

real estate UPDATE

Your Greater Toronto Real Estate Newsletter

Amid COVID-19 market hits pause But prices hold up

Despite the COVID-19 containment measures imposed mid-March throughout the province, the GTA market still posted another month of sales growth. Toronto Regional Real Estate Board (TRREB) reported 8,012 home sales in March 2020, up by 12.3 per cent compared to 7,132 sales reported in March 2019. However, the region's housing activity did see a sharp drop towards the end of March. Of the 8,012 sales, 4,643 happened in the first half of the month - a 49 per cent jump from the same period last year. In the second half of March, there was a 15.9 per cent drop in sales.

"Uncertainty surrounding the outbreak's impact on the broader economy and the onset of the necessary social distancing measures resulted in the decline in sales since March 15," said Collins. "Sales figures for April will give us a better sense as to the trajectory of the market while all levels of government take the required action to contain the spread of COVID-19."

Home prices reached an average price of \$902,680 for all types of homes in the GTA, a jump of 14.5 per cent year-over-year. However, the average price between March 15 and March 31 dropped to \$862,563, down from the first half of March, but was still up by 10.5 per cent compared to the same period last year. Industry experts say, a big factor behind this decline is a shift during the end of March that saw more lower-priced homes selling. New listings were up year-over-year for March as a whole, but dropped in the second half of March by 18.4 per cent compared to last year. The drop in both sales and new listings at the end of March indicates a pause in real estate activity. Furthermore, some real estate experts say, the housing market still only has 1.3 months of inventory (the amount of time it would take for every home on the market to sell if no new homes were put up for sale) and this means that it is still a seller's market.

"Despite sales and listings trending lower in the second half of March, demand for ownership housing remained strong enough relative to listings to see the average selling price remain above last year's levels, including during the last few days of the month. As we move through April, we will have a clearer view on how social distancing measures and broader economic conditions will influence sales and ultimately the pace of price growth," said Jason Mercer, TRREB's chief market analyst.

REU



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GTA BY THE NUMBERS

DETACHED

↑12.5%

Ave. Price Yr/Yr

SEMIS

↑12.3%

Ave. Price Yr/Yr

CONDO APTS

↑17.7%

Ave. Price Yr/Yr

Average Home Prices - March in the Greater Toronto Area



Monthly stats

March average price by area

416

DETACHED

↑15.4%
YEAR
YEAR

\$1,465,826
Average Price

CONDO APT

↑18.1%
YEAR
YEAR

\$712,746
Average Price

905

DETACHED

↑10.6%
YEAR
YEAR

\$1,005,999
Average Price

CONDO APT

↑15.4%
YEAR
YEAR

\$535,189
Average Price

Condo update

Clean, clean, clean Condo-apartments go above and beyond

Condo apartment towers are small communities of their own, and given how members of these communities live in very close quarters, staff at many buildings across the GTA are ramping up their efforts to minimize the spread of COVID-19.

Many buildings have distributed notices to residents advising them of the precautions they should take: wash hands, sneeze into sleeves, self-isolate for 14 days if not

feeling well, and maintain physical distancing between each other including limiting number of people in elevators to between 2 and 4. The government's social distancing guideline necessitated the closures of non-essential shared spaces like gyms, barbecue nooks, patios, movie theatres, and pools.

Daryl Chong, president of the Greater Toronto Apartment Association says, staff in all buildings are diligently cleaning using methods and product guidelines from public health agencies "We've been scrubbing all the high surface touch areas." Surface touch areas such as elevator buttons, door handles, handrails, mailboxes, garbage chutes as well as shared amenities, like laundry facilities. Some luxury condos have gone an extra step, such as wiping down common areas every 15 minutes, calling its elderly residents to check in on them. And having staff members receive deliveries at buildings front doors and carrying the packages to residents' doors in an effort to prevent unnecessary traffic from outside.

Living in a condo tower has definitely changed since the COVID-19 outbreak, but the focus on cleaning, safety and observing responsible social protocols could be one of the outbreak's more constructive legacies. [REU](#)



Financial matters

Mortgage rates plummet Is now a good time to refinance?

As the Bank of Canada keeps slashing its prime rate most recently by 50 basis points to 0.25 per cent for its overnight rate, lenders are following suit and pushing their mortgage rates to near-historic lows.

