



From the President

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TREB PRESIDENT'S COLUMN AS IT APPEARS IN THE TORONTO SUN

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As REALTORS® prepare for the spring real estate market many are watching closely to determine whether the United States foreclosure crisis and economic slowdown will have an impact on our own market.

The pace of the Greater Toronto Area resale housing market activity has moderated thus far in 2008; overall sales in the GTA declined 22 per cent last month compared to March 2007. More specifically, the decline was 27 per cent in the City of Toronto and 18 per cent in the 905 suburbs.

Prices, however, have continued to hold firm. Compared to last March, the average price in the GTA rose four per cent to \$380,338 and two per cent in the City of Toronto to \$404,361.

To get an accurate perspective of current market conditions and future forecasts however, there are a number of factors to consider.

Listing inventory was down six per cent in March compared to a year ago, keeping prices strong. The City of Toronto's new land transfer tax and harsh weather conditions may have had an effect on sales activity in recent months.

Regardless of these factors the fact remains that economic fundamentals are favourable to our housing market.

As of March 2008, there are 2,920,900 people employed in the Greater Toronto Area, and their wages have certainly increased as well. There is also a greater variety of mortgage products available to make the cost of owning a home more manageable. These factors suggest that

people living in the Greater Toronto Area still have the financial means necessary to support the purchase and carrying costs of a home.

The main reason that employment and wages have remained strong is that the GTA has the most diversified economy of any city-region in North America. While the manufacturing sector may well feel the impact of American consumers' decreased purchasing power, other sectors will provide some insulation.

As well, with 40 per cent of international households that come to Canada settling in the GTA, we have robust immigration levels. This combined with the fact that the children of our country's 11 million baby boomers, known as the echo generation, will begin house hunting in the next decade, means that we can expect to see a strong demand for housing into the foreseeable future.

This means that there is a steady demand for housing and consumers should have the financial resources to buy homes. With such pent-up demand it is an excellent time to sell your home.

The long-term outlook is bright. Moreover, when undertaken for the long-term, real estate is one of the best investments you can make.

Maureen O'Neill is President of the Toronto Real Estate Board, a professional association that represents 27,000 REALTORS® in the Greater Toronto Area.