

# The Cizmar Report

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January 2011



## New Toronto/Mimico Market Watch

Latest 6 Month Recap of Solds - June 1/2010 - Nov 30/2010

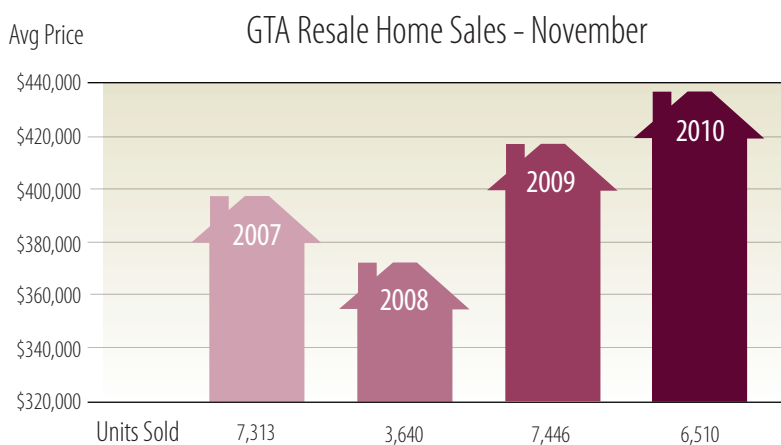
	# sold	avg price	high price	days on market
<b>1.5, 2, 3 storey</b>				
1-2 bedroom	2	398,500	446,000	7
3 bedroom	24	467,133	639,900	24
4 bedroom	5	512,300	606,500	28
5+ bedroom	-	-	-	-
<b>bungalow</b>				
1-2 bedroom	24	355,479	430,000	28
3 bedroom	1	390,000	390,000	9
4+ bedroom	-	-	-	-
<b>semi-detached</b>				
2 bedroom	-	-	-	-
3 bedroom	6	405,833	490,000	38
4+ bedroom	1	515,000	515,000	31
<b>townhomes</b>				
2 bedroom	4	345,250	361,000	42
3 bedroom	-	-	-	-
4 bedroom	1	1,400,000	1,400,000	79
<b>split level</b>				
2 bedroom	-	-	-	-
3 bedroom	-	-	-	-
4 bedroom	-	-	-	-
<b>total</b>	<b>68</b>			<b>28</b>

Figures are based on the latest 6 months and reflect all MLS® sales as reported by the Toronto Real Estate Board. Property values depend on factors besides housing type and number of bedrooms. Square footage, overall condition, upgrades, lot size and specific location are some of the other key factors involved.

## Prices strong, volume strengthening

The average price of a resale home in the GTA increased again in November, this time to \$438,030. This price represented a 5% increase versus the November 2009 average price of \$418,460 and brought the year-to-date (January thru November) average price to \$432,200, which is a full 9% ahead of the comparable year ago figure. This result once again reaffirms the fact that the average selling price in the GTA is affordable, given current incomes and current interest rates. Expect the average selling price to continue its upward trajectory over the next year, although likely at a more moderate pace.

A total of 6,510 homes were sold during the month of November, which represented a 13% decline versus November 2009 sales of 7,446 units. Despite this softness, it is very interesting to observe that the seasonally adjusted annual rate of sales actually increased for the fourth consecutive month to 88,100. This rate is substantially higher than the July low of 67,900. In other words, sales volume is gathering momentum as the market returns to a more balanced state after a lull of several months which followed the extreme volume spike during the latter half of 2009 and first few months of 2010.



## Message from Milana Cizmar...

Happy New Year and Best Wishes in 2011!

What kind of year will 2011 be for the resale real estate market? In all likelihood, it will be another excellent year particularly if interest rates remain low, incomes continue to rise with the economic recovery and population growth continues to track the same pattern of recent years gone by. As we enter 2011, the market happily appears to be returning to a more balanced situation following the imbalances that we witnessed in late 2009 and through much of 2010. A balanced real estate market will always offer both buyers and sellers an excellent opportunity to achieve favourable results, and is really the healthiest possible state for the market to be in. Please do not hesitate to give me a call if you are thinking of either buying or selling in 2011. Let's make it a year to remember!



Your New Toronto/  
Mimico REALTOR®!

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## Should suicide have been disclosed?

Is a builder obligated to disclose to a purchaser the fact that a suicide occurred in the house just before the sale closes?

That was the question posed to me recently by my colleague Howard Litowitz, who practises real estate law in Richmond Hill. He told me that his client, a builder, had a new home about to close when one of his staff discovered a deceased intruder in the premises.

The police and coroner agreed that the person had broken in and had committed suicide. Litowitz and his client asked for my opinion on whether they had to disclose the incident to the purchaser who was about to close on his brand new home within the next few days.

Even though the intruder left no physical evidence of his gruesome visit, there is a belief in the real estate industry that a suicide may render the property stigmatized. This is a code word for the perception that the value of a property has been reduced by non-physical, non-scientific or even irrational perceptions by the buyer.

My own view is that, under Ontario law, there was no obligation on the builder to disclose the fact of the suicide. Just to make sure, however, I decided to ask two other industry gurus if they agreed.

Barry Lebow is a well-known real estate appraiser, broker and educator based in Toronto. He has testified as an expert witness in more than 500 trials. Lebow's view was that the

seller likely does not have to disclose, although the agent, if there was one, must disclose.

Even if the vendor was obliged to disclose, Lebow mused about whether the death created a stigma or a reduction in value. Of



course, proving this might be difficult. Lebow added, "Could make for a good lawsuit after the fact, though."

Merv Burgard is a London, Ont., lawyer who lectures to real estate agents. He reminded me of a similar case which went to court in Quebec back in 2006.

In 2003, Sylvie Knight bought a house on Larivière St. in Saint-Constant from Marcel Dionne for \$122,000. Several months after closing, Knight learned from neighbours that the son of the former owner had committed suicide by hanging himself in the basement of the residence that she now occupied.

Knight sued Dionne, and when the case went to trial, she told Judge Gabriel de Pokomándy that she never would have bought the house had she known about the suicide.

Under Quebec law, unlike ours in Ontario, the seller of a house must declare that he or she is not aware of any undisclosed fact relating to the property that is liable to significantly reduce its value.

The issue the court had to decide, in this case, was whether a suicide in a residential building is a factor that the seller ought to have disclosed, and if he did not do so, whether that justifies awarding damages.

After carefully reviewing the facts, the court concluded that "the story of Marcel Dionne's son, who committed suicide by hanging himself in one of the rooms of the house more than 10 years ago, cannot be considered to be the kind of factor liable to affect the value of the building."

The suit was dismissed.

In the case of the Richmond Hill-area builder, Litowitz reported to me that the new home sale finally closed. He told his client that he was not aware of any disclosure requirement. As a result, neither the purchaser nor the real estate agent was advised of the incident.

*This article was contributed by Bob Aaron, a prominent Toronto real estate lawyer. Please visit him online at [www.aaron.ca](http://www.aaron.ca)*

### "Priceless Quotes"

"There is more stupidity than hydrogen in the universe, and it has a longer shelf life." - *Frank Zappa*

"The only difference between a tax man and a taxidermist is that the taxidermist leaves the skin." - *Mark Twain*

"Isn't making a smoking section in a restaurant like making a peeing section in the swimming pool?" - *George Carlin*

"Even Napoleon had his Watergate." - *Yogi Berra*

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