



Toronto Real Estate Board: Fall up, as home sales climb

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TREB PRESIDENT'S COLUMN AS IT APPEARS IN THE NATIONAL POST

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The Toronto Real Estate Board (TREB) released its September results earlier this week. I am happy to report that September sales totaled 8,196, representing an increase of 28 per cent compared to the same month last year. The growth in the average selling price was even stronger, coming in at 10 per cent pushing the average price to almost \$407,000. The year-to-date totals are also positive, with sales and average price through the first three quarters of the year up 4.5 per cent and 1.5 per cent respectively. This is encouraging, given the economic challenges we have faced over the past year!

I asked Jason Mercer, TREB's Senior Manager of Market Analysis, if he thought we would continue to see positive results in the fourth quarter. This is what he told me:

“The number of existing home sales in the fourth quarter will be well-ahead of the volumes experienced during the last three months of 2008. I am confident that the number of transactions will push through the 80,000 mark and perhaps be hovering around 85,000 when all is said and done this year. That will put us in line with the level of sales experienced in the 2004 to 2006 period – some of the best years on record under the current TREB boundaries.”

It is also Mr. Mercer's opinion that the average selling price will be above last year's level as well:

“The resale home market has tightened up substantially since the spring. Sales, our measure of demand, have risen strongly relative to listings, our measure of supply. The result has been an increasing rate of price growth. The average price for 2009 will be hovering around \$390,000 – up by approximately 2.5 per cent compared to 2008.”

Interest rate decisions by the Bank of Canada over the past year clearly played a role in keeping the housing market buoyant in the face of a recession. Interest rates moving to record lows only served to help an already affordable GTA housing market. Enhanced affordability served to attract a broad array of home buyers. This is why we have seen more transactions in virtually all price ranges and all major housing types across the region.

In September, low-rise home sales including single-detached, semi-detached and town houses grew by 25 per cent compared to last year. High rise condominium sales were up an impressive 34 per cent over last year. The average annual rate of price growth for both high and low-rise home types was more or less the same.

The fact that the recovery in the GTA housing market has occurred in all sectors of the housing market – from housing types/prices catering to first-time buyers through to higher end properties selling for over \$1,000,000 – suggests that the housing market is once again firing on all cylinders after a relatively short downturn. This speaks to the fact that consumers have remained confident in ownership housing as a solid long-term investment.

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