



# AGENT BOSKO'S JOURNAL

## Welcome to My November Newsletter!

### PACE OF HOME SALES REMAINS BRISK IN OCTOBER

**Toronto, November 3, 2011**— Greater Toronto REALTORS® reported 7,642 home sales through the Toronto MLS® in October 2011. This represented an increase of 17.5 per cent compared to the 6,504 transactions reported in 2010.

Monthly sales data follow a recurring seasonal trend that should be removed before comparing monthly results within the same year. After adjusting for seasonality, the annualized rate of sales for October was 97,100, which was above the average of 90,700 for the first three quarters of 2011.

“The pace of October resale home transactions remained brisk in the GTA. This bodes well for a strong finish to 2011,” said Toronto Real Estate Board President Richard Silver. “Home buyers who found it difficult to make a deal in the spring and summer due to a shortage of listings have benefitted from increased supply in the fall.” The average selling price through the Toronto MLS® in October was \$478,137—up eight per cent compared to October 2010.

“Sellers’ market conditions remain in place in many parts of the GTA. The result has been above-average annual rates of price growth for most home types,” said Jason Mercer, the Toronto Real Estate Board’s Senior Manager of Market Analysis. “Thanks to low interest rates, strong price growth has not substantially changed the positive affordability picture in the City of Toronto and the surrounding regions.”



Sincerely,

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# GTA REALTORS Report



## Mid-Month Resale Housing Market Figures

**TORONTO, November 16, 2011**—Greater Toronto REALTORS® reported 3,379 transactions through the Toronto MLS® during the first two weeks of November. This result represented more than a 13 per cent increase compared to November 2010. New listings were up 16 per cent over the same period.

“The results for the first two weeks of November point to two important facts: First, despite global economic uncertainty, buyers have remained confident in the affordable housing market in the GTA. Second, stronger growth in new listings mean that it is becoming easier for buyers to find a home that meets their needs,” said Toronto Real Estate Board President Richard Silver.

The average selling price through the first 14 days of November was \$481,548—up by 10 per cent compared to the average of \$437,510 reported for the first two weeks of November 2010.

Little or no movement is expected for mortgage rates through 2012. Low rates coupled with the consensus outlook for continued growth next year suggests that homes will remain affordable in the GTA and households will remain confident in doing deals. Look for the average selling price to advance to the \$485,000 mark next year,” said Jason Mercer, the Toronto Real Estate Board’s Senior Manager of Market Analysis.

### Summary of November 1-14th Sales and Average Price

Area	Homes Sold (2011)	Average Sales Price (2011)	Homes Sold (2010)	Average Sales Price (2010)
City of Toronto (416)	1424	\$526,540	1288	\$487,699
Rest of the GTA (905)	1955	\$448,777	1694	\$399,350
Total	3379	\$481,548	2982	\$437,510

### Toronto MLS® Sales & Average Price by Home Type November 1-14th

Home Type	Sales			Average Price		
	416	905	Total	416	905	Total
Detached Yr./Yr. % Change	487 16%	1093 16%	1580 16%	754,805 6%	544,879 14%	609,584 11%
Semi-Detached Yr./Yr. % Change	168 24%	215 17%	383 20%	570,684 12%	368,142 8%	456,985 11%
Townhouse Yr./Yr. % Change	165 24%	339 13%	504 16%	418,092 3%	332,284 7%	360,376 7%
Condo Apartment Yr./Yr. % Change	589 1%	262 17%	851 6%	361,461 4%	276,747 15%	335,380 5%

# Affordability vs Availability

The state of our local Real Estate Market always comes down to two things... Affordability and Availability.

Affordability is all about demand... Who wants it? What can they afford? And what will they pay?

Availability is all about supply... How much is available? What does it cost? What will they sell it for?

If, over time, more listings are selling, you are in a Seller's market. If less listings are selling, you are in a Buyer's market. My job as a Realtor is to pay attention to the trajectory of our local market so that I can see ahead of every one else when the market starts to shift. This will allow me to advise Buyer's and Seller's accordingly, to be able to fit into the shifting market.

## 7 FACTORS AFFECTING AFFORDABILITY VS AVAILABILITY



1. Inflation
2. Interest Rates
3. Population
4. Employment
5. Household Income
6. Neighbourhood Dynamic
7. Home Prices



## Home Price vs. Payment

Year	1989	2010	2011 YTD
Bread	\$0.67	\$2.22	\$2.66
Milk	\$0.59	\$2.25	\$2.32
Gas/litre	\$0.49	\$1.01	\$1.33
Avg. Home Price	\$141,985	\$339,030	\$371,286
Mortgage Rate (Posted)	13.35%	5.61%	5.34%
Monthly Payment	\$1,554	\$1,831	\$1,941

According to the latest press release from RBC, housing affordability is eroding slightly in our market place.

“The RBC House Affordability Measures show the proportion of median pre-tax household income that would be required to service the cost of mortgage payments (principal and interest), property taxes and utilities on a detached bungalow, a standard two story home and a standard condo (excluding maintenance fees) at the going market price.”

So what does this mean for you?

Affordability is eroding in our marketplace, but it is still relatively sustainable and nowhere close to the crazy levels in 1990.

Having said that, you should start paying closer attention to the 7 factors that affect

affordability. Any large movement in any of those factors will be the beginning of a shift in the Toronto Real Estate Market.

## RBC Housing Measure Average 1985 vs. Current

Detached 2-Storey	54.4	61.4
Detached Bungalow	48.9	51.9
Condo	31.6	34.2



# Money Tips for Kids



We all want the best for our children now and in the future. As such, we teach them the things they need to know; how to tie their shoes, read a book and drive a car. In the midst of these valuable lessons, it is helpful to include ongoing communication about financial responsibility. From the time children beg for toys until they leave for college or university, we can tailor lessons to help them understand the value of money.

For example—

- Limit the time children watch commercial TV which will reduce the number of ads they see for “must have” items.
- Explain the basic concepts of earning an income and living within your means.

- Give your children a small allowance with guidelines on how the money can be spent. (Ex. 50% to savings, 10% to charity, 40% to use how they choose).
- Help them understand systematic savings by opening a bank account with them.
- Support efforts to earn extra money by helping with chores, selling lemonade, bake sale etc.
- As they get older, help them develop a budget of their own that they can use for clothes, CDs, social activities and other items. When the money is gone, it’s gone.

By integrating financial responsibility into day-to-day conversations and actions, we help our children plan for a financially sound future.



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