



TREB's Months of Inventory Indicator/Affordability Point to Continued Price Growth in 2012

Toronto, January 20, 2012 – Starting in November 2011 the Toronto Real Estate Board (TREB) began publishing a new Months of Inventory (MOI) indicator. MOI shows how long, on average*, it would take to sell all actively listed homes assuming the level of sales remained the same and no additional homes were listed.

When the MOI trends downward, the market is tightening with fewer listings from which buyers can choose. Generally speaking, tightening market conditions translate into more competition between buyers and more upward pressure on the average selling price. When the MOI trends upward, the opposite would be true: competition between buyers will ease and the rate of price growth will likely moderate.



The average MOI was 2.3 months over the last two years. In the years leading up to the recession (2000 through 2007) the average MOI was 3.0 months. In response to tighter market conditions, the average annual rate of price growth was stronger in 2010 and 2011 in comparison to much of the pre-recession period. (...continued)

* The MOI is calculated by dividing the 12-month moving average of active listings by the 12-month moving average of sales. This smooths out recurring seasonal volatility.

“The low months of inventory over the past two years resulted from very strong sales relative to the number of homes listed. In 2011 in particular, there was a shortage of listings in the GTA. We continue to experience tight market conditions and considerable upward pressure on the average selling price,” said TREB President Richard Silver.

“The strong price growth we have seen over the last two years has largely been mitigated by low borrowing costs. TREB’s affordability indicator shows that a household earning the average income in the GTA can comfortably carry a mortgage on the average priced home, based on current lending standards,” continued Silver.



Based on the current market tightness and positive affordability picture, TREB expects the average selling price to continue growing in 2012.

“Barring a recession in Canada, the average selling price is expected to grow by approximately four per cent in 2012 to \$485,000 dollars. This price will remain affordable based on current lending standards. At the same time, the lower rate of price growth in comparison to 2011 points to an easing of sellers’ market conditions in the second half of this year,” said Jason Mercer, TREB’s Senior Manager of Market Analysis.

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Welcome New Clients!

Here are some of the new clients who became members of our "Real Estate Family" this past month. Welcome and best wishes!

Michael Edmends (referred by Hilda Yeung)

We love giving recognition to our new friends and our wonderful existing clients who are kind enough to refer their friends, family and neighbors to us.

Testimonials

"Donna Lam exceeded my expectations on what a Real Estate agent would do. She identified comparable properties, and discussed what price point would bring me the best return.

The result was that my house sold within 10 hrs of being listed, for 100.14% of the asking price.

I'm glad to have met Donna Lam, she provided great customer service, I just wish I made her acquaintance sooner.

Donna thanks you for shining some light on my indecisions and providing expert advice on my dreams."

Regards,
Charles McKenzie



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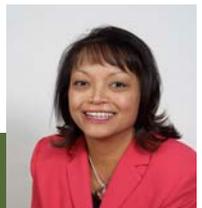


Luxurious New 'Aria' Ravine Residences -
10 Bloorview Place - Sought after lower floor with sunny western exposure. 1+1 Bedroom, 9' ceilings, hardwood floors throughout and painted with designer colours. Upgrade galore! Granite counter, mirror backsplash, ultra modern bath and more. Steps to TTC, subway, GO Train, Hospital, Bayview Village Shopping Centre, Fairview Shopping Mall, 401/404 DVP, lush nature trails and ravine vistas. Call to schedule an appointment today!



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20 Bloorview Place - A spacious 2+1 bedroom, approx. 1205 sq ft. with a sunny NE ravine exposure. Upgraded finishes include granite, marble, eng. hardwood and all appliances. 1st class amenities. Fabulous location steps to subway, TTC, GO Train, Hospital, Upscale shopping and restaurants, major highways and nature trails for walking and biking. This unit will go fast! Book an appointment now!

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