

real estate UPDATE

Your Greater Toronto Real Estate Newsletter

Market conditions tighten Sales up 18.9 per cent but listings lag

Toronto's spring real estate market saw sales soar by 18.9 per cent year-over-year in May, although the Toronto Real Estate Board (TREB) cautions that sales were still below the May average for the previous 10 years. The average price for all types of property rose by 3.6 per cent to \$838,540. "After a sluggish start to 2019, the second quarter appears to be reflecting a positive shift in consumer sentiment toward ownership housing," says TREB president Garry Bhaura. People see real estate as a "quality long-term investment as population growth from immigration remains strong and the regional economy continues to create jobs across a diversity of sectors. However, sales activity continues to be below the longer-term norm, as potential home buyers come to terms with the OSFI mortgage stress test." The mortgage stress test continues to be a hot button issue for the housing industry.

TREB warns that a lack of new listings may put upward pressure on prices. New listings increased by just 0.8 per cent in May. "We are experiencing annual rates of price growth that are largely sustainable right now in the GTA - above the rate of inflation, but in the single digits," says TREB's chief market analyst, Jason Mercer. "If, however, we continue to see growth in sales outstrip growth in new listings, price growth will accelerate." Most of the price growth was driven by the condo apartment and townhouse segments of the market.

Detached homes in the City of Toronto sold for an average price of \$1,384,993, an increase of 1.5 per cent from

May 2018. In the 905 regions, the average detached home sold for \$925,621, up by 0.3 per cent from a year ago. Semi-detached home prices were flat in the city, averaging \$1,050,532, down 0.2 per cent. In the 905 regions, semis sold for an average of \$678,152, up 2.1 per cent. Condo apartments sold for an average price of \$642,891 in the city, up 6.6 per cent, and for \$478,230 in the 905 regions, an increase of 4.9 per cent year-over-year.

TREB and other real estate industry leaders continue to put pressure on the three levels of government to introduce policies that will increase the supply of housing. "Many households are not comfortable listing their homes for sale because they feel that there are no housing options available to better meet their needs," explains Mercer. *REU*



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satisfaction
determines
my
success.*

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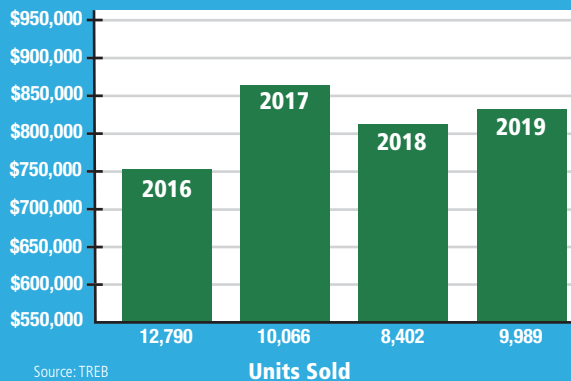
**IN THIS
ISSUE**

2 12 ways to
save money
Don't be afraid to ask

2 Bidding wars
Price transparency
may come soon

3 Condo prices
keep rising
Busy spring market sees
more activity

Average Home Prices - May in the Greater Toronto Area



Monthly sales

and average price
by area

May 2019

Central.....	1,695	\$1,064,303
East.....	2,140	707,969
North.....	1,849	875,945
West.....	4,305	798,492

April 2019

Central.....	1,473	1,023,065
East.....	1,924	686,092
North.....	1,780	857,130
West.....	3,865	792,515

March 2019

Central.....	1,158	927,028
East.....	1,507	670,957
North.....	1,437	859,717
West.....	3,085	760,363

February 2019

Central.....	913	947,319
East.....	1,033	647,196
North.....	964	861,467
West.....	2,115	736,447

January 2019

Central.....	656	881,076
East.....	863	628,380
North.....	730	819,769
West.....	1,760	728,032

December 2018

Central.....	640	874,462
East.....	834	626,477
North.....	692	852,143
West.....	1,615	721,122

November 2018

Central.....	1,237	959,243
East.....	1,354	653,807
North.....	1,168	845,916
West.....	2,492	749,628

October 2018

Central.....	1,432	980,698
East.....	1,535	661,862
North.....	1,413	863,011
West.....	3,112	774,049

September 2018

Central.....	1,185	963,448
East.....	1,374	653,258
North.....	1,210	849,918
West.....	2,686	772,736

August 2018

Central.....	1,156	888,683
East.....	1,472	632,978
North.....	1,337	866,721
West.....	2,874	736,191

