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Your Greater Toronto Real Estate Newsletter

GTA sales and listings up

Buyers continue to benefit from more choice

GTA BY THE NUMBERS

DETACHED

↓ **0.1%**
Avg. Price Yr/Yr

SEMIS

↓ **3.3%**
Avg. Price Yr/Yr

CONDO APTS

↓ **2.2%**
Avg. Price Yr/Yr

The Toronto Regional Real Estate Board (TRREB) reported that there were 5,391 home sales in the GTA in July, a 3.3 per cent increase compared to the 5,220 transactions reported in the same month last year. The July 2024 year-over-year growth in sales is also an improvement from June, when sales were 16 per cent below year-over-year.

The detached home segment registered most of the sales, with 2,446 sales recorded (up 3.3 % from last year), compared to 1,482 condo apartment sales (down 1 %), 939 townhome sales (up 8.3 %), and 471 sales of semi-detached homes (up 7.3 %). TRREB president Jennifer Pearce says that the annual uptick in sales is a good sign and could mark the start of a trend. “The cost of borrowing is anticipated to decline further in the coming months. Expect sales to accelerate as buyers benefit from lower monthly mortgage payments,” she says.

While sales were up from last year, listings continue to surge. Buyers continued to benefit from more choice in the GTA marketplace with annual growth in new listings outstripping that of sales. “The better-supplied market meant that buyers also benefitted from a slight relief in selling prices on average,” notes TRREB. With sellers entering the market in bigger numbers and buyers having more choice, the average selling price was down by 0.9 per cent to \$1,106,617 from July 2023.

In July, a detached home in the City of Toronto climbed to \$1,648,021 on average, up 0.5 per cent from July 2023 and the condo apartment saw a 0.5 per cent drop to \$748,330. In the 905 areas, the detached home dipped 1.0 per cent to \$1,353,581 and the suburban condo saw the biggest price decline down

5.7 per cent from July 2023 to \$658,340.

“As more buyers take advantage of more affordable mortgage payments in the months ahead, they will benefit from the substantial build-up in inventory. This will initially keep home prices relatively flat. However, as inventory is absorbed, market conditions will tighten in the absence of a large-scale increase in home completions, ultimately leading to a resumption of price growth,” says TRREB chief market analyst Jason Mercer.

Experts also remain optimistic that the market will pick up in the fall, especially if the central bank lowers its key rate again in September. Bank of Canada governor Tiff Macklem sounded encouraging, telling reporters it is “reasonable” to expect additional rate cuts this year. *REU*

Average Home Prices - July in the Greater Toronto Area



Source: TRREB

Monthly stats

July average price by area

416

DETACHED

↑ 0.5%

YEAR
YEAR

\$1,648,021
Average Price

CONDO APT

↓ 0.5%

YEAR
YEAR

\$748,330
Average Price

905

DETACHED

↓ 1.0%

YEAR
YEAR

\$1,353,581
Average Price

CONDO APT

↓ 5.7%

YEAR
YEAR

\$658,340
Average Price

Source: TRREB



Home ownership

Multigenerational living **Becoming more common**

The high cost of single-family home ownership has made home co-ownership, typically with family members, also known as multigenerational home ownership much more prevalent.

According to Statistics Canada, the number of multigenerational households grew by 21 per cent from 2011 to 2021. "And perhaps the most telling sign of the times: The proportion of young adults living with at least one parent

has been on the rise across the country, but particularly so in Ontario, at a whopping 42 per cent," says Penelope Graham, an industry expert and contributor at Globe and Mail. And, "... one out of six residential properties owned by people born in the 1990s were co-owned with their parents in 2021."

The advantages of home co-ownership are obvious: the group can put forth a stronger mortgage application and access more competitive interest rates while mortgage payments, property tax and utilities can be split. The government even offers a tax credit to offset the cost of creating a secondary in-law suite. Meanwhile, everyone gets to build up home equity and create generational wealth.

