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**Your Greater Toronto Real Estate Newsletter**

## Buyers are back as sales jump Listings continue to climb

**GTA BY THE NUMBERS**

**DETACHED**

↓ **1.1%**  
Avg. Price Yr/Yr

**SEMI**

↓ **0.4%**  
Avg. Price Yr/Yr

**CONDO APT**

↓ **3.6%**  
Avg. Price Yr/Yr

The GTA real estate market saw a boost in sales activity in September (up 8.5%) in comparison to the same month in 2023. "With every interest rate cut we're expecting you'll see a larger number of buyers wanting to purchase and move off the sidelines," says Toronto's Regional Real Estate Board (TRREB) Chief Market Analyst Jason Mercer. "There's the benefit of lower borrowing costs but also more inventory. It's a positive double whammy for buyers right now."

The average selling price of all home types in the GTA at \$1,107,291 was down by one per cent compared to the September 2023 price of \$1,118,215. Breaking the numbers down, on the average, a detached home in the City of Toronto in September sold for \$1,685,755 (down by 2.4%) versus same month last year, and for \$1,333,394 in the rest of the GTA (dipping just 0.5%). A City townhouse went for \$978,343 on the average (down by 1.7%), and for \$887,023 in the 905 area (down by 4.1 %) from September 2023. A condo apartment in the City saw its price dip by 3.5 per cent year-over-year to \$707,917, while the suburbs saw a deeper decline of 4.1 per cent, to \$633,706

The only housing category that saw an increase in price from last year was the semi-detached in the City. At \$1,299,324, it inched up by 1.3 per cent, but dipped in the suburbs by 2.0 per cent to \$887,023.

New listings were up by 10.5 per cent year over year, as more sellers entered the market wanting to take advantage of the influx of buyer activity. "The annual improvement in September home sales was more than matched by the increase in new listings over the same period," says Mercer. "This resulted in a better-supplied market and increased

negotiating power for buyers re-entering the market. The ability to negotiate on price, led to moderate year-over-year price declines, particularly in the more affordable condo apartment and townhouse segments, which are popular with first-time buyers." Mercer concludes that it will take some time for more buyers to enter the condo space as first-time homebuyers need to see an interest rate drop of around two per cent from the Bank of Canada.

Going forward, TRREB sees the government's changes to mortgage lending guidelines announced in September and borrowing costs trending lower, as a catalyst in re-invigorating Canada's real estate market. "As buyers take advantage of changes to mortgage lending guidelines and borrowing costs trend lower, home sales will steadily increase in relation to population growth," says TRREB President Jennifer Pearce. *REU*

### Average Home Prices - September in the Greater Toronto Area



## Monthly stats

September average price by area

416

DETACHED

↓ 2.4%  
YEAR  
YEAR

\$1,685,755  
Average Price

CONDO APT

↓ 3.5%  
YEAR  
YEAR

\$707,917  
Average Price

905

DETACHED

↓ 0.5%  
YEAR  
YEAR

\$1,333,394  
Average Price

CONDO APT

↓ 4.1%  
YEAR  
YEAR

\$633,606  
Average Price

Source: TRREB



## New housing supply

### Shortage of new housing Crisis intensifying

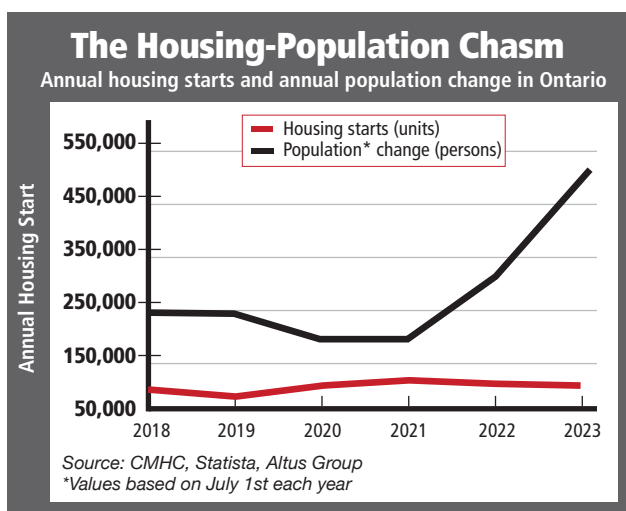
The recent Municipal Benchmarking Study from the Building Industry and Land Development Association (BILD), warns that the region's new housing supply is lagging dangerously behind population growth. The current gap between new housing stock and population growth in the GTA is the widest it has been in over 50 years. "This is a bright red warning light on the dashboard for all levels of govern-

ment," says BILD chief executive David Wilkes. "Without bold steps, the housing crisis in the GTA is going to get far worse in the years ahead."