July 2018

Central.....	1,240	931,472
East.....	1,436	647,600
North.....	1,333	861,727
West.....	2,952	752,457

June 2018

Central.....	1,498	966,088
East.....	1,697	684,681
North.....	1,492	879,517
West.....	3,395	768,151

Source: TREB

Home insurance

12 ways to save money **Don't be afraid to ask**

1. Pay a higher deductible. The deductible is the amount you pay from your own pocket for small losses or damage before the insurance kicks in.
2. Install a home security system. Most insurance companies offer a discount if you have a monitored security system in place.
3. Use one company for all of your insurance needs as you can often get a reduced rate.
4. Be loyal. Some companies reward customers with a loyalty discount when you renew your policy.
5. Pay annually. You may qualify for a lower fee if you pay annually instead of in installments throughout the year.
6. Shop around. Have an independent insurance broker look for the best deal. You can also compare some quotes online at InsuranceHotline.com.
7. Stop smoking. There may be more savings if no one in your family smokes.
8. Mention any home improvements, such as upgrading your electrical system, plumbing, installing a back-flow valve or sump pump, to your insurance broker.
9. Pay off your mortgage. It could lead to another discount.
10. Ask about your claims free status. If you have not had a claim for three years or more, it may help reduce the price.
11. How old are you? Ask about an age discount. Some companies have "mature client" discounts and others have deals for seniors.
12. How old is your house? Most insurance companies offer a discount for homes that are less than 10 years old. [REU](#)



Legalities

Bidding wars **Price transparency may come soon**

After reviewing three dozen recommendations made by the Ontario Real Estate Association (OREA) to revamp the Real Estate and Business Brokers Act (REBBA) and allow for more transparency in the bidding process for home buyers and sellers, the Ontario government has launched a public consultation in an effort to change the outdated legislation.

Enacted in 2002, REBBA requires that buyers and sellers participate in a blind bidding process during a multiple offers situation. This means that realtors can disclose the number of competing bids, but not the prices and terms of those bids.

"The rules governing realtors were set 16 years ago, when smartphones weren't invented and fax machines were the norm," says OREA CEO, Tim Hudak. "The industry has

changed...it's time for the legislation, as well as enforcement and education to catch up with the modern real estate market. Updating the rules will increase professionalism in our industry, which is what realtors want and what home buyers and sellers deserve," he adds.

Bill Walker, the minister of government and consumer services, agrees with this assessment and says, "allowing registrants to disclose the details of competing offers to other bidders may benefit both buyers and sellers by making this process more transparent." The consultation will also ask whether disclosing details of competing bids should require all parties to consent, or should parties be allowed to opt out.

The good news is that a change is underway to make bidding wars less stressful and unfair. [REU](#)

Interesting websites

BeachesJazz.com

Jazz in the heart of the lakeside neighbourhood, this celebration of music features a dynamic musical roster and an enticing line-up of gourmet food trucks.
July 5-28

OnoirToronto.com

A sensual dining experience like no other in complete darkness. Customers gain a better understanding of what it's like to be blind - just like the restaurant wait staff consisting entirely of the visually-impaired.

MapleMoney.com

Helps you take control of your money. Learn how to make, save, invest and spend money in a way that helps you create lasting financial freedom.

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

Condo update

Condo prices keep rising Busy spring market sees more activity

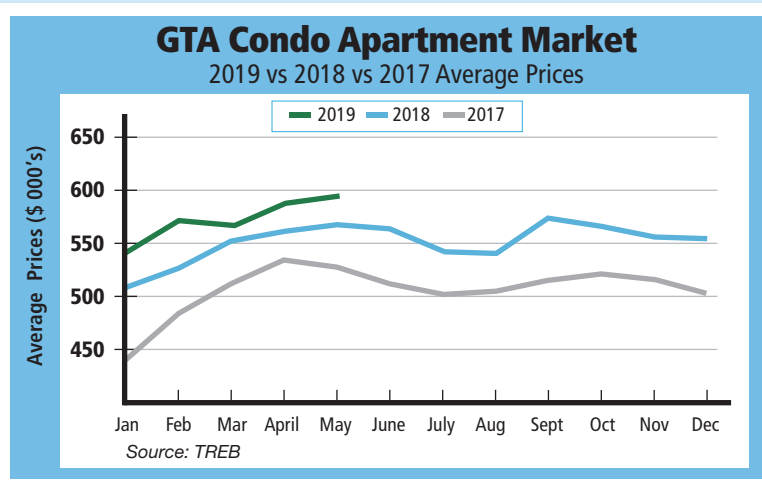
The GTA condo apartment market saw sales pick up by 6.4 per cent compared to last May, with almost all of the increase recorded in the 905 regions.

