably as they do when they're awake. Take advantage of your blanket and turn the heat down when you get under the covers.

Don't forget your filter

Change your furnace and air conditioner filters on a monthly basis. Furnace filters help to protect the system and the air you breathe by collecting dust, dander, spores, and pollen. When not dealt with regularly, this build-up makes the filter less effective, making it work harder and not achieve the same results – clean air!

Time matters

If you have a "smart meter," only use your major appliances

(dishwasher, washer, dryer, etc.) during off-peak times. A "smart meter" electronically tracks how much electricity a home uses and when it is used. Utility rates can vary throughout the day, depending on demand. So, it's important to be aware of peak and off-peak times to use your appliances. Mondays after work might be the most convenient time for you to do your laundry, but it's also one of the most expensive. Visit the Ontario Energy Board website to learn more about "smart meters" and how peak times are determined.

Pull the plug

Unplug your appliances at night and when not in use for an extended period of time to avoid phantom energy consumption. You might not know this but many of your appliances will continue to draw a small amount of power even when they are not turned on or in use. This is called "phantom power." Unplug appliances, like your TV, computer, or toaster (not your stove or fridge).

Stop losing heat and air

Improve the weatherstripping around your doors and windows, and, where possible, seal the cracks around your home. Homes aren't airtight since we need air to breathe; however, they are usually draftier than we need. Check

your home's exterior and seal any unnecessary openings with weather-resistant sealant. Make sure doors and windows are flush against their frames and sills, and use weatherstripping to fill any gaps. This will help to keep your home at the desired temperature without having your heating and cooling systems working harder than they have to.

We hope these ideas keep your home running more efficiently.

The above article is reprinted with the permission of Carson, Dunlop & Associates Ltd., Consulting Engineers – Expert Home Inspections.

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GTA '14 totals

Sales activity of single-family homes

Most recent month, year to date

Active listings

July19,549
YTDN/A

New listings

July15,187
YTD102,230

Sales

July9,198
YTD57,910

Average price

July\$550,700
YTD\$564,632

Median price

July\$473,950
YTD\$475,000

Average days on market

July24
YTD23

Average percentage of list price

July99
YTD99

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
July '13	8,367	10,040
July '14	9,198	15,187
% Change	9.9%	8.2%

