



Mid-Month market report: The economic recovery continues

Tom Lebour

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

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In the first two weeks of November, Greater Toronto REALTORS® reported 3,666 sales, an 84 per cent increase compared to the same period a year ago. The average price of GTA homes sold during this timeframe also grew, by 10 per cent, to \$415,066. Condominium activity throughout the GTA was even more extraordinary. Sales of this housing type increased 90 per cent to 959 transactions, with an average price of \$296,664, up 15 per cent year over year.

The City of Toronto experienced the highest increase in sales volumes while average price appreciation was consistent throughout both areas.

The number of sales in the City of Toronto soared to an 88 per cent increase compared to the same period a year ago, reaching a total of 1,560 transactions. The average price meanwhile, climbed to \$441,893, a 10 per cent increase from mid-November last year. Condominium sales in Toronto increased an incredible 97 per cent from a year ago, to 674 transactions. They sold at an average price of \$317,939, up 13 per cent year-over-year.

In the 905 Region sales activity was up 81 per cent over the first half of November 2008, totaling 2,106 transactions. The average price of a 905 Region home was \$395,195, also up 10 per cent from a year ago. Condominium transactions in the 905 Region increased 75 per cent from mid-November last year, to 285 sales. They fetched an average price of \$246,351, up 20 per cent year-over-year.

Increased interest in ownership housing has been widespread throughout the GTA and across all housing types. However, it is important to point out that we are now making comparisons to the fall of 2008 when we experienced a marked decline in sales and average price.

Year-to-date sales throughout the GTA have increased 11 per cent over last year, to a total of 78,233 transactions, putting 2009 on track to finish with some of the best years on record. The average GTA house price has also increased three per cent year-to-date, to \$393,180.

While it's reasonable for sales in the first half this month to be strong as compared to the same period a year ago, when the market experienced a marked decline, such strong price recovery is particularly significant.

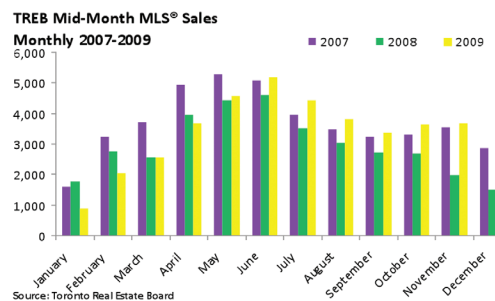
I discussed this characteristic of the market with the Toronto Real Estate Board's Senior Manager of Market Analysis Jason Mercer, who pointed to affordability as an important factor.

"Average home prices recovered quickly in the GTA compared to other centres in countries like the United States because the average priced home remained affordable relative to average household incomes. As consumer confidence in economic recovery improved in the spring, home ownership demand and home prices recovered quickly."

According to Mercer, the outlook for next year's spring housing market is also favourable.

"Expect home ownership demand to remain strong in 2010. Market conditions will balance out next year as more homeowners react to the strong sales and price growth reported in the second half of 2009 and list their home. The average resale home price will grow at a sustainable rate next year."

If you're thinking of buying or selling a home in the coming months I encourage you to talk to a REALTOR®. For more information, please visit www.TorontoRealEstateBoard.com.



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