Multigenerational home ownership is an effective way to gain a foothold in today's real estate market. However, before closing on the mortgage, meet with a lawyer and draw up a legal agreement. It should detail exactly what happens in cases of missed payments, or if someone wants to leave, sell or dies. **REU**



Home safety

Smoke alarms **Save lives and homes**

Smoke alarms save lives and homes. That fact has been established for decades. But tragically, we are still seeing reports about deaths caused by fire in homes that did not have a smoke alarm installed or where the existing smoke alarm was faulty.

In a recent CBC report, Ontario Fire Marshal Jon Pegg notes that there were no working smoke alarms in a home in Guelph where two women died in a blaze. Pegg also highlights that there were 133 fatalities in 2022, the highest number on record. "For the first few months of 2024, we're on a very similar trend and it's something that we really need to take seriously," he says.

In a fire emergency, working smoke alarms offer a critical early warning that can directly impact the survival of the

people you care about. By law, every home in Ontario must have a working smoke alarm on every storey and outside all sleeping areas. Failure to do so can result in a \$360 ticket or a fine up to \$50,000 for individuals or \$100,000 for corporations.

Smoke alarms should be tested every six months. Replace weak or dead batteries immediately with new ones and batteries should be replaced every year. Remember, if your smoke alarms are hardwired, they will not function during a power failure, consider installing a backup battery powered smoke alarm as an additional asset to your home. And be vigilant about the expiration date. Smoke alarms typically last 10 years, replace them to ensure you have the latest technology and best protection available. **REU**



Mortgages

Bank of Canada interest rate cut Making sense of it

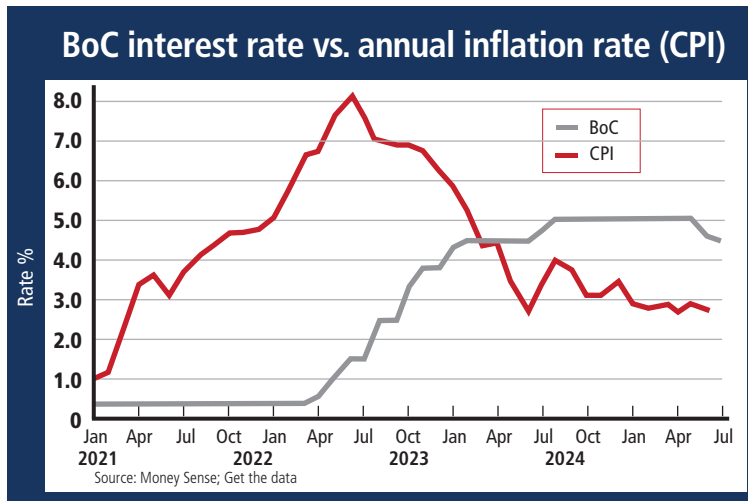
On July 24, the Bank of Canada (BoC), citing an improved inflation outlook, slashed its overnight lending rate by 0.25 per cent to 4.5 per cent, right on the heels of a similar cut in June. The bank also signalled that further rate cuts are likely, starting in September.

While the outcome of BoC announcement was expected, "markets had priced in an 80% chance of a cut - the language in the central bank's news release was surprisingly cheerful. The central bank usually keeps its cards close to its chest in terms of future cuts, but it wasn't afraid to come across more dovish...pointing to the progress made thus far on inflation," says Penelope Graham, a financial columnist at Ratehub. Currently, analysts believe the BoC's cutting cycle will bottom out at 3%, which would require another six quarter-point cuts. The question now is, just how many more cuts will come before the year-end and of course how many more in 2025.

What does it mean for you as a mortgage holder or a prospective homebuyer? Lower interest rates offer real relief to those with variable-rate mortgages, those whose mortgages are coming up for renewal and those waiting to take that first step on the real estate ladder.