A key factor contributing to this issue is red tape, prolonged approval processes for new builds and the region's high municipal fees. High fees and delays in construction add to developers' costs, which are then passed onto home buyers.

According to the study, it takes 20 months for housing projects to obtain municipal approval. Each month of delay adds \$2,673 to \$5,576 to the cost of each unit, resulting in an average increase of \$43,000 to \$90,000 per new home.

Adding to home affordability burden are high municipal fees, taxes and charges that account for almost 25 per cent of the cost of a new home in the GTA. The study notes that since 2022, municipal fees have increased by an average of \$42,000 per unit for low-rise developments and \$32,000 for high-rise units. As a result, municipal fees now add an average of \$122,387 to the cost of a condominium and \$164,920 to the cost of a single-family home. **REU**



## Mortgage renewals

### Stress test Lifted for borrowers changing lenders

Industry players have complained about the glaring imbalance between uninsured (down payment equal or greater than 20%) and insured mortgages (down payment less than 20%) in the application of the stress test. Currently, the stress test is being applied to uninsured mortgages when the borrower switches to a different lender but this is not the case for insured mortgages.

In March, the federal Competition Bureau weighed in, saying that those with uninsured mortgages should be able to switch between federally regulated financial institutions without being subjected again to the stress test. "When consumers renew their mortgages, their ability to switch to a competitive mortgage offer is critical to ensure they obtain the best rate and terms to serve their needs," the Competition

Bureau said in a submission to the Department of Finance, noting that the share of uninsured mortgages has been growing, climbing to 73 per cent by mid-2023.

Consequently, the Office of the Superintendent of Financial Institutions (OSFI) announced that it was removing the requirement for uninsured mortgage borrowers to do a stress test when renewing with a different lender, effective November 1. The OSFI stress test measure applies specifically to straight switches of uninsured mortgages. That is, to borrowers moving to a new lender with the same loan amount and amortization schedule. This change will make it easier for mortgage borrowers to find a more favourable offer at renewal time without having to prove they can afford their mortgage at a higher rate. **REU**



## Financial matters

### Trifecta of good news **Should bolster real estate market**

**D**espite two recent interest rate cuts by the Bank of Canada, the real estate market remained stubbornly soft. New listings have been on the rise, but with rates still on the high side and home affordability issues, buyers have been slow to purchase. However, with September's trifecta of bullish mortgage events: "First, Ottawa announced a bombshell loosening of mortgage insurance rules. Second, inflation stunned economists by undershooting the two per cent target. Third, the United States Federal Reserve threw a party for the markets with a jumbo rate cut... [these events] should give real estate a shot in the arm by the first quarter [of 2025] or before," says Robert McLister, mortgage strategist.

So, how do these developments impact the real estate market? The decision to increase the insured mortgage cap from \$1 million to \$1.5 million means buyers purchasing a home up to a limit of \$1.5 million can now use a down payment of under 20 per cent and avail of mortgage insurance. The expansion of the 30-year amortization to all first-time buyers and all purchasers of newly built homes is likely to increase the amount that many Canadians are able to borrow relative to their income. Longer amortization means lower monthly mortgage payments, making a home purchase more affordable. All of these initiatives help put young buyers

into homes sooner.

The significant drop in Canada's inflation rate along with the aggressive rate cut by the U.S. Federal Reserve Board, give the Bank of Canada more leeway to cut rates further without fear of boosting inflation. Markets are already pricing in 200 basis points of rate cuts within 24 months, according to forward rate data from CanDeal DNA. "Such a drop would drastically slash payments, increasing the appeal of home



buying relative to renting," says McLister.

"Lower prices [home] and rising incomes have been quietly working magic behind the scenes. For instance, the typical home is now just 4.2 times gross income for dual-income households earning average weekly wages. That's down from a nosebleed 5.9 in February 2022," says McLister. Real estate is now in a better position to go up. **REU**



## On the internet

### Interesting websites

#### **theDISTILLERYwinter VILLAGE.com**

Distillery District inspired by the Old World and influenced by the New, celebrating local craftspeople, musicians and artisanal food-makers for a truly festive experience. Opening Nov 13

#### **furnitureBANK.org**

Helping families in need by collecting donated furniture and household items for distribution to women and children, refugees etc.

#### **virtualPIANO.net**

Experience the piano on your computer. Engages and inspires people of all ages and abilities, to nurture a passion for music. You can now entertain with music online!

