



Toronto Compared

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

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It is interesting to note for example, that while the Greater Toronto Area does not boast the highest house prices in Canada, more properties change hands in the GTA than anywhere else in the country.

In March 2008, 6,631 homes were sold in the GTA, compared to 8518 in March 2007. Although there was a decrease in sales in the City of Toronto and GTA, we have only completed the first quarter of 2008. The outlook for the rest of the year remains positive.

All other major Canadian cities followed a similar pattern.

In Edmonton, March sales totaled 1557, a decline of almost 34 per cent and in Calgary 2,374 homes changed hands, down 39 per cent from a year ago.

The market was a little more active in Montreal and Greater Vancouver last month.

In Montreal there were 5,019 transactions, a decline of seven per cent from March 2007 and in Greater Vancouver sales declined 17 per cent from a year ago to 3053.

Despite moderate activity across the nation, prices rose in all major cities compared to a year ago.

The Greater Toronto Area's average price was \$380,338 an increase of four per cent compared to last March. (In the City of Toronto March's average price was \$404,361, an increase of two per cent.)

By comparison, the average price in the Calgary Metro area was \$419,396, up one per cent from March 2007. In Edmonton the average price increased nearly six per cent from a year ago to \$343,760.

In Greater Vancouver, the benchmark (or estimated sale price of a typical property) is reported for specific housing types. A detached Vancouver home for example, would cost you approximately \$764,616 in March, up 12 per cent from a year ago.

Similarly in Montreal, prices for specific housing types are reported. The median cost of a detached home was \$225,000 in March, up seven per cent from a year ago.

Looking at these figures, it's easy to see why Toronto is an attractive City in which to invest. It ranks alongside major U.S. financial centres like New York, Boston and Chicago.

Despite all that Toronto has to offer, there are concerns that Toronto could lose its position as a great place to invest in the Canadian real estate market if affordability isn't kept in check.

For example, the residential property tax increase approved as part of the City of Toronto's 2008 Operating Budget is double the rate of inflation. As well, Toronto's Land Transfer Tax has not yet been rolled back despite a commitment by Toronto City Council to start a roll back once some of the social service costs are uploaded back to the province from the City.

Toronto should take the lead from other areas of Canada like Prince Edward Island and British Columbia. Newcomers to P.E.I are exempt from its one per cent land transfer tax. As well, the provincial government plans to rebate the tax to those who return to the Island to buy and live in a primary residence for at least six months.

Similarly, in British Columbia thresholds have been increased to make first time homebuyers eligible for property transfer tax exemptions.

It's crucial to Toronto's marketability that the City of Toronto make similar equitable decisions.

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