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Sales, prices, listings all rising Busy market expected

So far the 2010 real estate market has picked up where 2009 left off: lots of sales, not enough listings and rising prices. Most pundits believe this trend will continue into the summer, when the market may slow down due to rising mortgage interest rates and the introduction of the Harmonized Sales Tax (HST). Although interest rates are not expected to go up a lot, it could put a damper on the market. The HST will apply to most closing costs when purchasing a home, and may prompt buyers to make their move early to avoid the charges. A similar rush of closings happened before the City of Toronto's Land Transfer Tax was implemented.

By the end of 2009, the number of listings on the market had dropped by 40 per cent compared to 2008, but listings started picking up in December and continue to do so. With confidence in the economy and job prospects growing, more move-up buyers are putting their homes on the market. By spring, buyers should have more choice, which should also reduce the number of multiple-offer situations. There is nothing more frustrating for a buyer than to make a solid offer on a home only to lose out to a higher bidder.

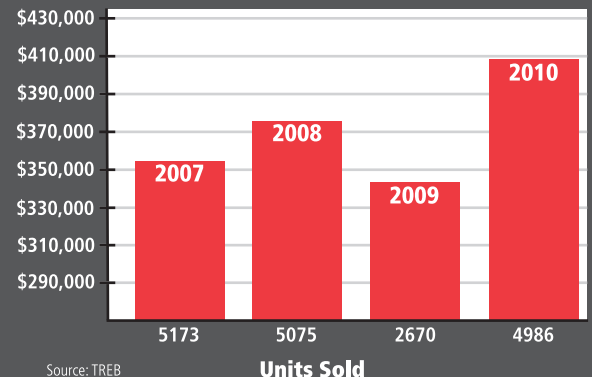
Prices continue to rise—the average price in January was \$409,058, compared to \$343,632 at this time last year. The rising prices have prompted some people to suggest a housing bubble is looming, which may result in a dramatic drop in prices. Bank of Canada Deputy Governor Timothy Lane said in a speech in January that such talk is premature. “Recent house price increases do not appear to be out of line with the underlying supply/demand fundamentals.” He added “It is likely...that a significant part of the surge in housing sector activity is associated with temporary factors – notably the historically low borrowing costs, as well as pent-up and pulled-forward demand – which cannot continue to drive increases in house prices and activity. Thus, we see the housing market as requiring vigilance, but not alarm.”

The Association of Accredited Mortgage Professionals states that a recent survey shows most Canadians are being “extremely prudent” and not borrowing more than they can afford.

“Even though mortgage payments will probably rise for most borrowers, the increase in their incomes will more than offset the higher payments,” said Will Dunning, the association's chief economist. “All in all, the degree of risk from rising mortgage rates appears to be small and manageable.”

If you are thinking of selling your home, now is the ideal time to make a move. If you are a buyer, start looking! REU

Average Home Prices - January
in the Greater Toronto Area



Monthly sales and average price by area

January 2010

Central.....	882	\$517,846
East	1,123	313,741
North	1,001	455,973
West	1,979	390,990

December 2009

Central.....	1,096	551,052
East	1,223	308,892
North	1,112	458,252
West	2,110	374,979

November 2009

Central.....	1,466	532,019
East	1,623	328,153
North	1,455	449,947
West	2,902	395,614

October 2009

Central.....	1,642	556,402
East	1,898	329,720
North	1,756	460,138
West	3,180	390,775

September 2009

Central.....	1,501	519,583
East	1,857	323,805
North	1,730	442,187
West	3,108	382,425

August 2009

Central.....	1,394	472,648
East	1,818	303,896
North	1,756	439,160
West	3,067	369,882

July 2009

Central.....	1,784	499,201
East	2,201	311,238
North	2,221	436,628
West	3,761	371,108

June 2009

Central.....	2,049	518,423
East	2,360	317,748
North	2,449	434,392
West	4,097	378,215

May 2009

Central.....	1,797	510,325
East	2,158	314,238
North	2,144	416,372
West	3,490	374,101

April 2009

Central.....	1,496	493,103
East	1,820	306,890
North	1,713	405,462
West	3,078	368,945

March 2009

Central.....	1,033	455,889
East	1,435	292,469
North	1,296	396,320
West	2,407	344,804

February 2009

Central.....	739	437,991
East	1,030	291,508
North	814	394,911
West	1,537	336,101

Source: TREB

Legal matters

Protecting your identity Many Canadians victimized

Last year, the Canadian Anti-Fraud Centre reported that 11,095 Canadians were victims of identity fraud, losing more than \$10 million. That is an increase of more than \$1 million over losses in 2008. The most commonly reported incident was payment card fraud.

