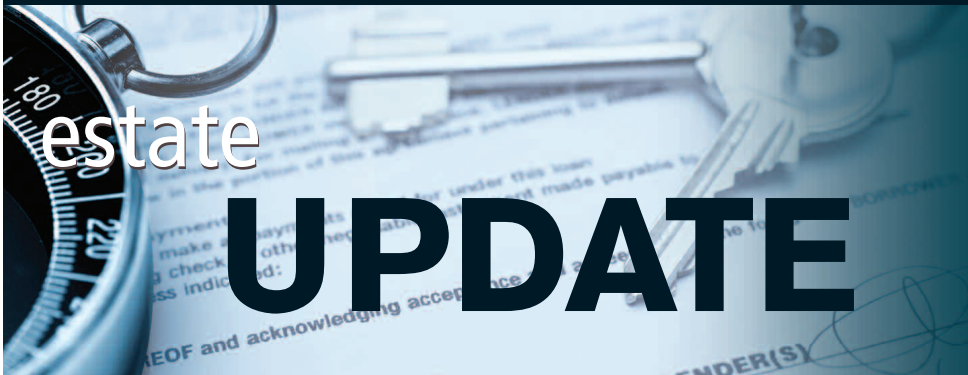


real estate



UPDATE

Your Greater Toronto Real Estate Newsletter

Tighter market drives up prices Fewer listings than last year

Toronto's real estate market tightened up this past summer as the number of new listings dropped while demand remained strong. That pushed up prices for all types of properties in the GTA.

Detached and semi-detached homes still remain most in demand. In the City of Toronto, detached home prices are up by more than 10 per cent compared to a year ago, while prices are up by more than 8 per cent in the 905 regions. The average detached home price in the GTA is about \$644,000. Semi-detached homes continue to be hot, with prices up by about 14 per cent in the city and 8 per cent in the 905 regions. For some people, semis represent an affordable stepping stone between a condo apartment and a detached home. With semis selling so well, it's not surprising that neighbourhoods with plenty of semis are among the hottest markets.

Despite the continuing negativity in the press about the condo market, it's doing just fine. New listings are down and condo apartment prices are up by about 2 per cent in the GTA.

"Expect a faster pace of average price growth in the second half of 2013 compared to the first six months of the year," says Jason Mercer of the Toronto Real Estate Board. "The strong demand and shortage of listings for low-rise home types in some neighbourhoods will continue to be the driver of price growth. An improvement in conditions in the condominium apartment market will also have a positive impact."

In the first half of the year, the average Toronto condo apartment was on the market for 31 days before it sold for an

average price of \$347,896. One-bedroom plus den condos are most popular, accounting for 34 per cent of the market, followed by two-bedroom units at 21 per cent. One-bedroom condos and two-bedroom plus den units account for 18 per cent of the market.

In a recent housing forecast, Canada Mortgage and Housing Corp. (CMHC) notes that "relatively soft employment trends" and lower immigration levels are dampening sales activity. Ontario will regain some economic strength in 2014, making it possible for more first-time buyers to "come back from the sidelines" and enter the housing market. Listings for detached homes are expected to remain tight as sellers decide to wait and see if prices continue to rise.

Next year there will be a record number of new condos coming on the market. "This increase, nevertheless, will be mitigated as more condominium owners decide to hold on to their units for the longer term thanks to favourable rental conditions and better selling prospects down the road," says CMHC. *REU*

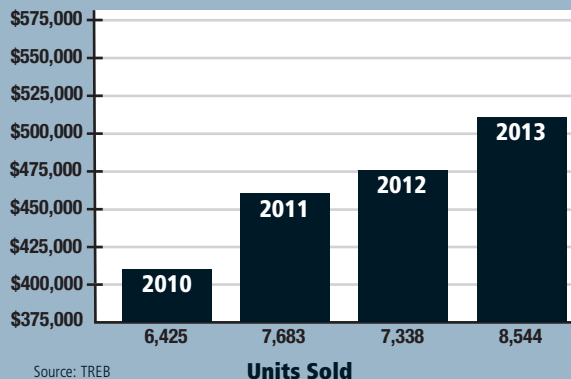
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Average Home Prices - July
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Monthly sales

and average price
by area

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

September 2012

Central.....	1,012	658,196
East.....	1,453	386,097
North.....	1,180	578,792
West.....	2,234	470,440

August 2012

Central.....	1,005	576,960
East.....	1,588	376,764
North.....	1,257	566,787
West.....	2,568	461,152

Source: TREB

Condo matters

Condo boards of directors A crucial role to play

Each condominium corporation is run by a board of directors made up of owners who are elected by the other owners. They don't get paid for their work but they are critically important to the well-being of the condo.

