



John MacEwen

Sales Representative
416-424-4900 (Office)
416-627-3530 (Mobile)
johnmacewen@royallepage.ca
www.irunrealestate.com

**Royal LePage Real Estate
Services Ltd., Brokerage**

1391 BAYVIEW AVE
TORONTO, ON M4G3A6



Times Are A Changin'



It has been much too long since my last newsletter and a lot has happened since then. Personally, I have completed my first marathon and since then have torn ligaments in my knee to keep me out of running for the next little while. I only mention this because the real estate market has had a similar success and set back happen since I last wrote to you, so here is a recap of what is going on.

As many of you know, the first 6 months of 2010 were extremely busy with records being broken. This was driven by a lot of buyers in the market and not enough sellers putting their homes on the market and the end result was a lot of bidding wars, driving up prices.

Near the end of June and for all of July the pace has slowed down and the media is throwing numbers around of how 'bad' the market is. Yes, sales are quite a bit lower than they were last year (which was a record July in '09), but when you look at the bigger picture it all makes good sense as to why this is happening.

At the end of 2008 and early 2009, the sky was falling. The automakers and banks were going under, the US housing market was tanking and everyone who was looking to buy in the Toronto market got scared that we were going to follow suit. We had a good 6 - 8 month lull in our market just because of fear, but once things calmed down people started buying and selling again.

When buyers returned to the market, we didn't just have the regular amount of people to accommodate for; we also had an extra 6 - 8 months of sales to catch up on. All of the 2nd half of 2009 was extremely busy trying to deal with this extra volume of people and that is why the bidding wars and increases in price started to happen.

In early 2010 the left over volume from 2009 has continued to be taken care of and the fast paced market continued. To add to the pace of the market, a harmonised sales tax (HST) would be coming into effect on July 1st. This tax was very poorly explained to the public as many thought that the cost of buying a home would go up by 8% overnight. In reality, HST is applicable to only the services related to a resale home such as real estate commissions and lawyer's fees. However, HST is applicable to newly built homes and condos, with rebate programs of up to 75% on the first \$400,000.

Misinformation surrounding HST has had an impact on people trying to get their homes sold and/or closed prior to July 1st and therefore we had a push for people to buy/sell prior to that date. Now July has come and gone and with no surprise, it was a lacklustre performance in the month of July compared to last year and the month of June. Looking at all that has happened over the last year and the specific timing of events that change the cost of and the way people buy and sell their homes, it was to be expected.

We are currently taking a breath so that everything can catch up. I don't foresee big price drops in the near future; I see the market just taking a bit of a break with prices remaining relatively flat for the next couple of months.

Running Tips

Start at your own pace

Runners come in all forms and the key to sticking with it is all in how you pace yourself. Don't be afraid to go slow in the beginning to be able to last to the end. Know your limits.



Average Prices are Up While Sales and New Listings Down



Greater Toronto REALTORS® reported 6,564 sales in July - a 34 per cent dip from the record 9,967 sales reported in July 2009. New listings, at 10,825, dropped to the lowest level for the month of July since 2002.

"The level of July sales remained below the expected long-term trend. The market has become more balanced following record monthly sales through most of the winter and early spring," said Toronto Real Estate Board (TREB) President Bill Johnston.

Total sales through the first seven months of 2010 were up 12 per cent compared to the same period in 2009.

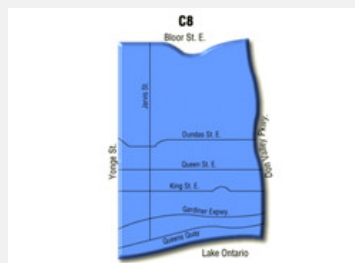
Notwithstanding the fact that price trends vary at the neighbourhood level in GTA, the average price for July transactions was \$420,482, representing a six per cent increase over July 2009. Over the first seven months of 2010, the average selling price was up 12 per cent annually to \$432,253.

"Market conditions promoting growth in the average selling price have remained in place. While July sales were down compared to last year, the number of new listings in the marketplace also fell. This means there was enough competition between buyers to exert upward pressure on price," said Jason Mercer, TREB's Senior Manager of Market Analysis.

Courtesy of the Toronto Real Estate Board's Market Watch

District C8

July 2010 (July 2009), % diff



Active Listings: 412 (196), 110.2%

of Sales: 89 (162), -45.1%

Avg. Sold Price: \$380,727 (\$355,845), 7%

For statistics on your specific area, contact me directly

District E1

July 2010 (July 2009), % diff



Active Listings: 135 (98), 37.8%

of Sales: 76 (88), -13.6%

Avg. Sold Price: \$442,875 (\$463,238), -4.4%

For statistics on your specific area, contact me directly

District E2

July 2010 (July 2009), % diff



Active Listings: 120 (67), 79.1%

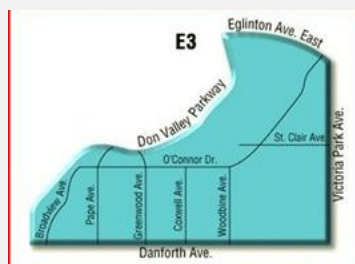
of Sales: 49 (82), -40.2%

Avg. Sold Price: \$647,357 (\$514,958), 25.7%

For statistics on your specific area, contact me directly

District E3

July 2010 (July 2009), % diff



Active Listings: 235 (156), 50.6%

of Sales: 89 (143), -37.8%

Avg. Sold Price: \$380,257 (\$377,489), 0.7%

For statistics on your specific area, contact me directly



Dedicated to your real estate so you can stay dedicated to your running.