Identity theft (or fraud) is when someone collects and uses your personal information to steal money or buy things, or to conceal a criminal activity such as money laundering. Your name, date of birth, address,



and social insurance number can be used to open bank accounts, obtain credit cards and even re-direct your mail. You could be left with bills for things you didn't buy, as well as other charges, taxes owing and a bad credit record.

Criminals get this information by simple methods such as going through your garbage or stealing your mail, or more elaborate methods such as stealing it over the Internet using computer spywares, viruses and phishing schemes.

The best way to avoid identity theft is to stay on top of your personal bills and make sure there are no surprise charges. If there are, call the credit card company immediately. Ensure that your bills arrive when they are supposed to. If you apply for credit and are unexpectedly turned down, or if you start getting calls from a collection agency, something is wrong and you must investigate. Report your problem immediately to the police.

Be careful about sharing your personal information with anyone. Don't fall for emails that ask for personal information. Financial institutions and utility companies never ask for this kind of personal data via email. Shred papers with personal information before recycling them.

For more tips about preventing identity theft, visit www.rcmp.ca and click on "Scams." REU

Setting the stage

Home staging tips Make your home attractive to buyers

Remove all clutter in the house. Put away toys and dishes and clear appliances off the kitchen counter. Don't forget to put away all the toiletries in the bathroom.

- Get rid of any odours from smoking, pets or cooking.
- Make everything in the house as clean as possible, including the basement and utility areas. Pay special attention to cleaning windows and other shiny surfaces such as appliances and countertops.
- Turn on all the lights before a showing or an open house.
- Get your windows professionally cleaned.
- Clean up outside as this is a potential buyer's first impression of your home. Cut the grass or shovel the sidewalk. Add some attractive shrubs or plants

to your garden. Don't forget to hide the garbage and recycling bins.

- If the house needs to be spruced up, apply a fresh coat of paint. Use neutral colours.
- Fix problems such as dripping taps, running toilets, broken kitchen cabinets or cracked windows.
- Remove personal photos or unusual artwork that may only appeal to you. Remember that you are trying to help the buyers visualize themselves in the house.
- Less is more. If you have oversized furniture or too much furniture in a room, take some of it out. (Consider renting a storage locker for these items and anything else that will make your house look crowded.)
- Replace (or simply remove) poor-looking shower curtains, fireplace screens, doormats, drapes and other components that won't impress buyers.
- Put out some fresh flowers to brighten your home. REU

ago.net/kingtut

King Tut - The Golden King and the Great Pharaohs exhibit at the Art Gallery of Ontario. This lavish and mystical exhibit features priceless treasures from the tomb of King Tut. (Ends Apr.18)

giocanada.org

General Insurance OmbudService can help you cut through red tape and impartially resolve disputes between you and your insurers for home, auto and business issues.

hotwire.com

Luxury for less - Offers cheap travel deals on flights, hotel rooms, rental cars, packages and cruises.

not4me.ca

A site for your teens to learn the effects of drugs and how to say no.

These sites are provided for your interest and entertainment only. The information is from various sources believed to be reliable, but their accuracy cannot be guaranteed.

Mortgages

2010 Rates

Mortgage rates are negotiable with individual lenders. Check to be sure that you are getting today's best possible rate.

At February 4, 2010 Mortgage Rates

6-month	3.60%
1-year	2.65%
2-year	3.15%
3-year	3.49%
4-year	3.99%
5-year	3.99%
Prime rate	2.25%

Condo update

Condo sales booming Torontonians love the lifestyle

The lack of new listings during the last seven or eight months has been especially hard on new condominium buyers, with bidding wars for units in the most popular and affordable buildings.

