

real estate UPDATE

Your Greater Toronto Real Estate Newsletter

No rest for GTA real estate market Sales, prices up from last year

After a record-setting year for real estate sales in the GTA, 2016 got off to an even hotter start. Sales in January were up by 8.2 per cent compared to last year. The average price for a detached home in the GTA was \$848,999, an increase of 18.5 per cent. The biggest price jump took place in the 905 regions, where the average price was 20.9 per cent higher than January 2015. Another reason for the spike in average prices is that a greater share of high-priced homes sold in the 905 regions.

Some of the sales may be attributed to buyers who wanted to beat the government's rule changes for insured mortgages, which kicked in on February 15. But most analysts think these changes will have an impact on a small percentage of the market and that we are in for another busy year.

Toronto Real Estate Board (TREB) market analyst Jason Mercer says that even if a new sales record is not set in 2016, it will still be the second-best year. Mercer explains, "Market conditions in January were tighter compared to a year earlier, with an annual increase in sales up against a decline in listings." This "persistent lack of inventory" drove up prices, particularly for singles, semis and townhouses.

New listings were down by 6.2 per cent compared to last year, while active listings were down 14.1 per cent compared to 2015. TREB predicts that 2016 will continue to be a sellers' market, with competition between buyers pushing average selling prices for all types of homes to between \$655,000 and \$665,000. That's a year-over-year increase of between five and seven per cent.

In a recent survey commissioned by the board, 12 per cent of GTA households said they are very likely to purchase a home during the next year. Almost half of the buyers will be first-time homeowners. TREB's survey found that "despite some turbulence in the larger Canadian economy over the last year" that prospective buyers are "relatively secure in their employment situation and feel their income will remain the same or increase over time."

TREB's outlook for 2016 shows the GTA's unemployment rate will remain in line with the 2015 average. "Positive economic conditions in the GTA, both over the past year and moving forward, will help keep consumer confidence strong," concludes TREB's recent forecast.

TREB also notes that mortgage borrowing costs will remain low this year. "The current market consensus suggests a moderate increase in borrowing costs. However, more sluggish growth in the Canadian economy, especially in sectors related to oil and other commodities could result in similar or lower borrowing costs compared to 2015." *REU*



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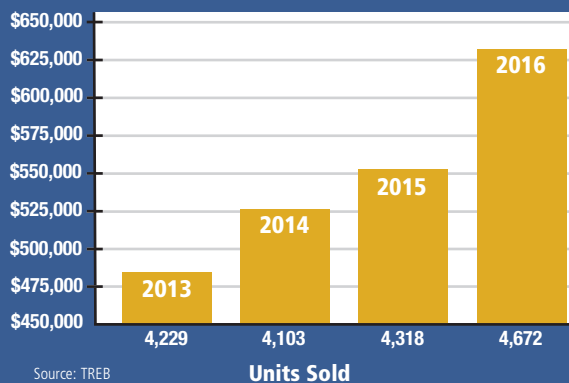
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Average Home Prices - January in the Greater Toronto Area



Monthly sales

and average price
by area

January 2016

Central.....	838	\$731,243
East.....	975	489,520
North.....	994	781,575
West.....	1,865	579,898

December 2015

Central.....	943	727,405
East.....	1,069	488,477
North.....	952	745,039
West.....	1,981	552,572

November 2015

Central.....	1,359	751,747
East.....	1,562	508,707
North.....	1,479	769,725
West.....	2,985	575,454

October 2015

Central.....	1,658	770,399
East.....	1,884	506,969
North.....	1,826	740,108
West.....	3,436	573,440

September 2015

Central.....	1,474	791,431
East.....	1,852	504,282
North.....	1,625	752,864
West.....	3,249	560,398

August 2015

Central.....	1,376	683,031
East.....	1,708	480,966
North.....	1,694	751,482
West.....	3,220	554,443

July 2015

Central.....	1,645	696,678
East.....	2,134	489,381
North.....	2,164	746,906
West.....	3,937	561,996

June 2015

Central.....	2,009	806,764
East.....	2,706	507,422
North.....	2,075	645,320
West.....	4,768	581,863

May 2015

Central.....	1,986	855,942
East.....	2,452	512,037
North.....	2,629	747,874
West.....	4,639	578,279

April 2015

Central.....	1,887	794,693
East.....	2,432	509,580
North.....	2,542	737,918
West.....	4,452	579,755

March 2015

Central.....	1,554	770,403
East.....	1,933	476,542
North.....	2,037	719,031
West.....	3,416	557,826

February 2015

Central.....	1,093	757,272
East.....	1,413	465,320
North.....	1,397	689,707
West.....	2,435	546,093

Source: TREB

Condo update

Buying a resale condo Ask the right questions

One of the biggest advantages of buying a resale condo instead of a new unit is that you can see what you are getting. You can check out room sizes, amenities, the neighbourhood and the view. You can also walk around the building or complex to get an idea of how well it is maintained.

Here are more points to consider:

- Find out what is included in the monthly condo fees. Ask if



there are annual increases, or if the fees are likely to rise soon.

- Check the condo corporation's status certificate and financial documentation to ensure that the reserve fund is healthy. Ask if any "special assessments" are on the horizon to ensure that you won't be hit with an unexpected levy for major repairs.

- Hire a home inspector to make sure your potential unit, as well as the overall building, is in good physical shape. Consider having an indoor air quality assessment done to identify potential issues such as mould, poor ventilation and odours from other units.

- Find out exactly what your unit's boundaries are. This may be important, particularly in townhouse units with an outdoor walkout.

- Make sure the storage unit (if you have one) meets your needs.

