



# Market Report

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

October 09, 2009

If you're planning to make a move this fall, you're not alone. Thousands of buyers undertook home transactions last month, making September the fifth consecutive month with sales exceeding the same period a year ago.

Last month's sales totaled 8,196, representing an increase of 28 per cent compared to the 6,424 homes that changed hands in September 2008.

The average price of a home in the GTA soared even higher last month, to \$406,877, a 10 per cent increase over the September 2008 average of \$368,549.

The year-to-date figures are equally encouraging. Sales have increased 4.5 per cent compared to a year ago and prices are up 1.5 per cent.

Strong third quarter results have in fact, put the GTA resale housing market on track for a solid annual performance, which is anticipated to exceed 80,000 transactions this year.

Interest rates at historically low levels have positively impacted what was an already an affordable GTA housing market at the beginning of 2009. Improved sales increases in nearly all home price categories and housing types have been the result. Sales of low-rise dwellings, which includes single-detached, semi-detached and town houses, grew by 25 per cent compared to last year while high-rise condominium sales were up even more substantially, by 34 per cent over September 2008.

Interest rates though, are just one factor contributing to our city's robust real estate market. Toronto welcomes nearly 100,000 newcomers to Canada each year, the majority of whom eventually purchase a home. Given that the United Nations' Human Development Index, which measures health, knowledge and standard of living, ranks Canada fourth in the world behind

Norway, Australia and Iceland, it's safe to say that immigration will continue to positively impact our housing market in the foreseeable future. Don't forget, the GTA is the single greatest beneficiary of immigration into Canada.

Newcomers to Canada however, represent only part of the substantial first-time homebuyer contingent. The children of baby boomers, known as the echo generation are making their own contribution to housing demand. Meanwhile, as the latter part of the baby boom generation transitions into an empty nest lifestyle, they will continue to make housing choices that reflect this change.

While the long-term picture is very bright indeed and the resurgence in the GTA real estate market is encouraging, it's important to note that current market statistics are being compared to those of a year ago, when the global economic crisis dampened activity considerably. For the next few months, increases will appear substantial when compared to figures from the latter part of 2008. Further, the current economic picture is still far from perfect. Statistics Canada reported that the August unemployment rate for the Toronto Census Metropolitan Area was 10.1 per cent.

The best news though, is that it's estimated every one of the 8,196 transactions that took place in September will pump more than \$47,000 into the economy in spin-off spending on goods and services like financial and legal services, moving, renovations and home furnishings.

There's no doubt that our city's passion for homes will help the Greater Toronto Area's broader economy move further toward recovery in the months ahead.

*Tom Lebour is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area.*