The board makes all the financial decisions relating to the care and maintenance of the condo building's common areas. It makes sure that fees from owners are collected,

the condo's reserve fund is maintained, the condo is insured and its status certificate is kept up to date.

The board of directors hires the property manager or management firm. The board must enforce the building's rules and ensure the rules are applied uniformly.

Clearly, you need an effective board of directors to make your condo building a pleasant place to live. In some older condo buildings, residents found out the hard way the value of the directors when they received large, unexpected special assessments to pay for repairs when boards had refused to hike maintenance fees enough to cover necessary ongoing repairs.

If a board fails to follow the rules of the provincial Condo Act, owners may be able to get a court order to force them to comply. But if the board fights the order, the corporation (the owners) must pay all of their legal fees.

It's a good idea to pay attention to your condo board's activities. Attend the condo board's meetings and if you don't receive regular updates from the board of directors, demand that they keep you informed. *REU*



Taxing matters

Property taxes Who pays the most?

Nothing gets homeowners more riled up than a discussion about property taxes. If you live outside the City of Toronto, you likely think that city residents don't pay enough property tax since Toronto has historically had the lowest tax rate in the GTA.

However, the amount of money homeowners actually pay is the tax rate multiplied by the property value, and since the property values in the City of Toronto are generally higher than elsewhere in the GTA, the taxes city residents pay are comparable to what people in the 905 regions pay.

City residents also point out that servicing suburban land costs more.

Until 2010, Edmonton did an annual property tax survey to find out who was paying the most tax in major cities across

the country. Their sample used a single detached house with a main floor area of 1,200 square feet with a finished full basement on a 6,000-square-foot lot. Not surprisingly, for a house of that size, Toronto had the third-highest property taxes in the country. Laval, Quebec, was the most expensive, followed by Montreal. After Toronto, the cities with highest property taxes were Burnaby, BC, Fredericton, NB, Grande Prairie, Alberta, and Vancouver. St. John's, Newfoundland, had the lowest property taxes. Edmonton finished in the middle of the pack.

You can not talk about Toronto taxes without mentioning Toronto's land transfer tax, which costs buyers thousands of dollars more than if they purchased a home anywhere else in the province. *REU*



Mortgages

Second mortgage Is it right for you?

While some people might be afraid of taking out a second mortgage rather than re-negotiating their existing first mortgage, there are a number of reasons why it might be a good idea.

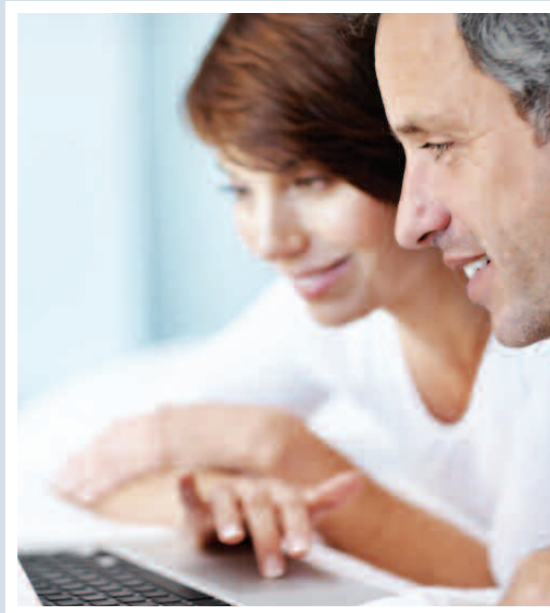
If you need money and your first mortgage has a great interest rate, or if the penalties to break the mortgage are onerous, a second mortgage may be the way to go.

