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Welcome to my May 2011 Newsletter!

Tight Market Results in Strong Price Growth in April



TORONTO, May 4, 2011 -- Greater Toronto REALTORS® reported 9,041 existing home sales through the TorontoMLS® system in April 2011.

This result was down 17 per cent compared April 2010 when sales spiked to a new record of 10,898. While off last year's record result, April 2011 sales were in line with the average April sales level reported over the previous five years.

"Existing home sales have been strong from a historic perspective through the first four months of 2011. Expect the pace of sales to remain robust through the spring, as the economy expands and home buyers continue to benefit from affordable home ownership opportunities," said Toronto Real Estate Board (TREB) President Bill Johnston.

Market conditions tightened markedly over the last year. April 2011 sales accounted for 62 per cent of new listings during the month – up substantially from 53 per cent in April 2010. Tighter conditions resulted in the average April selling price growing by nine per cent annually to \$477,407.

"The number of listings has been below expectations so far this year. Increased competition between home buyers has led to an accelerating annual rate of price growth," said Jason Mercer, TREB's Senior Manager of Market Analysis. "The strong price growth experienced in April should result in more listings.

Sincerely,



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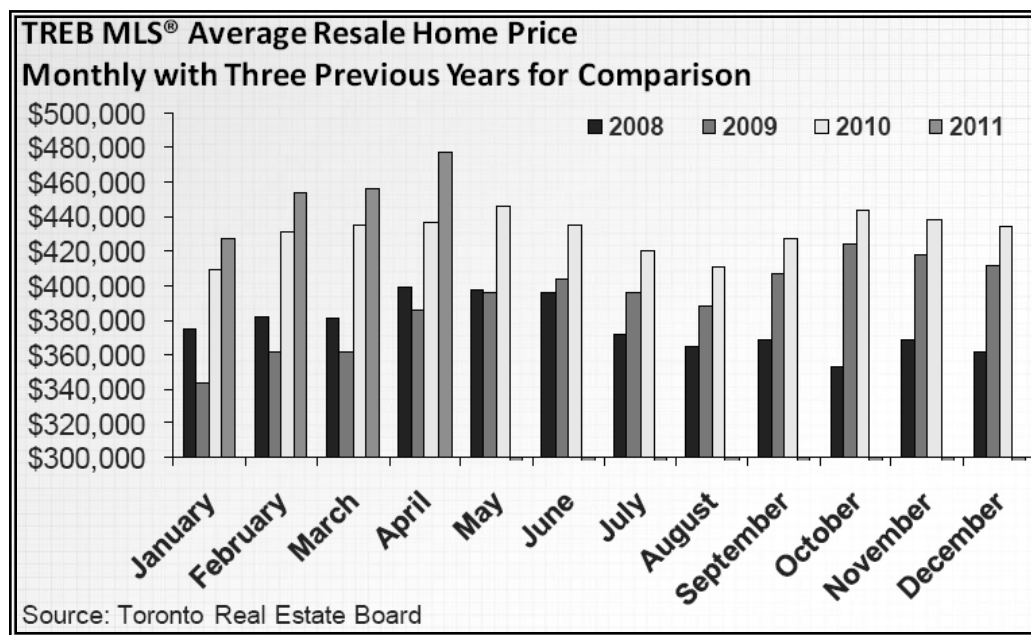


