



Your Greater Toronto Real Estate Newsletter

## Market takes a breather Slower summer sales

**A**fter many years of frenetic activity, Toronto's real estate market took a breather. July sales in the GTA were down 40.4 per cent compared to last July, with detached sales dropping by 47.4 per cent.

The market is reacting to measures the federal and provincial governments put in place to cool sales, including a 15-per-cent non-resident speculation tax. But Toronto Real Estate Board (TREB) president Tim Syrianos says that's not the main reason for the dip in sales. "Clearly, the year-over-year decline we experienced in July had more to do with psychology, with would-be home buyers on the sidelines waiting to see how the market conditions evolve," Syrianos observes.

The B.C. foreign buyer tax, introduced a year ago, has not had an impact on affordability, as prices there continue to rise. As in Toronto, sales in B.C. dipped for a few months following the introduction of the tax. However, the market has since rebounded and the new provincial government is now reviewing the effectiveness of the tax.

TREB CEO John DiMichele says, "Summer market statistics are often not the best indicators of housing market conditions. We generally see an uptick in sales following Labour Day, as a greater cross-section of buyers and sellers start to consider listing and/or purchasing a home. As we move through the fall, we should start to get a better sense of the impact of the Fair Housing Plan and higher borrowing costs."

The number of new listings rose by just 5.1 per cent in July. Prices have been dropping since peaking in April, but are still an average of five per cent higher than this time last year. Condo apartment prices, which averaged \$501,750 in July, are up by 23.2 per cent.

Detached homes in the City of Toronto sold for an average of \$1,304,288 in July, 8.5 per cent higher than last July. In the 905 regions, detached homes averaged \$910,348, up 2.4 per cent. The average home spent 21 days on the market in July and sold for 98 per cent of its listed price.

With more listings and fewer buyers, the number of multiple offers has dropped, and sellers have had to adjust their expectations about their home's selling price. Despite the bump in listings, "housing supply remains an issue in the GTA," says Jason Mercer, TREB's director of market analysis. That's especially true for lower-priced properties. *REU*

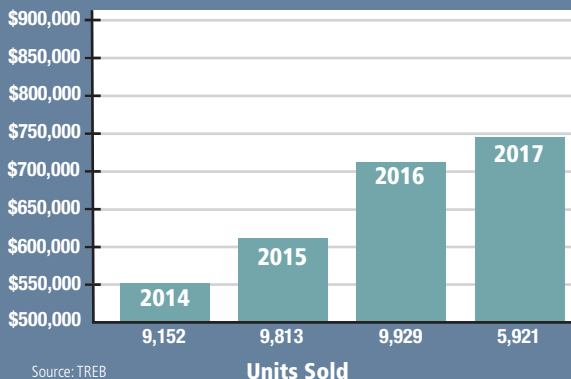
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**Average Home Prices - July**  
in the Greater Toronto Area



Source: TREB



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## Monthly sales

and average price  
by area

### 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

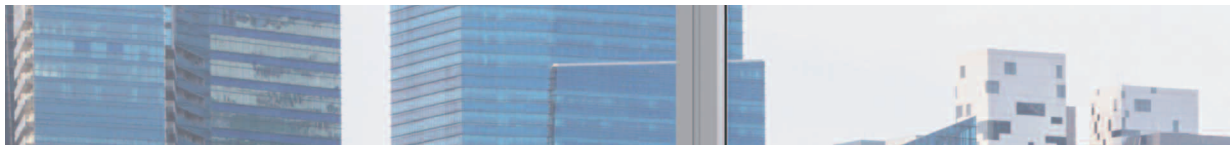
### September 2016

Central.....	1,747	868,380
East.....	2,036	606,364
North.....	2,255	921,600
West.....	3,864	686,765

### August 2016

Central.....	1,743	737,422
East.....	1,961	568,498
North.....	2,222	904,959
West.....	3,887	658,678

Source: TREB



## Condo update

### Unintended consequences Rent control plan criticized

The provincial government's proposed expansion of rent control will have unintended consequences that will harm renters rather than help them. The proposal extends rent control to all rental properties. Previously, units built after 1991, which includes the majority of condo rentals, were exempt.

"Economists overwhelmingly agree that rent control is bad public policy that ultimately hurts everyone, and

especially tenants, by making it uneconomic to maintain existing supply and to create new supply," concludes the Federation of Rental-housing Providers of Ontario (FRPO). It notes that 82 per cent of Ontario's renters are already covered by rent control because they live in older buildings. The federation points out that many planned rental units are now on hold because it may not be profitable for developers to build them - that will impact the vacancy rate, reducing supply, reducing choice for tenants, and as a result likely increasing rent

A *National Post* story explains that some developers are now talking about building smaller rental units and hoping for a high turnover rate in the apartments. Under the rent control rules, once a tenant moves out, the landlord can boost the rent above the annual provincial guideline, which is based on the inflation rate. However, if a tenant stays in a unit, annual rent increases must stay below the guideline.

"You don't want a family condo because they may be in it 10 to 15 years. If you're renting out, you might not want a tenant to be too comfortable," Brian Johnston, COO at Mattamy Homes, told the Post. [REU](#)



## Financial matters

### Pay your mortgage faster Save thousands of dollars

There's been a lot of talk about the recent mortgage interest rate hike, which may have you thinking about paying down your mortgage faster. However, if you have credit card debt or personal loans, it probably makes sense to concentrate on paying them off first since they have higher interest rates than your mortgage.

But if you have a mortgage that's amortized over 25 years, here are some examples of how much you can save by paying more.

