

# THE POCKET REPORT

March 2024 Market Watch

FATIMA BREGMAN'S REAL ESTATE NEWSLETTER



## GTA VOLUME OFF TO BRISK START IN 2024

### Resale Home Sales

Jan 2024

**4,223**

**+37.0%**

year  
year

Jan 2023

**3,083**

### Average Resale Price

**-1.0%**

year  
year

Jan 2024

**\$1,026,703**

Jan 2023

**\$1,036,925**



### Market Highlights

- Lower fixed rate mortgage rates helped propel a strong start in 2024; January sales of 4,223 units were up by a whopping 37.0% versus last year
- MLS® Home Price Index Composite benchmark was down by less than 1% year-over-year in January while the average selling price of \$1,026,703 was also down slightly by 1.0% versus last year
- New listings of 8,312 units were up by 6.1% versus last year - a much lower rate of growth than sales volume which signals tighter market conditions ahead and potential renewed price growth as we move into the spring market
- Once the Bank of Canada starts cutting its policy rate, likely in the second half of 2024, expect home sales to pick up even further

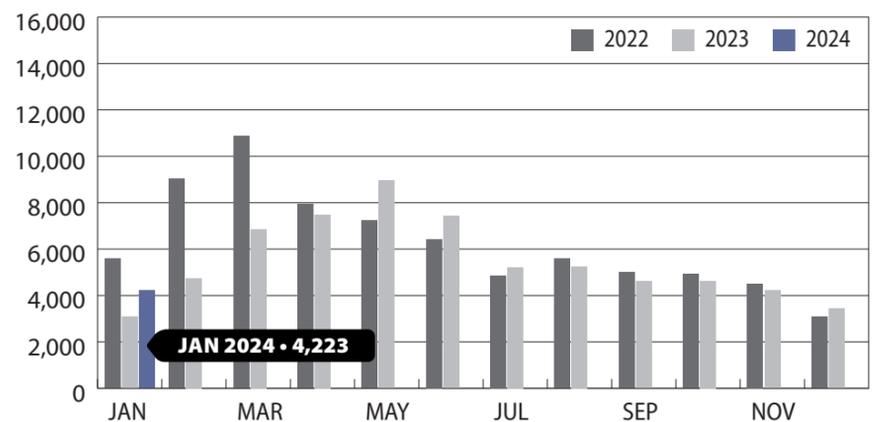
## THE POCKET Local Market Watch



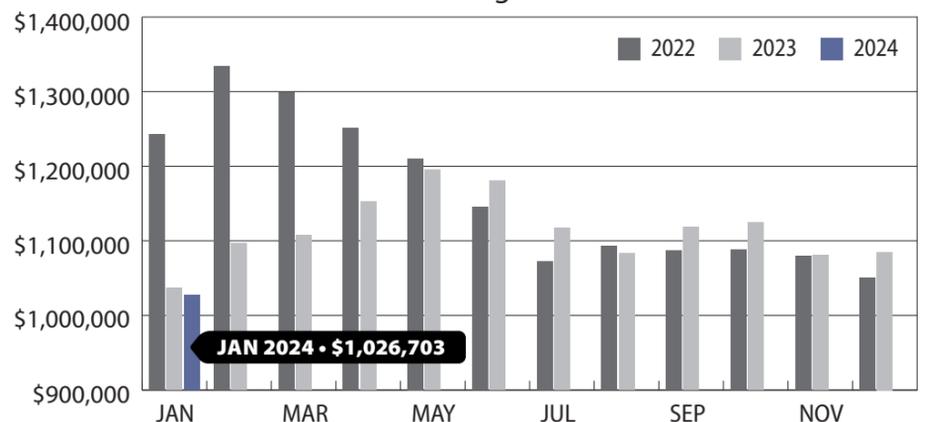
Latest 6 Month Recap of Solds – Aug 1, 2023 - Jan 31, 2024

	# sold	avg price	high price	days on market
<b>1.5 to 3 storey detached</b>				
3 bedroom	3	1,058,333	1,250,000	4
4 bedroom	2	2,422,500	2,445,000	14
5 bedroom	1	1,598,000	1,598,000	7
<b>semi-detached</b>				
2 bedroom	1	1,010,000	1,010,000	4
3 bedroom	2	1,047,500	1,120,000	18
4 bedroom	1	1,650,000	1,650,000	8
<b>townhouses</b>				
2 bedroom	1	720,000	720,000	5
3 bedroom	1	1,195,000	1,195,000	7
<b>Total</b>	<b>12</b>			<b>9</b>

### GTA Resale Home Sales



### GTA Average Resale Price



For more detailed **THE POCKET** statistics visit [THEPOCKET.INFO](https://www.thepocket.info)

## MESSAGE FROM FATIMA

### Shorter-term mortgage options gaining in popularity

Amid the rapid increase in borrowing costs and continued uncertainty on the interest rate outlook for Canada's mortgage market, shorter-length fixed-term options have surged in popularity recently. The possibility of significantly lower interest rates down the line has prompted many borrowers to select terms of fewer than 5 years in order to benefit from the lower anticipated rate upon renewal. While many Canadians still feel very comfortable with 5-year fixed rates as the go-to mortgage, an increasing number are moving to 2-year, 3-year, and even 1-year fixed rates despite the fact that these shorter-term options are likely to carry slightly higher rates. This market segment rationalizes that the extra short-term expense will be worth it in the long run as they will capitalize on lower rates when their term ends.