Most people use a second mortgage – sometimes called a home equity loan – to consolidate debt. If you have a number of high-interest debts, such as credit card balances or a car loan, it may make sense to get a second mortgage and pay off those loans. The interest rate on your second mortgage will be lower than your credit card rate and may be less than your other outstanding loans as well. However, it will be higher than the interest rate of your first

to afford the monthly payments without exceeding your total debt service ratio. Don't forget that you also must continue to pay your first mortgage payments.

Like first mortgages, there are also closing costs on a second mortgage. There will be a home appraisal fee, legal fees, title search and title insurance charges.

Home equity loans should not be confused with home equity lines of credit, which have a variable interest rate.



Home equity loans have a fixed rate and a monthly payment schedule.

Make sure you talk to a financial planner to see whether a second mortgage or home equity loan is right for you. *REU*

“Other common reasons people take out second mortgages include financing home renovations, paying tuition fees or financing a business.”

mortgage because second mortgages carry more risk for the lender.

The equity of your home is the difference between its appraised value and the amount you owe on the first mortgage. The amount you can borrow on a second mortgage depends on how much equity you have. You must have more than 20 per cent equity in your home and be able



On the internet

Interesting websites

torontowaterfrontmarathon.com

Flat, fast and festive – sign up for this charity event to run or walk in honour of a loved one or simply to give back to the community (Oct 20).

greensaver.org

This not-for-profit organization provides energy audits, residential energy efficiency services and information on government incentives to reduce your energy bills.

insuranceoutline.com

Save money on home, auto or life insurance by shopping for the best rates – this site compares rates from 30 insurers.

lung.ca

The lung Association's site offers practical information and support to improve and promote lung health.

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.

August 6, 2013

6-month	4.00%
1-year	3.00%
2-year	3.00%
3-year	2.99%
4-year	3.09%
5-year	3.39%
Prime rate	3.00%



A Fall Furnace Primer Air Filters

Beautiful September weather does little to remind us that fall is just around the corner. While you're enjoying the last days of summer, take a moment to consider your furnace.

Check The Switches

Have a look at your breaker panel and make sure the breaker marked "Furnace" is on. Most furnaces also have a switch that looks like a light switch controlling the electrical supply. In a new house, the switch is often on a wall or a support about 6 feet above the floor, near the furnace. In an older house, the switch is often on the basement ceiling, or high on a wall, near the bottom of the basement stairs. This allows you to shut off the furnace quickly in the event of an emergency, without having to get near the furnace. Check to make sure it is set to the ON position.

The Air Filter

When the outside air makes its way inside, pollutants like dust, dander and spores are added to the air that has already been exposed to urban car exhaust, smog, dirt and pollen. While most people aren't bothered by the usual level of air-borne particulates, some are more sensitive, and

everyone is affected if the level becomes excessive. To remove many of the larger particles from the air, your furnace is equipped with a filter.

Most filters are simply screens of paper, metal or plastic mesh that allow air through but trap most of the dirt. Some of these are thicker for more surface area, and some have specially treated media. Electronic air filters use electricity to electrostatically attract even smaller particles. They have a metal cover, an on/off switch, and may have an operation light.

Where is it?

The furnace filter is typically a one to two-inch wide slot or a six to eight-inch wide slot in the ductwork immediately beside the furnace air return duct. If you don't see such a slot, your furnace's air filter is accessed only by removing the furnace and/or fan compartment cover. Turn OFF the switch to the furnace before removing any covers.

What do I do?

For standard filters, pull it out to have a look. If the mesh looks dirty and/or the unit is more than 3 to 6 months old, throw it out (paper media or fiberglass) or clean it (metal or plastic media). For an electronic filter, make sure you turn off the unit's

power switch. There will be two washable metal screens called pre-filters, then two electronic cells looking like layers of metal plates. These can all be soaked and washed, every one to three months. Careful of the fine wires running down one side of each cell. They are easy to lose or break. Regular cleaning of the air filter is important for your furnace and the air quality in your home.

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GTA '13 totals

Sales activity of single-family homes

Most recent month, year to date

Active listings

July20,514
YTDN/A

New listings

July14,132
YTD103,116

Sales

July8,544
YTD54,337

Average price

July\$513,246
YTD\$521,025

Median price

July\$440,000
YTD\$440,000

Average days on market

July27
YTD26

Average percentage of list price

July98
YTD98

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB

	Sales	New Listings
July '12	7,338	13,809
July '13	8,544	14,132
% Change	16.4%	2.3%