



All signs point to a healthy market

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

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The Greater Toronto Area resale housing market continued at a stable pace in September. With 6,310 homes changing hands last month, activity declined 23 per cent from September 2009 when there 8,196 sales.

Taking a closer look at last month's numbers, there were 3,811 transactions in the 905 Region and 2,499 sales in the 416 Area. As compared to September 2009, when there were 4,855 sales in the 905 Region, activity decreased by nearly 22 per cent. In the 416 Area transactions decreased by 25 per cent compared to the 3,341 homes that changed hands in September 2009.

The market's year-to-date performance remains very positive. Sales to the end of September reached 69,069, an increase of four per cent compared to the first three quarters of 2009. While many homebuyers undertook transactions in the first half of this year to avoid the impending Harmonized Sales Tax, it's important to note that the HST does not in fact, apply to the purchase price of resale homes rather. Only newly constructed homes and professional services associated with real estate transactions are HST-applicable.

In contrast to last month's activity, home values continued to show strength. The average price of a GTA home last month was \$427,329, a nearly five per cent increase over the September 2009 average of \$406,877. In the 416 Area price growth was marginally stronger than in the 905 Region. The 416 Area's average price of \$465,890 climbed six per cent, from \$437,182 a year ago. In the 905 Region, the average price of \$402,044 increased nearly four per cent from September 2009's average price of \$386,022.

With 20,334 homes available for sale throughout the GTA last month, September's active listings increased nearly four per cent compared to 19,563 in August. A larger supply of available properties did not however, slow down the pace of activity. The number of days that homes are currently on the market before being sold decreased to 33 days last month from the August average of 36 days.

While September market conditions were not near the record-setting pace experienced in the first half of the year, it is important to recognize that the fundamentals of a healthy housing market continue to be in place. Today's low interest rates for example, mean that only a moderate share of the average household income must be directed toward mortgage payments, contributing to the affordability of resale homes in the GTA. As well, more than nine out of 10 people in our province continue to be employed. This is in addition to the fact that new immigrants and the children of the Baby Boom generation will continue to fuel demand for housing from a long-term perspective.

These are just a few of the considerations that a REALTOR® can help you weigh before making your next move. To learn more about the benefits of working with a Greater Toronto REALTOR® visit www.TorontoRealEstateBoard where you will find market updates, GTA open house listings, neighbourhood profiles, and more.

Bill Johnston is President of the Toronto Real Estate Board, a professional association that represents 30,000 REALTORS® in the Greater Toronto Area.

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