

GREATER TORONTO AREA

TRENDS

- 1 Positive sales figures despite brutal winter
- 2 Record low inventory driving seller's market



ONTARIO'S ECONOMIC

powerhouse emerged from a brutal winter in strong shape with sellers in control of what will be a brisk summer market.

Sales figures were positive even over the winter as low interest rates, foreign investors and a scarcity of listings drove

prices up 7.8 per cent year-over-year as of March 2014.

The average price of a home reached \$553,193 in February, with a typical de-

tached home selling for \$718,400 and a condo selling for \$347,200. Overall average residential prices crept up to

\$557,684 in March. In certain high-end neighbourhoods, it was not unusual for 40-foot lot with a tear-down house to sell for more than \$800,000.

Inventory levels across the city are at an all-time low; despite the growth of the Greater Toronto Area over the past decade, there were only 14,000 active listings this February compared with 17,000 in 1999. Detached freehold homes remain the hottest commodity in the region, although half of all sales in the City of Toronto are condos.

Toronto continues to lead the Western Hemisphere in terms of residential high rise construction; for many here, a detached home in the downtown

“TORONTO CONTINUES TO LEAD THE WESTERN HEMISPHERE IN TERMS OF RESIDENTIAL HIGH RISE CONSTRUCTION”

GREATER TORONTO AREA

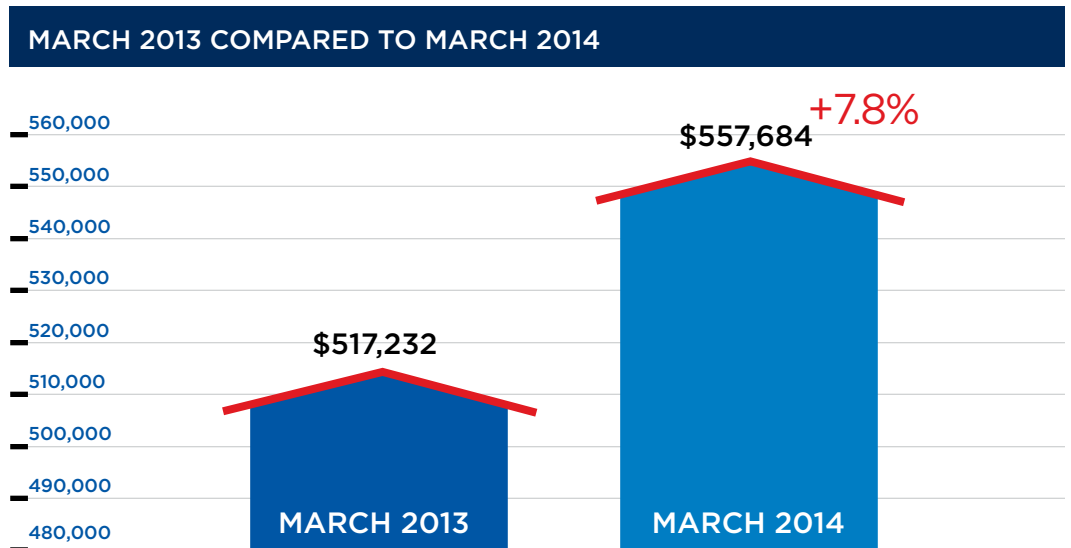
core is simply out of reach. With little construction of new rental stock in the city, investors have continued to purchase individual condo units for rentals. The rental market is surprisingly tight, with a vacancy rate below two per cent leading to multiple offers on rental units in attractive locations. Condos are stepping in to fill a need in the market, as Toronto has seen no significant multi-family residential rental construction in 30 years.

After a decade of suburban sprawl in the surrounding Peel Region and York Region, real estate priorities are shifting back to the core of the city. With commute times from the suburbs getting longer and land for new suburban communities scarce, a new generation of buyers are opting for city life. Buyers with equity built up are taking the opportunity to upsize, while retirees are cashing out and moving into smaller homes or condos. With the higher costs associated with entering the market in this region, many first-time buyers are doing so with financial assistance from their parents.

Economic opportunities in the Greater Toronto Area, coupled with low interest rates will continue to drive demand. All signs point to continued growth in the market, with sellers realizing significant returns and buyers competing for coveted properties.



AVERAGE RESIDENTIAL SALE PRICE



SOURCE: CREA, TREB