

Toronto Housing Surges ahead of 2008



By Brian Madigan LL.B.

The average house price of a single family home in Toronto has reached record levels. Last year, in the first two weeks of May, right after the April peak, and long before the news of the stock market crash and the world financial crisis, single family homes were worth on average \$437,205. Now, that number has climbed to \$439,459, which is the highest recorded. This is effective 15 May 2009.

That news follows a limited number of transactions in the early part of the year. Volume was down 50% in January, 33% in February, 20% in March and 7% in April. The volume for the first two weeks of May is up 3% compared to May 2008.

So, if you were waiting for prices to drop in half like they did in some locations in the United States, you've probably waited too long.

Prices are rising, not dropping. As for competition, there are a lot of buyers out there. Remember all those purchasers who stayed on the sidelines during the first three months of the year. They're back!

Also, vendors with exceptional properties didn't list them this year. They were going to wait and watch the market. So, this is the time to see the better properties become available. These are the properties that buyers stretch for. These are the ones that vendors insist on the best price. If they get listed over the next six weeks, you'll see a significant upward push in the price structure.

Why? The answer is simple! First mortgages are at their lowest rates in 50 years.

Here are some comparative figures for Toronto, the 905, and the entire GTA. While the 905 didn't fare quite as well as Toronto, the performance is still quite outstanding. The first two weeks of May 2009 appear, compared with the first two weeks of May 2008 in brackets:

City of TORONTO ("416")

Sales 1,864 (1,734)

Average Price \$439,459 (\$437,205)

Rest of GTA ("905")

Sales 2,697 (2,688)

Average Price \$372,408 (\$377,344)

GTA

Sales 4,561 (4,422)

Average Price \$399,811 (\$400,817)

Oddly enough, and this situation occurs rarely; it is both a good time to buy and a good time to sell.

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