Case in point, the online financial portal Ratehub recently posted fixed five-year rates between 2.19 and 2.59 per cent, and variable rates of 2.35 per cent to 2.75 per cent.

For homeowners, this trend presents an opportunity to refinance their mortgage at a lower rate. However, there is a big factor to consider when deciding on refinancing, the penalty for breaking your current mortgage contract. Even with a lower rate, the cost of your penalty could be substantially more than what you save. This is where the mortgage balance in your term becomes pivotal in

determining the amount of your penalty. It's best to contact your lender so they can make a quick calculation of this cost for you.

"Assuming your penalty's not too big, refinancing can make total sense for someone who needs lower payments, needs to take out equity, wants to add a secured line of credit or is in a position to materially reduce their interest expense," says Robert McLister founder of Ratespy.

There are no such obstacles if your mortgage is up for renewal. Rates are really low so you can lock in a fixed rate for five years for a very low rate. For anyone whose renewal is coming up or who is thinking about refinancing, this is actually a very good time to do that, although interest rates may go down even lower. [REU](#)

On the internet

Interesting websites

nCOV2019.live

Covid-19 dashboard, updated every minute to provide the latest statistics on the number of confirmed cases, serious cases, deaths, and recovered both worldwide and in each country in real time.

stepsTOjustice.ca/COVID-19

Community Legal Education Ontario, a resource for people asking about the law relating to the COVID-19 situation. Including updates about changes to government programs and court services.

canada.CA/en/SERVICES

Click on *Benefits* and get information on Canada Emergency Response Benefit for temporary income support if you have lost income due to COVID-19.

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

Mortgages

Mortgage payments during COVID-19 **Know your options**

In the time of business closures and layoffs during COVID-19, many homeowners worry about meeting their mortgage payments.

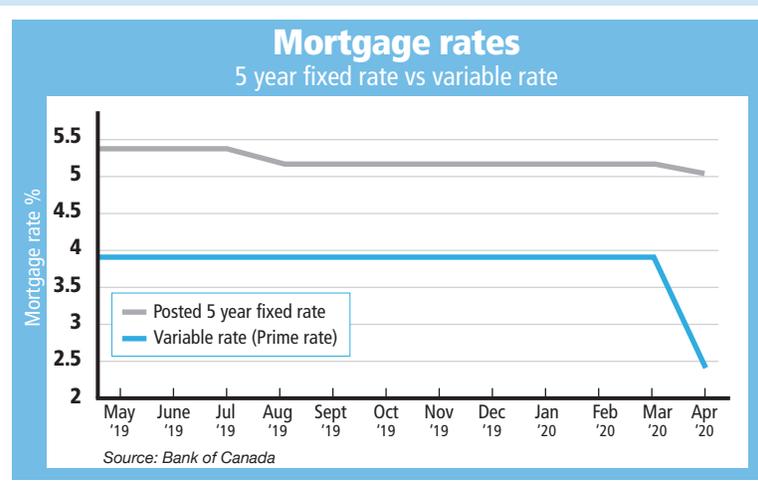
The Canadian government has not yet followed Italy's example and announced a suspension of mortgage payments, but it has made it easier for financially strapped Canadians and their lenders to work out arrangements in order to avoid a mortgage default. The federal government announced that they will expand the funding available to banks and mortgage lenders. This would ensure continued lending to Canadian consumers and businesses. In response, Canada's six largest banks - RBC, TD, BMO, Scotiabank, CIBC and National Bank - announced they would allow mortgage payment deferrals of up to six months.

What does this mean to Canadian homeowners? In short, those facing financial stress may be eligible for a CMHC-insured mortgage payment deferral. Homeowners should keep in mind that these programs are offered at the lender's sole discretion, and that the mortgage payment is not forgiven. You will still pay all the money you owe, with interest, but more slowly.

"All banks are different, but typically they will take the interest payment and spread it out over future payments or perhaps even the life of the mortgage," says Rob Tétrault of

Canaccord Genuity Wealth Management. "They might actually tack on some payments at the back-end as well, but you are avoiding the principal payment for now, and you're deferring the interest payment until a future time."