However, adjustable rate mortgage holders whose

payments adjust with changes to the prime rate will have already seen immediate relief in their monthly payments with the two recent BoC's overnight rate cuts of 0.25 points each which lowered lenders prime rate by 0.5%. If you've got a variable rate mortgage which has a fixed payment schedule, more of your payment will now go toward your principal mortgage balance rather than servicing interest.



The downward rate trend will also affect fixed-rate mortgage holders, although not immediately, giving them a chance to refinance or renew at a more advantageous rate. With more cuts in the offing, those who got ultra-low rates during the pandemic will not face as sharp a spike in mortgage payments as they would have a few quarters ago when their mortgages renew in 2025 or 2026. **REU**



On the internet

Interesting websites

pumpkinFESTtoronto.com

Enjoy a weekend filled with midway rides, inflatable fun, a sprawling pumpkin patch, local food trucks, live entertainment, and so much more! Downsview Park Oct 11 - Oct 14

napFLIX.tv

Fight insomnia with the most sleepy content selection of videos to relax your brain and help you fall asleep.

myFRIDGEfood.com

Easy recipes using ingredients you already have in the kitchen. A creative and useful tool to quickly check what food you can prepare.

snakesANDlattes.com

Snakes and Lattes is a café where one can enjoy a pastry and coffee while playing board games - Monopoly to the nostalgic Jumanji. Over 1500 games to choose from.

These websites are believed to be reliable but their accuracy cannot be guaranteed.

Mortgages

August 10, 2024

Mortgage rates are negotiable with individual lenders. Rates are subject to change without notice. OAC E&OE

Prime	6.70%
Variable	6.25%
1-year	7.29%
2-year	6.19%
3-year	5.44%
4-year	5.34%
5-year	5.24%



Washing machines **How to extend their lifespan**

With prices for consumer goods remaining high in Canada, it is more important than ever to ensure that your big-ticket household items, such as your washing machine, last a long time.

Did you know that most washing machines can last from 7 to 15 years? But the key to their longevity is proper maintenance. Here are some tips to extend the lifespan of your washing machine:

- Don't overload. Too many clothes and bulky loads in one spin cycle puts a lot of pressure on the machine, increasing wear and tear. Top-load washing machines are more prone to overloading, which creates malfunctions.
- Avoid washing items covered in pet hair, which can clog drain pipes. Remove the pet hair with a lint roller before washing.
- Use the recommended amount and type of detergent as per your washing machine's manual.
- Level the washing machine, whether it's a front load or a top load machine to prevent unnecessary vibration, and damage.
- Check your home's water quality and electricity spikes. Hard water can leave mineral deposits that damage appliance components and the plumbing system leading to and from the machine, while irregular voltage from power outages or blown fuses can damage the machine. Make sure your home's electrical system can handle running multiple appliances simultaneously without blowing the power.
- Clean the machine. From time to time, run a cleaning cycle with hot water

and bleach to keep mold and mildew from forming. (Front-loading machines are especially prone to mold and mildew). Also, remove wet clothes as soon as the cycle finishes and leave the door open to further prevent mold and mildew.

- You might also use a cleaning tablet on the cleaning cycle to thoroughly clean the inside of the appliance. They are designed to eliminate limescale, residue dirt, rust and odours while cleaning your machine thoroughly.

If your clothes aren't washed properly, it could be a sign the machine doesn't function correctly. Loud banging and excessive noises indicate something is wrong with the machine, and it might need replacing.

Buying the best washing machine can be very tricky as there are hundreds of models on the market with a variety of features. Good Housekeeping tests and ranks various models and their recent findings showed that the GE Appliances UltraFresh Front Load Washer with OdorBlock as best overall front-loading washing machine, and the Maytag Smart Capable 5.2-cu ft Agitator Top-Load Washer as best overall top-loading washing machine. You can find other online sources that take washing machines for a "testing cycle" and rank their features.

Choosing the right washing machine, following the manufacturer's instructions, and sticking to some basic dos and don'ts will ensure that you won't spend money on expensive replacements every few years. *REU*



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- Home Improvement Recommendations
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- Cinematic Videos (if applicable)
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