



Market review: 2009 so far

Activity, prices increase as spring approaches

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

March 06, 2009

As we approach the spring season and see real estate activity picking up, Realtors remain optimistic about the future of the GTA resale housing market. With reports such as RBC's Homeownership Survey highlighting that Canadians believe in the long-term value of a home, now is a great opportunity to invest in that Canadian dream. Toronto Real Estate Board Members reported 4,120 sales in February 2009, compared to 6,015 sales recorded in February 2008. The average home price was \$361,305 last month, compared to \$382,048 during the same month last year. It is very important to note that a considerable number of transactions continued to take place in February 2009. Motivated buyers and sellers, who were aware that market conditions changed over the past few months, were able to negotiate transactions acceptable to both parties.

On a month-over-month basis, sales and average price were above January levels of 2,670 and \$343,632, respectively. The housing market is seasonal. Traditionally, sale volumes and average price climb in the first half of the year, reaching their highest levels in late spring before trending lower from July onward. Now, while the economic downturn has had an impact, the GTA housing market is resting on a solid foundation. Current home prices and mortgage rates suggest that GTA homes have become more affordable on average. A greater number of homebuyers could take advantage of this affordability once their positioning in the economy becomes more certain. Beyond spring's real estate

market, which typically experiences more activity, the demand for ownership housing will remain strong in the GTA over the long term because of steady population growth driven by immigration. The Toronto area is Canada's single greatest beneficiary of immigration. According to Statistics Canada, this country welcomed 247,202 permanent residents in 2008 — 70,000 more than in 1998, and well within the government's planned range of 240,000 to 265,000 new permanent residents for 2009.

Greater Toronto Realtors are an integral part of the real estate transaction process. TREB members are uniquely positioned to help homebuyers and sellers adapt to changing market conditions. And, importantly, TREB and its members continue to advocate public policies that do not threaten affordability but support home ownership in the GTA, such as lower taxation and less regulation. Maureen O'Neill is president of the Toronto Real Estate Board, a professional association that represents 28,000 Realtors in the Greater Toronto Area.

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