**Increase your monthly payment:** If you find you can afford to put a little more toward your monthly payments, it can make a big difference. An example from the Financial Consumer Agency of Canada (FCAC) shows that with a \$200,000 mortgage amortized over 25 years with a fixed four per cent

rate you would pay \$1,052 monthly. However, by paying an extra \$100 per month, you would save almost \$16,000 and pay off the mortgage 3 ½ years earlier.

**Make a lump sum payment:** On a \$350,000 mortgage, making a lump sum payment of \$10,000 would allow you to pay off the mortgage a year earlier and reduce interest payments by more than \$16,000.

**Accelerate your payment:** CIBC explains that by making bi-weekly payments of \$415 instead of monthly payments of \$830, you would end up saving \$27,000 in interest and own your home almost 4 ½ years earlier.

Before you embark on this exercise, look at your mortgage contract or talk to your lender about these options. Some mortgages have prepayment penalties. [REU](#)





# Technology

## Self-driving cars Game changer for real estate landscape

Location has long since been an important factor in determining real estate prices. But, will this still be the case if perceived travel time is not only reduced but also made enormously more productive due to increased use of self-driving cars? Will many people opt for a larger and cheaper house outside the city in these cases, thus reducing price differences between urban and rural areas? Perhaps, its too early to tell - but there is a definite buzz about developing driving technology in both the auto and technology industry.

"Companies should start thinking about their autonomous [self-driving] driving strategy now," says Intel CEO, Brian Krzanich, who ranks the fast-developing technology on par with the rise of personal computing, the internet and smart phones for its potential impact on traditional business models.

Self-driving cars will likely change society more than any technology has over the past century. Roads will be safer by replacing error-prone human drivers, people will have more free time, cities will be reshaped and traffic may be eradicated. Imagine commuting to work in an HOV lane in a driverless car or small bus, which is platooned in a long string of similar vehicles that can travel at superfast speeds, just one-foot apart from each other.

According to some estimates, cars are parked on average 95% of the time. Autonomous cars would likely be on

the go more frequently, and require fewer parking spaces, allowing buildings and homes to devote more space to accommodating people and less to accommodating cars.

In-car fast casual dining could extend the reach of places like Starbucks beyond their brick and mortar locations. Mobile health care clinics and treatment pods, and even pod hotels, vehicles could become transportation experience pods.

Mercedes-Benz is already giving test rides in its



Mercedes-Benz app-powered luxury research vehicle.

app-powered luxury research vehicle. Google has logged about 1.3 million miles on its driverless cars. General Motors is now testing its self-driving Bolt in Arizona. Audi recently received a permit from California to test self-driving cars on public roads and BMW and Nissan have joined Mercedes-Benz in announcing plans to offer cars with self-driving capabilities by 2020. Apple CEO, Tim Cook recently briefed Bloomberg on its big push into self-driving technology. *REU*

## On the internet

### Interesting websites

#### [torontowaterfrontmarathon.com](http://torontowaterfrontmarathon.com)

Flat, fast and festive - sign up for this charity event to run or walk.

42K / 21K / 5K Oct 22

#### [eatthismuch.com](http://eatthismuch.com)

Automatically create custom meal plans for your diet goals. Perfect for weight loss, body-building, Vegan, and more!

#### [itpaystoknow.gc.ca](http://itpaystoknow.gc.ca)

The Financial Consumer Agency of Canada (FCAC) provides consumer protection measures, promotes financial education and raises consumers' awareness of your rights and responsibilities.

#### [asoftmurmur.com](http://asoftmurmur.com)

Find the perfect mix of background noise to help you relax, study, work or sleep. From waves, wind, fire, birds to coffee shop and many more.

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

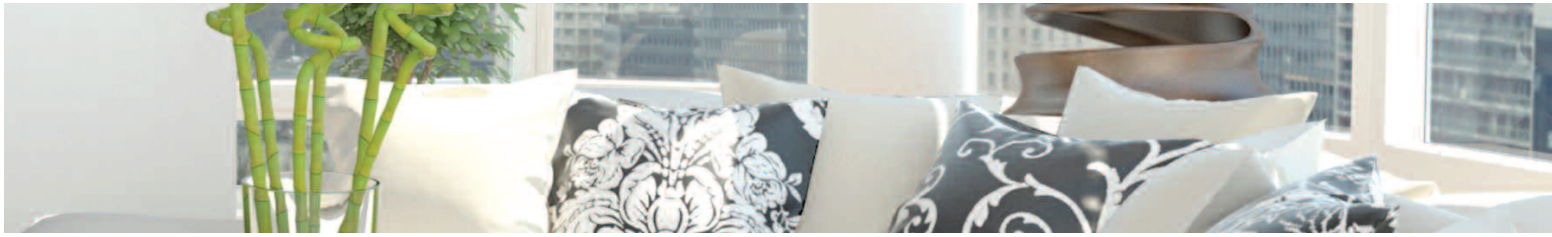
## Mortgages

August 8, 2017

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

6-month .....	3.39%
1-year .....	2.59%
2-year .....	2.39%
3-year .....	2.59%
4-year .....	2.69%
5-year .....	2.69%
Prime rate .....	2.95%





# 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 reduce 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 '17 totals

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

### Active listings

July .....18,751  
YTD .....N/A

### New listings

July .....14,171  
YTD .....115,190

### Sales

July .....5,921  
YTD .....60,620

### Average price

July .....\$746,218  
YTD .....\$857,823

### Median price

July .....\$626,000  
YTD .....\$705,000

### Average days on market

July .....21  
YTD .....13

### Average percentage of list price

July .....98  
YTD .....106

Source: TREB

## Housing market indicators

### Single-family dwellings

Source: TREB

	Sales	New Listings
July '16	9,929	13,482
July '17	5,921	14,171
% Change	-40.4%	5.1%