

Real Estate E-News



Cyclical Slowdown After 2007 Buying Frenzy

Greater Toronto REALTORS® recorded 3,640 transactions last month, down from 7,313 sales in November 2007, as announced by the Toronto Real Estate Board (TREB). *Year-to-date* sales figures for the Greater Toronto Area show 72,086 transactions in 2008, down from 88,695 sales recorded in the same January to November period a year ago.

While sales activity has moderated in 2008, due to current economic conditions, the average price of homes is higher than in November 2006, still making real estate a solid long term investment.

“Home prices are affordable, interest rates are at historical low levels and the supply of homes for sale is good providing additional reasons for buyers

thinking of entering the market,” says O’Neill, president of TREB.

The average price of a home in the GTA last month was \$368,582, down from \$393,747 noted in November 2007. In November 2006 the average price was recorded at \$355,727.

By contrast, the 2008 *year-to-date* average price in the GTA is \$379,489, still up from \$375,445 in 2007.

The average number of days a home currently remains on the market in the GTA is 41, up from an average of 32 days last November. There are currently 27,037 homes listed on the TorontoMLS system compared to 18,309 available properties in November 2007.



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NOV 2008	Active Listings	Sales	Avg Price	Avg DOM	NOV 2007	Active Listings	Sales	Avg Price	Avg DOM
Downtown (C1)	1021	141	346,227	27	Downtown (C1)	597	305	349,236	21
Bloor West (W1&W2)	386	75	414,390	27	Bloor West (W1&W2)	230	175	473,550	20
Kingsway (W8)	395	54	545,140	35	Kingsway (W8)	255	149	546,420	29
Mississauga (W12-W20)	3042	459	339,503	38	Mississauga (W12-W20)	1907	863	347,870	32

Figures reflect MLS sales in the indicated districts as reported by the Toronto Real Estate Board (TREB). DOM = Days On Market. Market values depend on many factors besides number of bedrooms and property type. Please call for a customized report for your neighbourhood or a valuation of your home.

Clearly visible in the tables above is the decreasing sales activity compared to last year. In the Bloor West area the average price for November 2008 looks worse than it is in reality. This is due to a shift of sales volume away from higher value detached homes to semis and condos. The opposite is true for the Kingsway area, where the condo portion has significantly decreased in the total mix of sold homes compared to last year.

Another factor that has impacted the numbers and caused relatively high average prices in late 2007 is the introduction of the Toronto Land Transfer Tax in January 2008. Mississauga which is less affected by such distortions, shows November 2008 prices at 2% below November last year.