

INSIDE AURORA: For Sale, But Not For Long

By Scott Johnston

There has been a lot of talk lately about the skyrocketing housing market, and the situation in our Town is no exception. I may be dating myself, but I actually remember a time when a real estate sign would go up on a lawn, and it would likely be there for a few months before a ?sold? sticker appeared on it, if one appeared at all.

Now, signs go up with subsequent ?solds? on them with blink-and-you'll-miss-it speed. And they'd probably go up faster, but it takes time for the realtors to run around Town and slap them on between cashing commission cheques.

It's not just how quickly they're selling, but the astronomical dollar values these properties are realizing.

As I write this, taking a look at the current MLS listings for Aurora, the average price for the top 10 houses for sale is around \$1.1 million.

That's double the average price from only - brace yourself - five years ago.

It also means that these days your garden shed and the 50 square feet of land it sits on is probably worth more than your car.

In the feeding frenzy over new listings, some people who would normally agonize over whether to spend the extra 20 cents to upsize to an extra large coffee, are placing offers on properties sight unseen.

Continued low interest rates are no doubt helping to fuel these bidding war flames.

For those of you who own and plan to sell your home, you may think you're rich. And, in a way, you are, but financially only for the brief time immediately after the deal closes. Because at that point you need to find new accommodation, which will take up a big part, or maybe more, of your recent gains.

After all, in the time between selling and buying, relative prices might have gone up a few percent.

A way around that is to move back in with your parents, or kids, or some distant relative to whom you once gave a kidney, and whom you've been making feel guilty about it ever since for just such a situation as this.

And if you are just looking to get into the housing market, you better hope your boss is planning to give you a raise. According to a website I came across, based on a 10 per cent down payment, and low-ish interest rates, to cover the mortgage costs on a \$1M home, the required annual salary is over \$150k.

Of course, not all homes are worth \$1M. But despite the growing population of our Town and the increasing number of new homes being built, there are surprisingly few low cost options out there.

Not too long ago, Council was discussing ways to ensure the Town had more affordable housing. I don't think this ever went very far, because the least expensive townhome on the market right now is about \$400k, and there are only a couple of those before you're well over \$500k.

I guess it all depends on your definition of affordable.

And as the stereotypical marketing pitches and experience show, they won't last long at these prices.

On the plus side for the Town, higher assessments and associated property tax rates certainly aren't hurting the municipality's coffers.

There has been talk of higher levels of government stepping in to curb this situation, but realistically, it's not likely to change any time soon.

So, until interest rates increase, or more homes are built, or sanity prevails, or something else happens to change this situation, we can only sit back and watch.

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