

Maurice Gherson's CEDARVALE REPORT

Your Neighbourhood Real Estate Newsletter

March 2015

Market off to a fast start Prices forecast to rise

The 2015 real estate market is off to a fast start with January sales up by 6.1 per cent compared to January 2014. Prices are also up for all property types.

However, the biggest news may be the increase in new listings. The inventory of homes for sale rose by 9.5 per cent compared to last January. That's significant because a shortage of good listings has been cited as the reason why real estate prices have risen so quickly in the GTA.

Although the number of active listings on the market still trails last year by 2.5 per cent, if this increase in listings becomes a trend, it will be good news for buyers. We may see fewer multiple offers on homes in popular neighbourhoods and more choice for buyers, resulting in slowing price appreciation. However, it's a bit early to say if the listings increase is a trend that will continue into spring.

The average price for a detached home in January was \$948,713 in the City of Toronto, an increase of 7 per cent compared to last year. In the 905 regions, detached homes appreciated by 4.2 per cent, to an

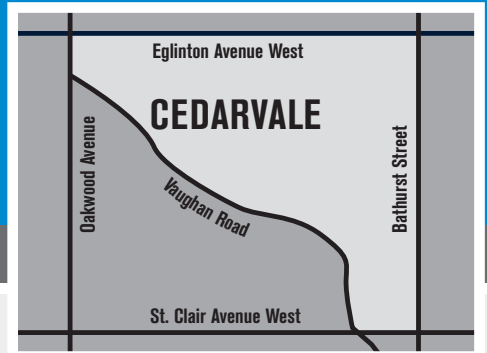
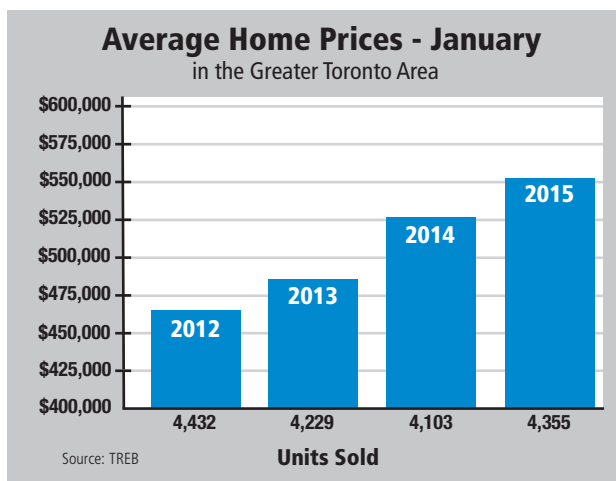
average of \$648,233. Semi-detached homes were up 7.2 per cent in the city to \$667,452, and increased by 9.4 per cent in the 905 to an average price of \$455,653. In January, the average home spent 31 days on the market before selling for 99 per cent of the listed price.

The Toronto Real Estate Board (TREB) anticipates prices will continue to rise in 2015.

"Lower borrowing costs will largely mitigate price growth this year, which means affordability will remain in check," says Jason Mercer, TREB's senior market analyst. He says the strongest price growth will be for

detached and semi-detached homes and townhouses, but that condo apartments will also see above-inflation price growth.

Mortgage interest rates dropped recently after the Bank of Canada responded to the impact of low oil prices on the Canadian economy. There is speculation that the Bank of Canada could make another rate cut in March to further stimulate the economy, but the banks will likely be cautious and may not cut mortgage rates again.



Cedarvale Market Watch

For detailed statistics visit
cedarvaleMG.ca

Recent Sales (August 2014 – January 2015)

	# sold	avg price	highest price	days on market
Detached				
2 bedroom	1	495,000	495,000	12
3 bedroom	6	1,065,477	1,575,000	8
4 bedroom	8	1,382,250	2,269,000	13
5 bedroom	1	960,360	960,360	6
6 bedroom	-	-	-	-
7 bedroom	-	-	-	-
Bungalow				
1 bedroom	1	501,000	501,000	9
2 bedroom	10	637,650	921,500	15
3 bedroom	1	810,000	810,000	10
Semi-detached				
10	642,400	860,000	17	
Townhouse				
-	-	-	-	-
Triplex				
1	762,500	762,500	14	
Fourplex				
1	1,305,000	1,305,000	50	

Figures are based on all MLS® sales as reported by the Toronto Real Estate Board. Market values depend on other factors not shown above.



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Featured Listings

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121 STRATHEARN ROAD



NEW CONSTRUCTION-PRIME MOORE PARK



NEW CONSTRUCTION-CEDARVALE GEM



2 Quality, Detached, Executive Homes - Avail. Aug 2015 - Award winning custom home builder -25' X 144' Landscaped lot - Private Drive, Detached Garage, Cedar Roof, 3,000+ sq ft, 10' ceilings on Main Floor, 3-4 Bdrms.

Quality, Detached, Executive Home, Avail. Aug 2015, Award Winning Custom Home Builder, Stone/Brick Construction 25' X 110' 3,000+ sq ft. lot, 10' ceilings on Main, 3-4 Bdrms., Built In Garage, Hardwood Floors, Selling Price: \$1,295,000.00

LIST WITH MAURICE AND YOU COULD OBTAIN SIMILAR RESULTS

Investing in a condo Rental vacancy rates tight

A recent study by market research firm Altus Group found that one in 20 Canadian households owns income property. Among households earning \$100,000 annually, about 10 per cent own at least one rental property.

With a homeownership rate of close to 70 per cent, Canadians clearly know the value of buying their own homes. Now more people are getting into real estate investment as well, particularly in Toronto's condominium market.

Investors are drawn to the condo market because demand for rental units is strong. The Toronto Real Estate Board (TREB) announced that in the fourth quarter of 2014, the vacancy rate for GTA condo apartments was just 1.3 per cent in the City of Toronto. It was 0.8 per cent in Halton and Durham, 1.2 per cent in Peel and 2.1 per cent in York Region.

"Despite an increase in rental listings, the rental market in the GTA has remained quite tight because renters are increasingly focused on condominium apartment rentals, which offer modern finishes and amenities in popular neighbourhoods," reports TREB.

Condos located near public transit attract a range of renters,

from young people who are going to school or getting jobs in the city core, to downsizing seniors who appreciate the amenities and maintenance-free condo lifestyle.

Urbanation, another market research firm, reports that the average condo rental rate in the city is now \$2.39 per square foot. The average monthly rent in the fourth quarter of 2014 was \$1,816, but it's worth noting that the size of condos being rented has shrunk by about 12 square feet, to an average of 761 square feet.

A survey by Canada Mortgage and Housing Corp. noted that more than 58 per cent of Toronto condo investors plan to keep their units for more than five years. About 47.9 per cent of investors thought their condos would increase in value during the next year, with 42.2 per cent expecting value to remain stable. That was before the recent Bank of Canada move to drop interest rates. The average condo sold for \$367,199 in the fourth quarter of last year, up 3.8 per cent compared to the same period a year before.

If you are interested in exploring a condo investment, give me a call.

Mortgage Rates

February 14, 2015

Prime	-	2.85%
Variable	-	2.60%
1-year	-	3.00%
2-year	-	3.04%
3-year	-	2.94%
4-year	-	2.99%
5-year	-	2.99%

* Above rates are posted rates of a major institution and subject to change. Rates are negotiable with individual lenders.

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