

# Smart Moves

with **Kaushansky** **Brown**

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Your Community Real Estate News

Winter 2015

## Market Watch

TORONTO, December 16, 2014 – Toronto Real Estate Board President Paul Etherington announced that Greater Toronto REALTORS® reported 2,496 sales through the TorontoMLS system during the first 14 days of December 2014. This result was up by 1.9% compared to the same period in December 2013. Over the same period, new listings were down by 1.8% year over year. By the end of December the total sales were at 4446, a 6.7% increase from the same time last year.

“Greater Toronto Area households remain upbeat about buying a home, as evidenced by the increase in sales compared to last year. However, many would-be home buyers continue to have problems getting a deal done due to the lack of listings for some home types. The lack of listings has definitely been a drag on sales this year,” said Mr. Etherington.

The average selling price for the month of December was \$556,602, which represented a year-over-year increase of 7% cent. The strong price growth we experienced in 2014 can be explained with two words: listings shortage. The constrained supply of listings was especially evident for low-rise home types like singles, semis and town houses. The number of households looking to purchase these home types increased, while the number of homes from which they could choose decreased. This situation resulted in more competition between buyers and more aggressive offers,” said Jason Mercer, TREB's Director of Market Analysis. 2015 has already started off strong and we look forward to selling more product on the market as the year unfolds.

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### Coming Soon

In the Ontario Budget of 2013, an exception to the Electronic Commerce Act of 2000 that excluded Real Estate Agreements of Purchase and Sale from the list of documents that were allowed to be signed electronically was repealed. This means that once guidelines have been composed, and the repeal is signed into law, Real Estate Agents will be able to have you sign Agreements electronically rather than in person. This will add a new dimension in our professional quest to become much less paper dependent. The Real Estate Council of Ontario has also changed their rules to allow files (all copies of all paperwork required when buying or selling a home) to be kept as electronic files rather than paper version. These two new innovations will allow Realtors much more freedom to create and deal with documents via mobile devices, with copies going to clients, lawyers and mortgage companies instantly. That's better for client service, and better for our forests, and it's about time!

**Don't forget on Monday, February 16th**  
**we will be hosting our 6th Annual Family Day**  
**Skating Party! See the insert for all the details.**

**kw**

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*Irene Kaushansky B. Sc., A.S.A. & Philip Brown B.S.W., A.S.A.*

*Sales Representative*

*Broker of Record*

**Direct 416-259-2444 Office 416-236-1392**

**info@ireneandphilip.com www.ireneandphilip.com**

**www.facebook.com/ireneandphilip**



# New Tax Scrutiny for Inherited Real Estate:

Bob Aaron bob@aaron.ca Originally published in the Toronto Star, November 2014

The Ontario government is cracking down on estate trustees who fail to declare accurately the full value of the assets of a deceased person. Starting January 1, 2015, estate representatives who receive a court certificate of appointment as estate trustee, commonly referred to as probate, will be required to file an estate information return with the Minister of Finance.

The return is due within 30 days after the estate representative receives a probate certificate from the court. Court applications for probate only require the value of the estate assets to be provided in lump sum totals broken down into just two categories – real estate after deducting the amount of any outstanding mortgages, and personal property, which is everything else, including cash, stocks and investments.

In the new year, estate trustees will be required to file a detailed list of assets of the deceased, and a description of the value of each asset.

For real estate, the filing will require the full address of the property, the assessment roll number, full mortgage details, the property identifier number used for land registration purposes, and the property value.

If the asset is cash or investments, the ministry will require full details of the asset including account numbers, and the name and address of the institution holding the investments.

Other types of assets, such as a vehicle, furniture or collectibles, will also have to be itemized in the government filing.

An estate administration tax, often called a probate tax, is payable to the Ontario government on the value of the estate. The rate is \$5 per thousand on the first \$50,000, and \$15 per thousand on the remainder.

Lawyers experienced in real estate and preparation of wills are able to advise clients on legitimate ways to avoid or reduce the tax payable.

In many cases, if a property was originally registered under the old Registry Act system and then administratively converted to the Land Titles system, it can be transferred or sold without obtaining probate and without paying the government tax.