To be eligible for the deferral you must prove true financial hardship to your lender. If you don't qualify but are still stretched financially, there are other options. For instance, many mortgage lenders offer a skip-a-payment feature that allows customers with a good payment history to



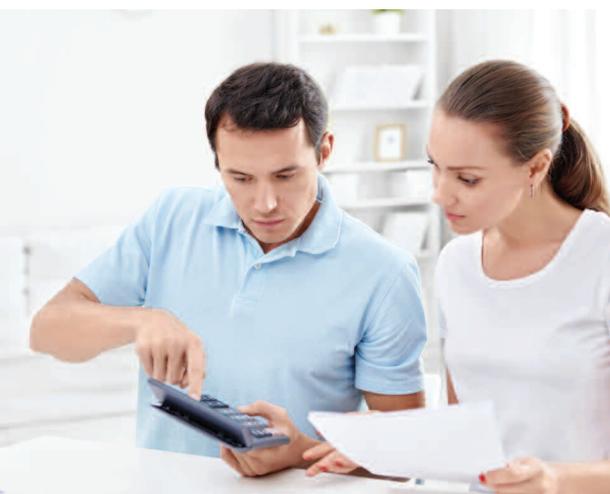
skip a payment if they have short-term financial difficulty. You can also draw funds from your home equity line of credit (HELOC) to use for mortgage payments. HELOC usually has favourable interest and repayment terms. You can also ask your lender to extend your amortization term, which will reduce your monthly payments. **REU**

Mortgages

April 9, 2020

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

Prime	2.45%
Variable	2.45%
1-year	2.89%
2-year	2.44%
3-year	2.64%
4-year	2.84%
5-year	2.69%





GTA '20 totals

Sales activity of single-family homes
Most recent month, year to date

Active listings
March10,676
YTDN/A

New listings
March14,424
YTD32,887

Sales
March8,012
YTD19,820

Average price
March\$902,680
YTD\$890,822

Median price
March\$785,000
YTD\$770,000

Average days on market
March13
YTD18

Average percentage of list price
March103
YTD102

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB	Sales	New Listings
March '19	7,132	14,004
March '20	8,012	14,424
% Change	12.3%	3.0%

Grocery shopping Shop smart during COVID-19

The sight of empty shelves at your grocery store not too long ago was a flash point for panic buying for some people. But, most grocery stores say that their shelves were empty not because of a food shortage, but because their staff could not keep up with restocking as people loaded their carts with mountains of toilet paper and multiple cartons of the same product.

If making sure you have enough food on hand to feed your family for two or three weeks makes you feel safer, then by all means do it. But make sure you stock up on food your family actually likes. There's no point in buying whatever you can get your hands on if nobody at home will eat it. Most importantly, buying huge amounts of food denies other shoppers access to food they may need right now so shop smartly and safely. Here are precautions to take when you grocery shop:

Social distancing: To prevent the virus's spread stay 6 feet away from other people. Make less frequent and larger shopping trips. Take disinfecting wipes with you. Use one to wipe your hands and the cart handle before you shop and also use it to open fridge or freezer doors.

Who should not grocery shop: Dr. Leon Rivlin of Humber River Hospital advises that people over the age 60, those with weakened immune systems and chronic health conditions should avoid going out for groceries. It is best to ask someone else to shop for you, either family, friends, a neighbour or even better yet get the groceries delivered.

Shop online: Order online for either delivery or pickup. Metro, Loblaws and Walmart offer a no contact pickup and delivery service. Grocery Gateway and Instacart, make deliveries. However, during these busy times, you need to book a time slot well ahead of time for either pick up or delivery. Shoppers Drug Mart do deliveries but only for high risk patients and only with ordered prescription medications.

Products to buy:

Non-perishables: In terms of nutritional value, canned and frozen fruits and vegetables are comparable to fresh ones. Canned foods have a shelf life of one to five years. You can also buy tinned tuna and salmon for protein. Frozen food stored at a constant temperature below zero degree Celsius stays safe for a long period of time.

Perishables: Not all produce goes bad quickly. Onions, potatoes, sweet potatoes, broccoli, winter squash, beets, carrots, cabbage, onions and garlic have long shelf lives. Apples in the fridge can last for a while.

Buy common ingredients: Like rice, pasta and eggs - used in a wide variety of meals. Don't forget canned foods like beans, soups, tomatoes, mushrooms, and various vegetables.

Shopping has become a challenge, but with careful planning you can make it less stressful and much safer. [REU](#)

Hope you, your family and friends are safe and in good health during this challenging time. Now more than ever, it

is important to stay home and protect the most vulnerable.

Thank you!

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