



## GTA Housing Market Stable

Maureen O'Neill

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

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The Bank of Canada announced recently that it is keeping its key overnight interest rate at three per cent. Its next scheduled review comes in late October.

The Bank characterized the current rate as “appropriately accommodative” and went on to indicate that while our economy has slowed modestly, it remains strong overall.

The message is clear. Despite the sub-prime market collapse and resulting credit crunch that our neighbours to the South have experienced, our housing market remains relatively healthy.

In the Greater Toronto Area the resale housing market has moderated this year however; sales volumes have remained stable, while prices have modestly appreciated.

In August the average price of a GTA home increased one per cent to \$364,886 compared to \$361,681 a year ago. Compared to the average of \$338,192 two years ago though, prices have increased eight per cent.

In the 905 Region, where the average home is \$356,657, we have seen a seven per cent appreciation from \$334,245 two years ago.

In the City of Toronto the average price is \$377,990, a 10 per cent increase from \$344,419 two years ago.

This underscores the fact that when entered into for the long term, buying a home is a sound financial investment.

Last year we saw record resale housing activity in the GTA, which can skew perspectives as to the health of our current market.

With 6,318 transactions recorded last month, sales in the GTA declined 22 per cent compared to the record August 2007 figure of 8,059. Volumes were off just nine per cent however, from the 6,976 sales recorded in August 2006.

In the 905 Region the figures are similar, with 3,881 transactions last month, sales were off 19 per cent from the August 2007 figure of 4,816 but within nine per cent of the 4,270 sales recorded two years ago.

The City of Toronto saw 2,437 transactions last month a 25 per cent decline from the 3,243 homes that changed hands a year ago. Compared to the 2,706 sales recorded in August 2006 though, this represents a 10 per cent decline.

Moderate sales can result in increased inventory and consequently, increased days on the market for available properties. There are currently 25,076, properties for sale in the GTA, a 31 per cent increase from the 19,145 active listings a year ago. On average, homes now remain on the market for 36 days compared to 33 days a year ago.

Throughout this year our housing market has performed consistently. As Canadians, our conservative nature, particularly with respect to lending practices, has served us well.

*Maureen O'Neill is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area.*