Transferring title of a parent's house into joint names with children is a common technique, but carries with it considerable risk if the child's marriage breaks down, the child runs into credit problems, or the relationship with the parent deteriorates. In addition, if land transferred into joint names with a child is an investment property or a cottage, serious tax consequences can arise as a result of the transfer.

An increasingly common way of avoiding probate tax is the use of multiple wills. A primary or general will is signed but restricted to certain assets where probate is required. The general will deals with assets where probate is necessary for liquidation and distribution. Typically, this includes land historically in the Land Titles system, as well as term deposits, bank accounts, shares in public companies, GICs, and other investments. Estate administration tax is payable on all the assets included in a general will.

The other will, known as an excluded properties will, deals with assets which can be transferred



without probate. The excluded properties will instructs the estate trustee not to apply for probate. As a result, payment of estate administration tax is not required.

Typically, the assets in this type of will are the shares of a private family company or business, and personal property including jewelry, furniture and art. In this scenario, shares in a family business are exempt from payment of the 1.5 per cent probate tax. There is no exemption from federal income and capital gains taxes.

The significant probate tax savings will usually far exceed the legal fees involved in preparing an additional, and fairly sophisticated, excluded properties will. When dual wills are used, they must be carefully drafted to ensure that the secondary or excluded properties will does not revoke the general will. They must also make clear which assets are to be probated and which are not.

Estate planning and preparation of carefully drafted wills should always be handled by experienced professionals familiar with this area of law. There is really no such thing as a simple will.

**(Bob Aaron is a Toronto real estate lawyer and frequent speaker to groups of home buyers and real estate agents. He can be reached by email at bob@aaron.ca, phone 416-364-9366 or fax 416-364-3818.)**



## *Forget City Living: Canadian Seniors Are Moving to the Suburbs*

*Canadian Press | November 24, 2014 Canadian Press/Ryan Remiorz*

Twice a week, Alphons Evers sets aside a few hours to work the phone, matching up his roster of volunteer drivers with clients who need a lift. Although the free service is geared towards those receiving cancer treatment, often times Evers says he'll get calls from seniors who simply need help getting around. "Some people live on their own, and they don't have anyone to help them," said Evers, a volunteer coordinator at NOVA West Island, a community health organization serving the suburbs of Montreal's West Island.

It's a request that could become more common, with new research suggesting more and more Canadians are choosing to move to the car-dependent suburbs in their golden years. Even if the condos popping up in urban centres may seem a perfect fit for retirees, Canadians 65-and-over are increasingly going outside the city, according to a study from Concordia University. Zachary Patterson, a professor in Concordia's department of geography, planning and environment, said the findings could mean difficulties ahead. "Seniors who live downtown will be able to access services that they need without having to use automobiles," Patterson said in an interview. "In the suburbs, if you lose your license you may not be able to access the services you need. The challenge is to provide services to people in spread out areas — to people who haven't got access to automobiles." The Concordia study, which was pulled from Statistics Canada census data between 1991 and 2006, tracks seniors' moving habits in Canada's six largest metropolitan areas: Montreal, Ottawa, Toronto, Calgary, Edmonton, and Vancouver.

Across the board, Patterson found the rate at which seniors are moving to the suburbs appears to be increasing faster than for all other age groups. Montreal's West Island in particular is expected get older, both due to an aging population and the arrival of new seniors. By 2018, the number of those 65 and older will climb to 42,000, up from 29,000 in 2012, presenting a host of new problems. Helene McGregor, who heads a seniors' advocacy program in the area, said transportation is a constant issue, especially for those who lose their driver's licenses. Paid services are available, she said, "but not everybody wants to spend the money. And not everyone has the money to spend."

Although the study didn't look in depth at the causes of the shift, or whether it's likely to continue, Patterson does offer one possible reason: an increase in the number of new, affordable apartment residences in the suburbs, where downsizing seniors tend to move. Regardless, the demographic shift has planners and health-care workers looking to adapt to the new system. Marie-France Juneau, executive director of NOVA West Island, sits on a committee that aims to make municipalities more easily accessible to seniors. "A concrete example would be to add extra park benches, more lighting, stop lights that give people more time to cross the street," Juneau said, adding that more complex issues, like access of health services and transportation, also need to be addressed. "I think it's something many municipalities need. The demographics are calling for it."