Listings are now starting to edge up and are expected to continue to increase in the spring market. Later in the year, several condominium buildings will become available, which should have a major impact on the resale market. Investors who bought the new condos will be looking to cash-in their investments by putting them on the market, and move-up buyers will sell the units they are living in now.

In January, the median price for a condo apartment was \$270,000 compared to \$227,000 last year.

Although prices have been increasing, they have not risen at a pace that would suggest a price crash is on the horizon. Condo demand continues to be strong; prices have been rising primarily because of the lack of listings. Most experts, including the Bank of Canada, believe the price increase is due to sustainable demand and is not being pushed up by speculators.

The threat of rising interest rates and the implementation of the Harmonized Sales Tax are expected to give the condo market another boost before July 1. With job prospects looking a little brighter, more first-time buyers may be looking to get into home ownership by purchasing a condo. Although demand will likely slow in the second half of the year, it is expected that prices will hold steady.



Longer-term prospects for the condo market are also bright. "Sustained demand for ownership housing is based on population growth, which in Canada comes from immigration," said the Toronto Real Estate Board's Jason Mercer. "The GTA remains Canada's single greatest beneficiary of immigration. With Toronto's cultural and labour-market diversity, this should continue."

Many immigrants work their way into the housing market, which often begins with a condominium purchase.

Condos continue to appeal to both ends of the housing market – both first-time buyers and empty nesters love the maintenance-free lifestyle and convenience of condo living. REU

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About face Enhancing your home's exterior

GTA '10 totals

Many of us have considered changing the tired-looking façade of our home into something else to help modernize it and boost its curb appeal. There are many different materials and methods available for such a makeover and stucco is increasingly becoming a popular choice. There is something simply luxurious about the look of exterior stucco combined with the decorating options of stucco mouldings. Stucco homes are associated with sophistication, style and wealth. They can truly stand out as gems in a neighbourhood. As stucco is not always affordable some homeowners opt for synthetic stucco instead.

Synthetic stucco may be an option but it is also controversial in its usage. Exterior Insulation Finish Systems (EIFS) commonly known as synthetic stucco can be applied over the existing façade. The finish resembles traditional stucco but due to its construction, offers much greater design and is slightly more flexible. The pros of this product are that it creates a very drastic transformation of the house and can serve to modernize virtually any exterior. To understand the cons however let's take a brief look at the standard installation method.

The installation starts with plywood (or plywood-like material), followed by a layer of expanded polystyrene plastic foam insulation. This is then covered with a glass fibre reinforcing mesh, a base coat of stucco, followed by the finish coat. The end result is built-up layers of material with a hard outer shell that has a slightly hollow sound when rapped. With all those layers, it is very easy to get water trapped in-

side the system that can result in a complete failure of the exterior cladding.

All cracks and penetrations must be diligently repaired and maintained on an ongoing basis. Installing EIFS over a brick veneer also carries the risk of trapping moisture inside the wall assembly if the weep holes of the brick wall are blocked. With no place to go, constant exposure to moisture can lead to rot in the wood. The common signs of EIFS problems are:

- Mould or mildew on the interior or exterior of the home,
- Swollen wood around door and window frames,
- Cracked EIFS or cracked sealant.

Another issue is that the relatively thin top eggshell coating is susceptible to damage from hard knocks and repairing these usually requires a skilled professional, as amateur repairs are often easily visible. Fortunately, newer EIFS systems include a drainage arrangement to help keep moisture from being trapped behind the covering.

So while there are many ways to breathe some new life into your home's exterior, not every method will be right for you or your house. Do your homework before launching into an expensive facelift for your home. REU

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Sales activity of single-family homes Most recent month, year to date

Active
January 12,052
YTD..... N/A

Listed
January N/A
YTD..... 9,962

Sales
January 4,986
YTD..... 4,986

Average price
January \$409,058
YTD..... \$409,058

Median price
January \$350,000
YTD..... \$350,000

Average days on market
January 28
YTD..... 28

Average percentage of list price
January 99
YTD..... 99

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
Jan '09	2,670	10,360
Jan '10	4,986	10,021
% Change	87%	-3%

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