



## THE NEXT MOVE

## Toronto house hunters lament not buying in spring as market strengthens



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In the leafy streets of Toronto's Leaside neighbourhood, Patrick Rocca sees signs that the real estate market is moving more briskly.

Mr. Rocca, an agent with Bosley Real Estate Ltd., recently listed a three-bedroom, Georgian-style house with an asking price of \$1.949-million. A buyer stepped up three days later and purchased the property for slightly below asking.

"That would have taken three weeks a couple of months ago," says Mr. Rocca.

Another six homeowners have called him to ask for an evaluation before they list.

"I'm finding that there's more activity for sure," says Mr. Rocca. "I can see the positive momentum."

The fall market tends to pick up compared with the summer months, but Mr. Rocca notes that buyers were still dragging their feet in the spring – which is normally the busiest time of year.

Now, he has clients lamenting that they didn't buy four or five months ago.

"We bottomed," he says. "It usually takes buyers, once the market changes, a bit of time to figure it out."

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average and close to long-run norms, points out Mr. Porter. Policy makers could not have

asked for a better outcome, achieving the proverbial soft landing – at least so far.”

He adds that the stabilization in the Toronto area stands in the middle of a renewed correction in Vancouver-area sales, but budding strength in some other central Canadian markets, including the Southwestern Ontario cities of Windsor, London and Kitchener-Waterloo.

According to the latest data available from the Canadian Real Estate Association, national homes sales edged up 0.9 per cent in August from July to mark the fourth straight month of rising sales.

Still, sales so far this year are lagging, CREA says, adding that national activity is on track to hit a five-year low in 2018.

The Aggregate Composite MLS Home Price Index, which measures prices across the country, gained 2.5 per cent in August compared with the same month last year.

In the Greater Toronto Area, prices rose 1.4 per cent in August from a year earlier. That performance was outpaced by some surrounding cities in the Greater Golden Horseshoe, including Hamilton-Burlington, with a 7.2-per-cent jump and the Niagara region, with a 6.6-per-cent increase.

By contrast, prices in the Barrie area dipped 2.7 per cent in August compared with August of 2017.

Looking ahead, CREA cautions that aspiring buyers still face headwinds in the form of higher interest rates and tighter policies surrounding mortgages. Further rate hikes, combined with the “stress test” for all new mortgages, will keep home sales activity in check for the rest of the year and into 2019, CREA predicts.

Additional interest rate increases expected this year and in 2019 will continue to raise the bar that borrowers must clear to qualify for mortgage financing, the association warns.

Ira Jelinek, a real estate agent with Harvey Kalles Real Estate Ltd., recently sold his own three-bedroom home on New Street in Yorkville before it hit the market. He sent out a “coming

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second and rundown properties languishing.

One detached house was listed in Forest Hill with an asking price of \$3.295-million. “I thought that was high,” he says, but the house sold quickly for \$3.5-million.

Others are so outdated that he can’t imagine living there in their current condition. “The only ones on the market require hundreds of thousands of dollars in investment.”

But Mr. Jelinek says some buyers can find value in certain pockets of the city.

In North York’s Armour Heights neighbourhood near Bathurst Street and Wilson Avenue, for example, houses that were fetching more than \$2-million at the market’s peak are selling for between \$1.6-million and \$1.85-million, he estimates.

In Bedford Park near Yonge Street and Lawrence Avenue, many builders tore down smaller homes and replaced them with larger new homes, he points out. There’s a good supply of those houses around the \$2.5-million mark, he says.

Mr. Rocca is taking over the listing for a house in that area that he says was stagnating with another agent because it was priced far too high at just under \$3-million. He has persuaded the seller to set the price just below \$2.4-million. “It was ridiculously over-priced.”

Mr. Rocca says houses sell when the owners are realistic but some still stubbornly hold out for lofty amounts.

One couple that is thinking about listing calls him on a regular basis to ask for an update. “I keep telling them where they should be – they keep wanting more.”

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