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# Second mortgage loan basics

A second mortgage is an additional loan taken out on a property that is already mortgaged. For the lender, this is riskier than the first mortgage, because they are in second position on the property's title. If the homeowner defaulted on their payments and the property was taken into possession, the lender in the first position would always be paid out first, whereas the lender in second position runs a higher risk of not being paid out in full. To compensate for this additional risk, mortgage rates for second mortgages are always higher than for principal mortgages.

For individuals with an existing mortgage, who have good credit and more than 20% equity in their homes, the most affordable second mortgages will be in the form of a home equity line of credit. However, if the homeowner has weaker credit and/or little equity in their

property, a second mortgage through a trust company or private lender would be required.

### Why would I need a second mortgage and how do I qualify?

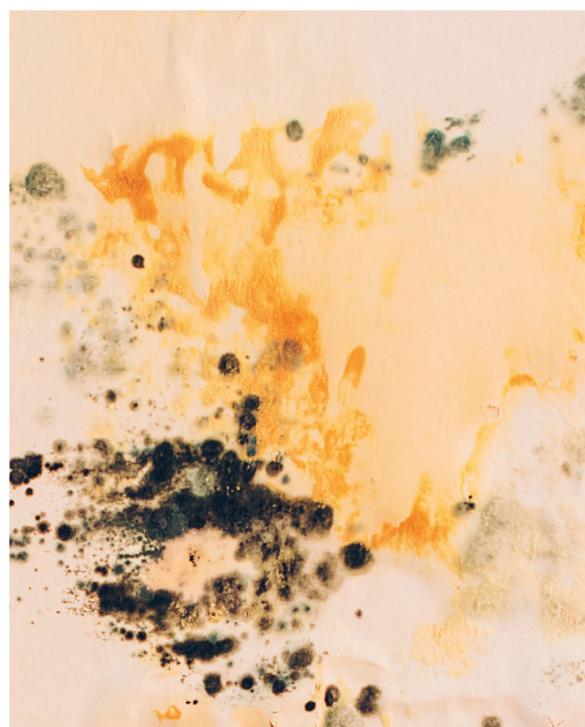
A second mortgage can be a great way for homeowners to consolidate debt. Though second mortgages often carry higher interest rates than first mortgages, these rates are still often lower than high-interest credit cards, car lease payments, or unsecured lines of credit.

If you use a second mortgage to consolidate debt and help you meet other financial commitments on time, this can improve your credit score and allow you to qualify for a mortgage with a prime lender sooner.

In order to qualify for a second mortgage, lenders will look at four areas:

- **Equity:** The more equity you have available, the higher your chances of qualifying for a second mortgage will be. If you are purchasing a house, a larger down payment also decreases the risk that a lender assumes.
- **Income:** Lenders want to verify that you have a dependable source of income, to ensure that you are able to make payments.
- **Credit score:** The higher your credit score, the lower your interest rate will be.
- **Property:** Because other factors are risky (i.e., your credit score), lenders need to secure their investment in case you are unable to keep up with mortgage payments.

*This article is for informational purposes only and should not be taken as financial or legal advice; always consult a professional for your specific needs.*



## HOW TO IDENTIFY MILDEW VS. MOULD IN YOUR HOME AND WHAT TO DO ABOUT IT

Mould and mildew may be closely related — both are types of fungi — but one is more serious than the other. While neither is a welcome addition to any home, mould is more dangerous to health, while mildew is less invasive and easier to clean. Here, we show you the signs to look for and what steps to take if it's in your home.

### What is mildew?

Mildew refers to a specific type of fungus that lives on the surface. It is typically grey in the early stages and later becomes white in colour. It's found in moist areas like damp walls and shower grouting, is often powdery and manifests as small dots. Mildew grows outwards rather than upwards and can be easily treated by using a cleaning solution and a brush.

### What is mould?

The term mould encompasses several types of mould species. As a result, it is more varied and can be found in a range of colours, including green, black, and red. It may have a slimy texture, can feel fuzzy and cannot be as easily scrubbed away as mildew. Mould often eats into its base and can warp flooring and deteriorate materials like drywall or rugs, which can make it challenging to remove. Black mould infestations look like black spots in ordinary areas. Mould spores can spread and may require a concerted cleaning effort or even the need to bring in professionals.

### Why does it happen, and how can we treat it?

Though both are unwanted in the home and can cause allergic reactions and health problems, mould is much harder to clean and is more capable of creating lasting structural damage. Warm and moist areas found inside the home are the perfect breeding ground for both mildew and mould. Keeping things clean and dry, with the use of a dehumidifier and good ventilation, can help to prevent them from occurring. However, if the problem persists or you suspect black mould, contact a professional.



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