- Make sure you understand and agree with the condo's rules about items such as parking, pets, noise and renting out the unit.

- Check that the condo corporation does a good job. *REU*

Taxing matters

Property assessments New ones coming this year

The Municipal Property Assessment Corporation (MPAC) assesses all property values in the province for the government. The property taxes you pay to the municipality are based on the assessed value of your home.

The assessments are updated every four years for the entire province, and 2016 is the year that all properties will be reassessed. You'll get a notice with the new assessment late this year. Between assessment periods, MPAC continuously updates assessments on properties that have had changes in ownership, value, classification and/or school support. Last fall, they sent out more than one million new notices of assessment, calculated on a January 1, 2012 valuation date.

MPAC uses the Current Value Assessment method to determine the assessment, based on property sales in the area.

There are more than 200 different factors that go into the assessment, but five major factors account for 85 per cent of the value. They are:

- Location (e.g. proximity to recreational space, a golf course or a gas station can increase or decrease assessment)
- Lot dimensions
- Size of home's living area
- Age of the property, adjusted for any major renovations
- Quality of construction

If you received a new assessment last fall and don't agree with it, you have until March 31 to submit an appeal. Have your assessment notice handy and then visit www.aboutmyproperty.ca to register. You can review comparable properties and learn how to appeal. *REU*

Finances

Renegotiating your mortgage **Look beyond the interest rate**

According to the 2015 Mortgage Survey by Canada Mortgage and Housing Corp. (CMHC), 49 per cent of people renewing their mortgages negotiated different terms when they did so. While getting a low interest rate is clearly a priority, many mortgage holders also renegotiated the terms to better fit their financial situation.

There are several reasons why you might want to renegotiate before your current mortgage term expires. You could get lower rates or more favourable pre-payment privileges allowing you to pay off your mortgage faster. However, breaking your current mortgage agreement may require sticking to your way around fees and penalties.

The CMHC survey found most people - a whopping 86 per cent - stay with their current lender when renewing their mortgage. But shopping around can save you a lot of money even if you don't jump to another lender. Your current lender may match terms offered elsewhere.

For example, many mortgage agreements offer pre-payment privileges at no charge. By paying off your mortgage faster you can save on interest payments over the long term and increase your home equity. Thirty-two per cent of mortgage holders surveyed by CMHC made lump-sum payments to their mortgages or increased their regular

payments when they renegotiated their terms.

Another handy feature is the ability to "port" your mortgage. This means if you move you can have your existing interest rate and terms on your new home's mortgage. Some lenders also offer a blend and extend option, where an early renewal blends your old interest rate and the new mortgage's rate. But again, watch out for fees or pre-payment charges, which could be more than the amount you are saving.



Your lender may also offer you other services such as a credit card, line of credit or other loans. Also, remember that you don't have to go to a traditional bank for a loan. Mortgage brokers offer products from several different lenders and generally you don't have to pay them; they are paid a commission by the lender. *REU*

On the internet

Interesting websites

harbourfrontcentre.com/camps

Harbourfront Camps guaranteed to maximize learning and inspire fun, whether your child is interested in stage, joining the circus, cooking up a storm or sailing Lake Ontario.

smartreno.com

Get 3 free quotes from qualified and available contractors for your next renovation project.

taxtips.ca

Canadian income tax, financial investment and real estate information for individuals and business.

aboutkidshealth.ca

Developed by *The Hospital for Sick Kids* to provide parents, children and health care providers with evidence-based information about everyday health conditions.

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

Mortgages

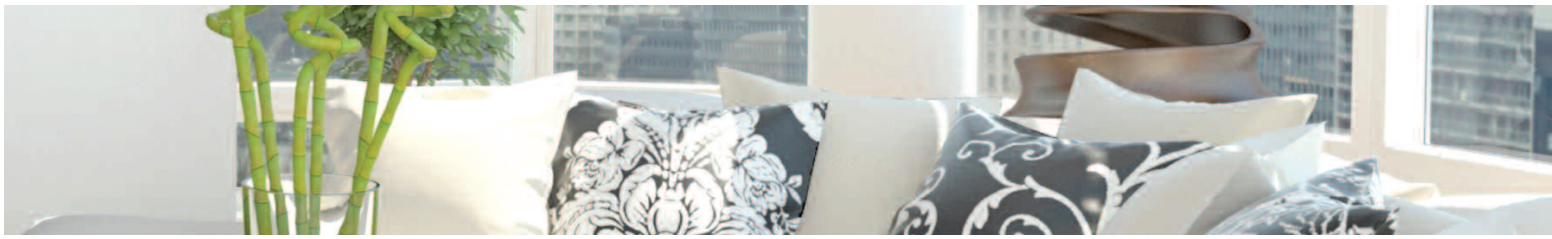
2016 Rates

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

At February 10, 2016

6-month	3.14%
1-year	2.84%
2-year	2.79%
3-year	2.84%
4-year	2.79%
5-year	2.89%
Prime rate	2.70%





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.

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GTA '16 totals

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

Active listings
January9,966
YTDN/A

New listings
January8,957
YTD8,957

Sales
January4,672
YTD4,672

Average price
January\$631,092
YTD\$631,092

Median price
January\$530,000
YTD\$530,000

Average days on market
January29
YTD29

Average percentage of list price
January99
YTD99

Source: TREB

Housing market indicators

Single-family dwellings

<i>Source: TREB</i>	Sales	New Listings
Jan '15	4,318	9,547
Jan '16	4,672	8,957
% Change	8.2%	-6.2%

Referrals are an important part of my business. Anyone you refer will receive special attention and the finest service possible. For professional real estate advice please call, any time.

Thank you!

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