



Local Market holds steady

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

September 10, 2008

As concerns over the United States economy have deepened in recent weeks, you, like many other Greater Toronto Area homeowners may be wondering whether there will be an impact here at home.

While there is no question that in today's global economy we're all inextricably linked, real estate markets are local and can vary significantly from one urban centre to the next. Although other cities in Canada and abroad have seen somewhat of a correction in their housing markets, real estate in the Greater Toronto Area is faring quite well.

In September 6,424 homes changed hands in the GTA. This is within six per cent of the 6,866 homes sold in September 2007 and within three per cent of the 6,622 transactions that took place in September 2006.

In the City of Toronto sales have moderated more considerably. There were 2,546 transactions recorded last month, a decline of 11 per cent from the 2,854 sales in September 2007 and five per cent from the 2,680 sales recorded in September 2006.

Greater Toronto Area REALTORS® lobbied vigorously against the Toronto Land Transfer Tax, which went into effect earlier this year, and we remain concerned about its impact.

In the 905 Region, the 3,878 sales recorded in September were within three per cent of September 2007's 4,012 transactions, and within two per cent of September 2006's 3,942 sales.

Although the average price of homes in the GTA has been affected by more moderate sales activity, the change has not been significant.

The current average price of a GTA home is \$368,549, a decline of three per cent from the September 2007 average of \$380,132.

In the City of Toronto, the current average price of \$393,647 has declined six per cent from the September 2007 average of \$420,182. It has increased six per cent however, compared to two years ago when the average price in the city was \$371,682.

In the 905 Region prices are holding firm. In September the average price of a home there was \$352,071, a marginal increase from the \$351,641 average a year ago and a five per cent increase from the 2006 September average of \$333,818.

These figures show that while we have returned to more balanced market conditions, the value of homes in the GTA has remained fairly constant. Real estate should always be purchased as a long-term investment and indeed demand for housing here has been based primarily on real need rather than speculation. As well, thanks to Canada's more conservative lending practices, we can be confident that our market will not be consumed the foreclosures that have devastated homeowners throughout the United States.

If you're currently planning your next move my best advice is to be patient. The average time a home remains on the market has increased to 36 days, from 31 days a year ago. When GTA home owners finalize a sale though, they are currently achieving 97 per cent of their asking price.

Although other housing markets may be experiencing trying times, in the Greater Toronto Area, real estate continues at a measured pace. In perspective, we certainly have reason to be thankful.

Maureen O'Neill is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area. For more information please visit www.TorontoRealEstateBoard.com.