## *What Bubble? Renters Underpin Toronto, Vancouver Condo Markets*

*By Jamie Sturgeon Consumer Affairs Reporter Global News*

So much for the foreign buyer thesis. The country's government-backed home loan insurer released fresh figures on Tuesday that show the construction boom in new condominiums in Toronto, and to a lesser extent Vancouver, isn't the product of international buyers looking to park cash in Canada in the form of real estate.

Foreign buyers are playing a role in the domestic market place, to be sure. But not a very big one, even in Vancouver and Toronto. The Canada Mortgage and Housing Corp. said only a small minority of the condos for rent in most major urban areas have foreign owners, although some neighbourhoods in Vancouver, Toronto and Montreal are indeed higher.

The CMHC said its first survey of foreign ownership of condos for rent found a wide range within the 11 major markets that were tracked, from a high of 2.4 per cent in Toronto and 2.3 per cent in Vancouver to a low of only one-tenth of a percentage point in several cities. So who is underpinning the elevated number of condos that have sprouted up in Toronto and elsewhere in recent years? Renters. That's the opinion of BMO Capital Market. Economists at the bank said in a new research note that while new condos in Toronto and Vancouver are plentiful, so too are tenants.

**Tight vacancies:** BMO noted rental vacancy rates in Canada's "two most closely-eyed" condo markets are lower this year versus 2013 – down to a "paltry" 0.7 per cent from 1.1 per cent in 2013 in Vancouver, and 1.3 per cent in Toronto versus 1.8 per cent last year. "So, yes there are a lot of condos being built and flipped onto the rental market, but they're still all being filled," BMO economist Robert Kavcic said. Still, the CMHC raised concerns last month about the "elevated" number of condominiums under construction, notably in Toronto and Montreal.

**Construction Boom:** Condominiums accounted for more than one-third of all new home construction in Canada last year, according to the national housing agency, and more than half of the total in several of the country's biggest cities. CMHC chief economist Bob Dugan said on Nov. 24 builders would be wise to ensure more units currently under construction find buyers before new towers and projects are started. "Builders will need to hit the appropriate balance in channeling new demand between units that are currently under construction but not sold and units that are in the planning stage," Dugan said.

# Super Service Professional Directory

*Our clients are consistently asking for referrals for trades and services. Many businesses promise high quality service and advice but then fail to deliver! When we take on new clients in our real estate practice, we promise them a high level of service. Please give us any feedback, positive or negative (we need to be certain they are consistently providing service), when you use any of these services and make sure to tell them Irene and Philip sent you!*

## Cleaners

Nordic Cleaners  
Claus Olsen 416-404-1075  
info@nordiccleaning.ca

Liliana Nikolov 416-423-1759

Clean Scene  
Maggie Wiecha 416-509-8797  
cleanscene@rogers.com

## Granite and Marble Supply

City Home Granite Depot  
Cathy Li 416-259-0800

Makomo Marble Care  
andrew@makomomarmble.com 416-620-6677

## Hardwood Flooring

PK Flooring  
Paul Kelly 416-330-1340

## Heating and Air Conditioning

Atlas Air Climate Care  
Michael Grochmal 416-626-1785 x 210  
mgrochmal@atlascare.ca

## Home Inspectors

Peter Yeates Inspections  
Peter Yeates 416-422-1571  
Peter@yeatesinspect.com

All Seasons Home Inspections  
John Tackaberry 416-752-4663  
allseasons@rogers.com

