



From the desk of **BRAD J. LAMB**

BRAD J. LAMB REALTY NEWSLETTER DECEMBER 2009

OCTOBER MLS INCREDIBLY STRONG

October MLS numbers are in for Toronto and for the sixth straight month they are incredibly strong, 8476 properties sold, up 64% from last October. Of course, last October was a complete and total disaster, but it is great for buyer confidence when they can see first hand what a strong real estate market looks like. Average price is up to \$423,559, 20% higher than last year.

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a very short supply of property for sale. This is not good for buyers. We are in the middle of a very strong sellers market, with extreme price increases happening daily. The only good news for buyers is that it won't last forever. Unfortunately, for those looking to buy, prices will continue to rise, just at a slower pace. The central core of Toronto is going to receive 10,000 new completed condo units over the next 12 months.

I expect approximately 2500 units will come up for sale over the year from this new delivery of completed suites. Current annual resale absorption is 6000-7000 units downtown. While a supply of new units happens every year, 2010 will be one of the largest years ever because 2007 was a big year for selling new unbuilt condos. Keep in mind it takes 3-4 years to complete a condo project from the time that sales start. I expect that we will see the time to sell extend back up to a more sustainable number like 35-40 days and price increases will start to stabilize at 3-6% over the year. Multiple offers and bidding wars will start to disappear in the condo industry in the last half of 2010 due to a more balanced supply and higher interest rates.

Prices overall will still be significantly higher than today. Anyone who is predicting a bubble or market softening will be wrong. 2008 and 2009 were disastrous years for the selling of new developments, so this means that in 2011-2012 there will be very few new condos completed. Thus it will be 2013-2014, before we see any decent supply return. Expect another strong seller's market in 2011 and 2012.

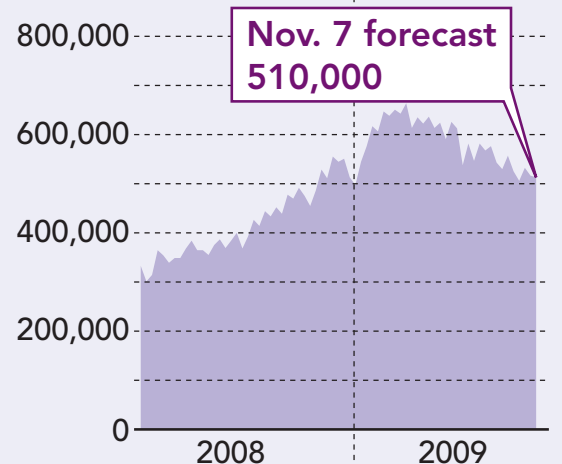
ABOUT THE AMERICANS

Every recession ends the same way, yet at the tail of every recession the doomsdayers and doubters take out their blackhats, successfully converting some intelligent economic advisors and business people to buy into their gloom.

Without any doubt the U.S. job situation is clearly improving. You just have to look at the U.S. jobless claim graph below. Yes, the unemployment rate just rose to 10.2%. Yes, there will be more jobless numbers coming. It's not the increase in the unemployed that is the primary concern. It is the rate of growth of the unemployed. For instance, in the first week of March, there were 647,000 new unemployment claims and now in the first week of November the number has reduced to 510,000. The decrease in new claims shows a de-acceleration in the growth of unemployed claims which indicates that the economy is starting to recover, or at least bottom out. The slow decrease in the weekly claims will eventually start to cause a decrease in the unemployment rate. This is likely to happen by the new year. Once employment growth happens, widespread economic growth will happen. Cheer up, this one is almost done.

U.S. JOBLESS CLAIMS

Claims Seasonally adjusted



Source: Bloomberg

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