



GTA OFFERS WORLD-CLASS AFFORDABILITY

During a recent trip to south Florida, I was astonished at the rebound in property values. It made me realize how affordable the GTA really is.

There were 25 condos for sale in Miami, alone, listed at more than US\$25 million dollars. While in Toronto there are only 11 condos that are listed for over C\$5 million, none of which surpass C\$20 million. This is just a small example of how reasonable our real estate prices are on a world scale.

The average house price for all home types in the GTA was C\$497,298 in 2012. To put that into a price per square foot perspective, in December 2012, the average price per square foot across the GTA was C\$575. The average size for a detached home in the GTA was just over 2,500 square feet and averaged at C\$261 per square foot.

Nationally, the GTA may appear to be on the higher-end of the real estate market, but where do we fit on a global scale?

International Comparisons

In Miami, the cost per square foot is US\$909, while in New York the average price per square foot at the end of 2012 was US\$2,100. Houses in the suburban community of Long Island are selling on average for US\$780,000. This is a drastic difference between New York City, where the average price is US\$4.78 million.

Using London's price per square foot as a comparison, we would be paying US\$10.2 million for a 2,822-square-foot home, compared to C\$653,000 in the GTA.

So while we may have seen a price increase in the real estate market this year, the GTA remains in a strong global position when we look at affordability.

Jumping over the pond, London's prices average at US\$4,100 per square foot. Paris' average price is US\$2,475 per square foot, and Rome's average is US\$1,900 per square foot. Looking at the Asian market, at the end of 2012 Hong Kong was averaging at about US\$4,750 per square foot, and in Singapore a mid-tier apartment was selling for approximately US\$986 per square foot, while high-end apartments were approximately US\$1,725 per square foot.

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C\$653,000 in the GTA. So while we may have seen a price increase in the real estate market this year, the GTA remains in a strong global position when we look at affordability.

On an affordability scale, the GTA sits at 47th when compared to other world cities. We may feel like we are being squeezed out of the market and home ownership due to escalating prices; however, according to the Worldwide Cost of Living report, Toronto is not listed as one of the top-10 most expensive cities to live in. Vancouver still remains the most expensive city in North America.

Our average detached home prices in the GTA have risen 17 per cent over the past year. While this may seem like a drastic increase, other cities have shot up even more rapidly. Miami, in particular, rose 18.2 per cent within a one-year period, while Hong Kong saw a 23.7 per cent rise in housing prices in 2012.

A city of opportunity

Toronto has been described as a vibrant city full of opportunities — one of which is being able to invest in property. Toronto and the surrounding GTA are able to offer a multi-tier property market that suits a wide range of needs and affordability for its residents.

Toronto remains one of the top 10 most livable cities in the world — all the more reason to embrace it and invest in its future. ■

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