HOUSING MARKET CHARTS

APRIL 2011

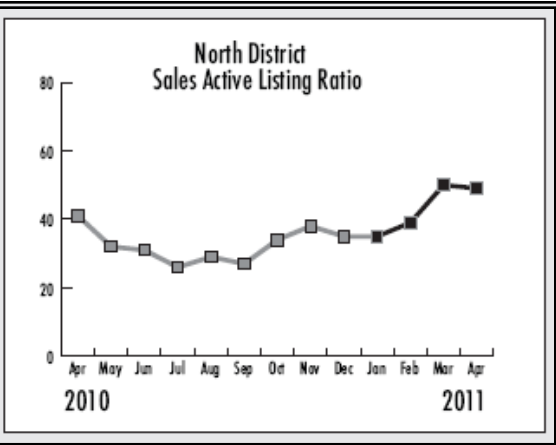
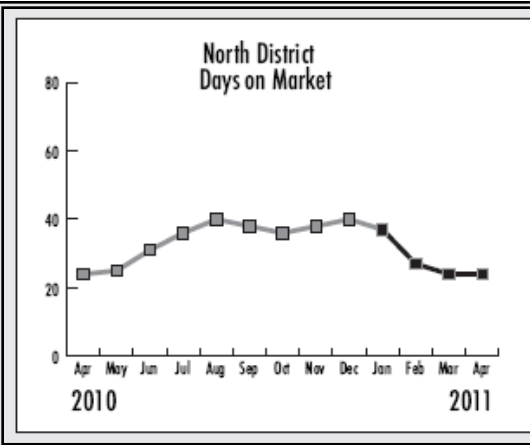


This chart plots monthly MLS® average price since January 1995. The darker line shows the actual average price. The lighter line is the trend computed using a 12-month moving average, which exhibits no seasonal variations or other irregular fluctuations. A substantial change in actual average price must occur to change the direction of the trend.

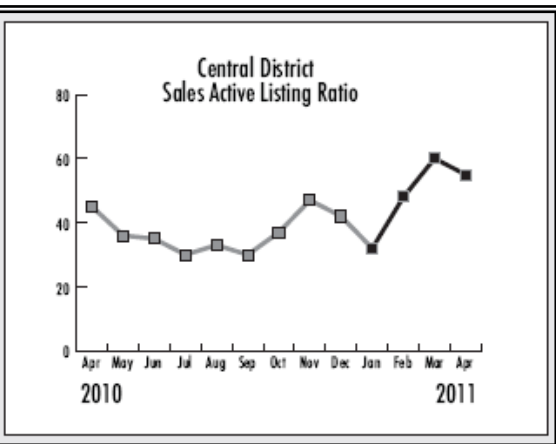
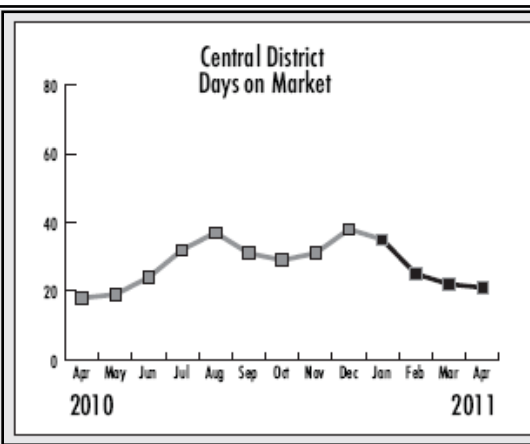


This chart plots the monthly MLS® average home price for the current year and the previous three years. The recurring seasonal trend can be examined along with comparisons to previous years for each month.

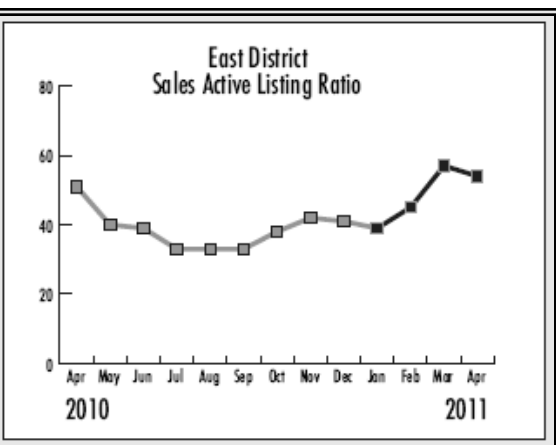
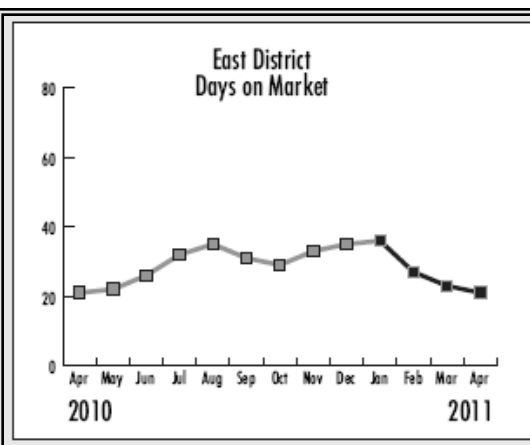
North District