In the City of Toronto, the average condo price in May was \$642,891, while in the 905 regions it was \$478,230. Condo prices were up by 6.6 per cent in the city and by 4.9 per cent in the 905 regions, compared to last year.

Spring is traditionally a busy real estate market. However, last May showed slower sales because of the mortgage stress test and fear of rapidly rising interest rates. This year the stress test is still a major factor, but interest rates have stabilized. The GTA has a strong economy and plenty of good paying jobs, including a rapidly growing tech sector. Immigration continues to boost the population and the demand for housing.

The city's condominium rental market is tight. From January to May, the Toronto Real Estate Board reported that one bedroom units rented for an average of \$2,161 per month, an increase of 7.2 per cent over the same time period in 2018. Two bedroom units rented for an average of \$2,837, up 4.5 per cent. The actual number of rentals recorded by Toronto Realtors this year is also up by 11.6 per cent for one-bedroom units and has increased by 9.5 per cent for two bedroom apartments.

Recently Mortgage Professionals Canada (MPC) issued a report that warns the mortgage stress test policy will have an impact on the number of new and rental apartment units that will be built. The report highlights that currently a high level of units are under construction, but "scattered evidence suggests that there has been a sharp reduction in pre-construction sales of apartments. . . We are quite likely to see a downward turn for apartments during this year, with further reductions next year." The report predicts that by mid-2021 the downturn will also result in the loss of construction jobs



and economic activity.

"This report is a plea to the federal government to engage in discussion about the defects within the [mortgage] policies and to consider changes that will limit the worst consequences," says MPC. [REU](#)



Mortgages

At June 5, 2019

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

Prime	3.95%
Variable	2.94%
1-year	3.19%
2-year	2.99%
3-year	3.09%
4-year	3.14%
5-year	2.94%



GTA '19 totals

Roofing perspective **What to expect when re-roofing**

It is time to replace your roof. You have done your homework, obtained at least three quotes from contractors, checked their references and hired one of them. Other than paying the roofer when the job is complete, all the difficult stuff is done. Right? Not so fast. Even though replacing a roof is a minor renovation project in the grand scheme of things, you should prepare for what you may have to endure while the work is going on. Roof replacement is noisier, dirtier and more disruptive than most people think. Going into the process with a realistic understanding can make the disturbance easier to bear.

Let's look at a few things that you can expect.

Noise - Removing the existing shingles from your roof will be noisy. Shingles are put on to stay, and it requires some effort to get them off. Your roof surface amplifies the noise; it is like a big drum. As the roofers pound, pull and pry, it will sound like they are tearing your house apart. And once the old shingles are removed, they will need to nail the new ones into place.

Odour - If you have a flat roof, there may be a large kettle of

molten asphalt bubbling away all day. Most people find the odour from the asphalt unpleasant.

Dust and dirt - Every thump and bump inevitably generates some dust. It sneaks out below the baseboards, around the windows and through the light fixtures. Dust is almost magical. It gets into everything.

Nails - When the existing shingles are stripped off, thousands of nails will come out too. Good roofers will collect 99 per cent of them during cleanup, but they are sure to miss a few which you may find in your garden months later.

Mess - You will need to make sure the roofers cover your plants and shrubs to protect them. There will be a big garbage bin that always seems to be in the way. There will be bundles of new shingles and other building materials. While roofers clean up the site daily, the outside of your house is going to look pretty messy while you are in the midst of re-roofing.

Even when roofers have completed the job and cleaned up, you may still have to put up with the loose granular material that a new roof will often shed into the gutters and the flapping

plastic strips that stick out from between the shingles. The loose granules are normal and those plastic strips are not a problem. (You don't need to remove them; they will disappear eventually). In the end though, all the trouble will be worth it and you will have the comfort and security of a new roof. You will also have the knowledge that you will not have to put up with any of this again - for another fifteen to twenty years anyway.

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

Active listings
May20,017
YTDN/A

New listings
May19,386
YTD69,883

Sales
May9,989
YTD35,129

Average price
May\$838,540
YTD\$805,098

Median price
May\$725,000
YTD\$699,000

Average days on market
May19
YTD22

Average percentage of list price
May99
YTD99

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
May '18	8,402	19,237
May '19	9,989	19,386
% Change	18.9%	0.8%

The next time you're in a conversation with someone and they are thinking about selling or buying a home, please do not keep me a secret. Referrals are welcomed and appreciated.

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Children's
Miracle Network
Hospitals



Contributions made from each transaction.