

THE MATT MYSAK REPORT



SUMMER 2004

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Market Trends

Supply remains low and prices continue to rise in the current housing market. Will the bubble burst like the one in the late 1980's? Not according to Affordability Housing Index experts.

In the 80's, buyers were driving prices up with speculation. Today, sellers are driving market prices, but affordability remains high.

The index measures affordability by looking at the proportion of pre-tax household income taken up by home ownership cost. Despite the fact that rising prices have increased by over 30% over the past five years,

there is no bubble to burst this time. There are strong fundamentals supporting the market this time. Price gains are not speculative, mortgage rates are at historic lows and there are strong household income gains. The market conditions are expected to stabilize as more properties become available.

Vacancy Rates Stabilizing

As of mid June, vacancy rates in GTA indicate that we are well under way into a period of stabilization. Although, some areas like central Mississauga and Scarborough north still show 5 to 6% vacancy rates, all other areas are at about 4%.

Toronto central, Mississauga east and Brampton are at about 2% or below. Should this trend continue and the ripple effect sets in, we shall have a healthy vibrant rental market by the end of this year or early next spring.

Reducing Vacancy Tip

Turn your super into your "rental agent". If you were selling your home, your real estate agent would tell you "first impression" is crucial. Put some flowers in front to greet the existing/prospective tenant. Clean/polish the front door. Keep up with minor repairs/paint. Your pride of ownership and a pleasant super retain and attract good tenants.

FOR SALE



BARRIE 21 unit apt building in centre of city. Only \$1,450,000

FOR SALE



BLOOR WEST VILLAGE, 6+1 units with old world charm. Ask \$999,000

FOR SALE



ETOBICOKE near the lake. Asking \$1,690,000 for 22 units

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