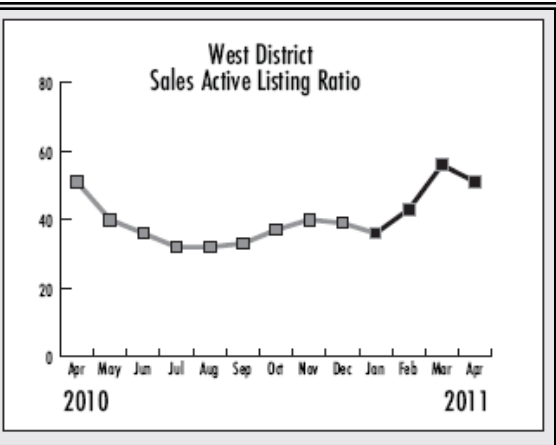
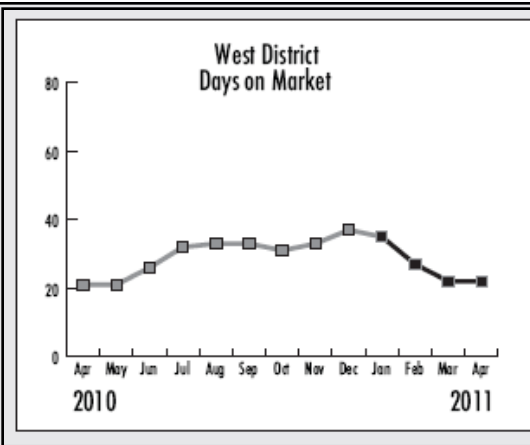
Central District



East District



West District





RESALE MARKET



CMHC'S OUTLOOK FOR 2011

LESS EXCITEMENT IN STORE FOR 2011

The Greater Toronto Area's resale market is expected to normalize in 2011. After an unprecedented level of volatility experienced over the past couple of years, sales will settle into a range reminiscent of the 2003-2006 period — decent volumes without dramatic movements. One change on the horizon is an absence of the seller's market conditions the GTA has been accustomed to for much of the past decade. Buyers can sigh in relief as prices will see very little movement from today's levels. While developments in the housing market will likely attract fewer headlines in the coming year, take that as a sign that we have transitioned towards a more sustainable level of activity reflective of the current economic environment. In fact, the market already appears to be settling into its comfort zone. Sales are currently in the low end of the 75,000 to 85,000 annualized range expected for the rest of this year and throughout 2011, which largely reflects a rebalancing from record levels set in the early part of 2010. Homeownership demand is expected to gain momentum in the second half of next year as the GTA economy is now starting to bring full-time employment beyond the pre-recession peak. Continued low interest rates will keep households interested in buying, but won't lead sales to new highs. Prices in the resale market are no longer at simulative levels after growing faster than incomes over the past couple years. This will impact sales coming from first-time buyers, who typically have below-average incomes and savings. While overall sales levels and price growth will be lower than in the preceding couple of years, opportunities for growth will continue to present themselves in 2011. Next year, the share of the population in their prime income earning years (45-54) will peak — meaning the reduction in first-time buyers should be at least partially offset by greater sales from move-up buyers. As a result, above-average priced areas of the GTA should continue to attract interest in 2011. The empty-nester and retiree population is also expanding quickly, as is the trend towards downsizing. Results from CMHC's Renovation and Home Purchase Report indicate that 40 per cent of home purchasers aged 65 plus bought a condo. A large number of newly completed units hitting the market will present buyers with ample choice and more flexible prices.



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