

kingwest REVIEW



vol. II issue 6
NOVEMBER 2009

EDWARD WANG
 [broker] [coldwell banker case realty]
 o [416.588.8248]
 d [416.588.5784]
 e [edward@therealinfo.ca]
 w [therealinfo.ca]
 follow me on twitter
 @edtherealtor



in the news
EXISTING HOME PRICES UP 20%

Existing home sales in the Toronto area soared to 8,476 in October, up 64 per cent from the same month last year. The average price for a home in October was up 20 per cent to \$423,559, the highest on record, according to figures released by the Toronto Real Estate Board.

"After a short dip in the winter, the average home price has rebounded because sales have been high relative to listings," says Jason Mercer, TREB's senior manager of market analysis. Active listings were down significantly by 46 per cent in October.

Year to date sales of 74,721 were up 9 per cent compared to the first 10 months of 2008.

"The highest rate of sales growth in October was experienced for properties selling for over \$750,000," said TREB president Tom Lebour. "In contrast, luxury home sales declined at an above average rate last year."

Analysts warn, however, that the headline grabbing record sales numbers should be put in context. Last September was the beginning of the financial crisis that froze consumer confidence.

Home sales dropped sharply for six months after. November and December year over year comparisons are also expected to be in sharp contrast to 2008 figures. (Source: *The Toronto Star*)

by the numbers
KING WEST WATCH

For the purpose of these statistics, numbers include all properties in the C01 district. (Sales data from the Toronto Real Estate Board.) Call me to discuss the most recent prices for your type of home.

OCTOBER 2009					
	ACTIVE	SALES	AVG PRICE	% SOLD	% LIST
Detached	12	4	\$780,750	33.3	102.0
Semi-detached	31	21	\$585,409	67.7	101.0
Attached	24	19	\$607,968	79.2	103.0
Condo apt.	419	305	\$398,788	72.8	101.0
Condo townhouse	31	29	\$404,886	93.6	103.0
YEAR - TO - DATE					
	ACTIVE	SALES	AVG PRICE	% SOLD	% LIST
Freehold	648	313	\$604,230	48.7	99.3
Condo	6404	3078	\$356,257	65.6	99.2

a note from edward
LOOKING AHEAD

Now that we're in the midst of the fall market, we can firmly say that housing sales have made an astounding recovery in the past few months. Prices are soaring back to 2007 levels, and consumer confidence is slowly being restored. It looks like the

end of 2009 may mark the beginnings of an invigorated resale market.

Despite the high, record-setting numbers, analysts seem to be torn about the future forecast. While some remain optimistic, others caution that this boom won't last. So what does this mean to the consumer?

While prices keep rising relative to the low numbers posted in 2008, things will most likely level out in 2010. Coupled with the anticipation that more inventory is expected to hit the market and affordability will moderate, I'm certain that the market is long from hitting rock bottom again, and that real estate is still one of the few sound investments in our economy.

This signals an optimal time for consumers to get into the market. Still, buyers should be wary of the prediction that interest rates will rise by the end of 2010, meaning that when a five-year mortgage is up for renewal, some may be unprepared for the increase in monthly payments. It's a good idea to be prudent and prepared before jumping into the market.

As always, if you need any assistance or have any questions or concerns about the market, I'm just a phone call or e-mail message away.

in the know
WHEN CHATTLES BREAK

In most agreements, the buyers typically request that the chattels and fixtures, including all heating, air conditioning and plumbing systems, will be "in good working order" on closing.

This means that all chattels and systems will be working when the buyer takes possession of the property. This doesn't mean that the seller warrants that everything will be working one month after closing.

Sometimes buyers can't check all the chattels and fixtures on the actual date of closing. A clause has been developed to deal with this: "The seller represents and warrants that all chattels, the furnace and the heating, plumbing and air conditioning systems will be in good working order on closing. This warranty shall survive closing but only to the extent that the said chattels, fixtures and systems are in good working order on closing."

What this clause means is that if there is not enough time on the day you move in to check all the appliances and systems in your home – and you find out when you try them a day or two later that they are not working – then you can still ask the seller to repair them, as they were likely also not working on the day of closing.

When we say that a warranty survives closing for a month, it is like a warranty that you receive when you buy an electronic item like an iPod. It means that if something breaks down during this one-month period, the seller is responsible to repair it.

Sellers do not like to give these kinds of warranties on anything in the house after they move out because there is always the problem of determining whose fault it was that the item broke down.

That is why for the most part, sellers only give a warranty that everything will be working on the day that you move in, and no longer.

Sellers, if you know that some of your appliances or systems are not working when a buyer submits an offer to buy the property, disclose this immediately. If an appliance breaks down after the agreement has been signed but before closing, the seller has to conduct the repairs.

For buyers, you may be able to purchase after sale warranty protection for major appliances and home systems after closing, to give you peace of mind that you will not encounter unexpected repair bills during your first year of ownership. (Source: *Your Home* via *The Toronto Star*)



Not intended to solicit buyers or sellers currently under contract. Each Coldwell Banker Office Is Independently Owned And Operated.