#### **childhoodCANCER.ca**

Provides families with information, organization and inspiration to cope with what comes next.

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

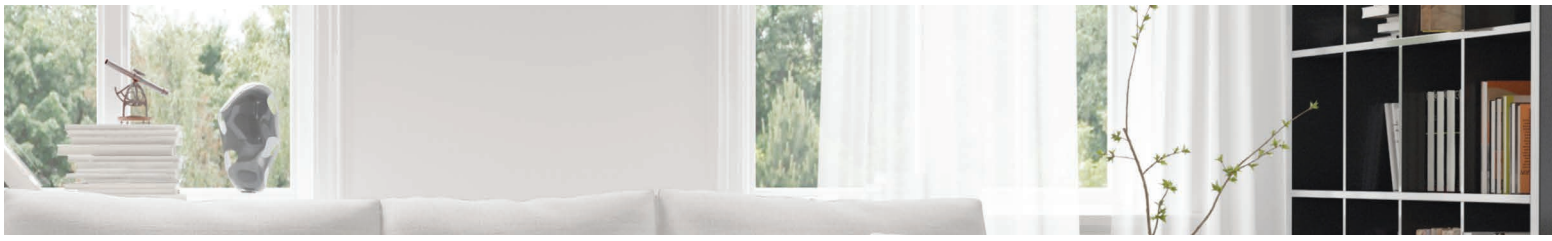
## Mortgages

**October 8, 2024**

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

<b>Prime</b> .....	<b>6.45%</b>
<b>Variable</b> .....	<b>5.95%</b>
<b>1-year</b> .....	<b>6.64%</b>
<b>2-year</b> .....	<b>5.74%</b>
<b>3-year</b> .....	<b>4.74%</b>
<b>4-year</b> .....	<b>4.79%</b>
<b>5-year</b> .....	<b>4.84%</b>





## Dishwasher cleaning Maintenance tips

**C**leaning the dishwasher sounds counterintuitive. Most people think, “Isn’t it a self-cleaning appliance?” Well, not really. If you want to prolong your dishwasher’s life, you will need to do more than just rinse your dishes.

### Clean the base

Remove the dish racks and with a cloth wipe down all the surfaces, concentrating on the blades and water jets. These smaller spaces tend to trap leftover food and debris.

Did you know that the bottom of your dishwasher may have a filter? And yes, you need to clean it to prevent clogs from leftover food. Just get a toothbrush and scrub it with warm water and a little dish soap. Or, remove the filter, scrub out the debris and soak it in warm water and vinegar.

Check your dishwasher model before removing the filter as not all dishwasher models have a removable filter. Not cleaning your dishwasher’s filter can lead to debris build-up and off-putting odours. The good news is that if you thoroughly rinse your dishes before you put them into the dishwasher, you only need to clean the filter three to four times a year. If plates go in un-rinsed, this should be a bi-weekly task.

### Let vinegar and baking soda do their thing

Once the inside of your dishwasher is clean, put your dish racks back into the machine, place a dishwasher-safe bowl with one cup of white vinegar on the top rack and run the dishwasher on a high temperature setting. Finish off with a generous sprinkle of baking soda on the bottom of the dishwasher and run it empty

also on a high temperature setting to remove any lingering unpleasant odours.

### Tips for daily/monthly maintenance

- At the end of each cleaning cycle, remove crumbs or other debris from the bottom of the dishwasher.
- Load your dishwasher according to your owner’s manual, selecting the right cycles. Heavy cycles are for pots and pans and lighter cycles are for more fragile items.
- Don’t overload your dishwasher by putting all your dishes, pots, and pans in every corner of the appliance.
- The dishwasher’s seal or gasket keeps the water from leaking out on your floor. Debris build-up on the gasket or seal can lead to odours as well as mold. Once a month, use a solution made of three cups of water and half a cup of vinegar to clean up the seal.
- If there is a lot of grease on your plates and dishes, take a few seconds to dump the grease and gunk out to prevent a clogged drain.
- Cleaning the dishwasher drain is another important monthly step. First, put one cup of white vinegar in a large, microwave-safe bowl. Heat it in the microwave for 15 to 20 seconds so it is slightly warm. Take the bowl out of the microwave and stir in two tablespoons of baking soda. Pour the mixture into the drain at the bottom of the dishwasher. Let it sit for 10 to 15 minutes. Meanwhile, boil a kettle of water. Just as the boil is dying down, carefully pour the water down the dishwasher drain to help clear out any debris or clogs. Do this slowly, taking care not to get splashed with the boiling hot water. *REU*



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