Keystone Inspections  
Alrek Meipoom 416-410-5714  
alrek@sympatico.ca

## Home Stagers and Decorators

Home Stage Design  
Julie Longhurst 416-461-1078  
julielonghurst@rogers.com

184 Décor  
Casey Sheehan 647-668-5224  
info@184decor.com

House Coach  
Kim Ostergaard 647-618-9845  
kim@housecoach.ca

## Waterproofing

The Waterproofer  
Stephen Ksiazek 416-820-2090  
Stephen@thewaterproofer.ca

## Lawyers, Real Estate

Howard Ungerman 416-924-4111  
ungy@bellnet.ca

Isaac Singer 416-766-4208  
isinger@isingerlaw.com

David Feld 416-203-6347  
David@feldkalia.com

James Laks 416-466-1900  
Laksko@bellnet.ca

## Mortgage Consultants

BMO 416-365-6034  
Ivanka Horvat ivanka.horvat@bmo.com

Home Free Mortgages 905-808-4040  
Mark Mighton mark@homefreemortgages.ca

Jason Friesen 647-352-5825  
Jason.friesen@premieremortgage.ca

Royal Bank 416-587-1246  
Samm McLeod samm.mcleod@rbc.com

## Transition Professionals

Red Coats 416-920-1317  
Vicky Riley Keyes info@redcoatsmoving.com

## Painters, Renovators and Contractors

Saffron Painting 647-801-2410  
Don Hayward glennhayward@rogers.com

Alexander and Tencate, Custom Builders 647-204-8923  
Seth Alexander seth@alexandertencate.com

Alex Pappot 647-262-0750  
Smaller & medium sized jobs pappot1@gmail.com

## Residential Rubbish Removal

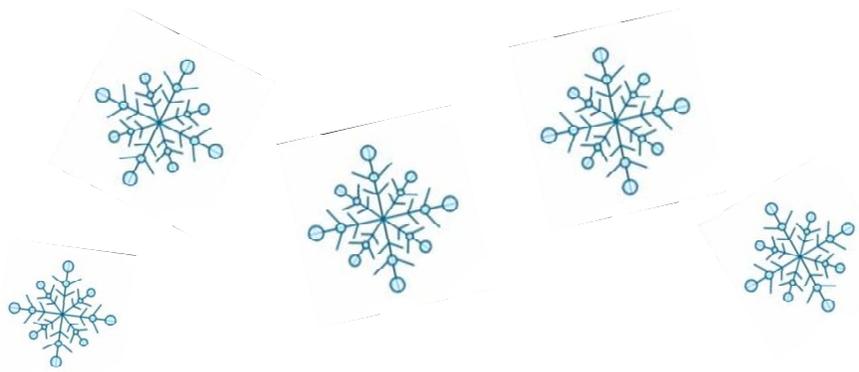
JustJunk.com Call Centre 416-744-8080  
Tom Dickson (mobile)647-294-7466  
tomdickson@justjunk.com

## Roofers

Canadian Roofing Company 416-485-0811  
Jason Hunter 416-712-2225  
jason@canadianroofingcompany.ca

**We're always interested in hearing your success stories from experiences you've had with service and trades people. Please let us know if you think someone you've worked with in the past would be a good addition to this directory.**

# Our 6th Annual Family Day Skating Party



**Hosts:** Irene Kaushansky and Philip Brown

**Location:** MasterCard Centre for Hockey Excellence  
400 Kipling Avenue, Toronto, ON M8V 3L1  
Rink 2, Leaf Pad

**When:** Monday, February 16th, 2015 at 2pm

The Kaushansky/Brown Real Estate Team invites you, your family and friends to join us for a fun filled, pizza fueled, 6th Annual open skate on the Toronto Maple Leafs personal practice rink at the MasterCard Centre.

Located at 400 Kipling Avenue, the MasterCard Centre has ample free parking on site, and is easily accessible by TTC from Kipling Station buses or the Lakeshore streetcar.

We're geared up for every age and skill level, including non-skaters and novices. Say goodbye to the winter blahs and come on out to snack and skate from 2 - 4pm.

**Please RSVP prior to the 11th of February, and let us know how many skaters you'll be bringing along.**

Hope to see you there!

RSVP to [admin@ireneandphilip.com](mailto:admin@ireneandphilip.com) or call 416-259-2444

***Irene Kaushansky B.Sc., A.S.A***

*Sales Representative*

***Philip Brown B.S.W., A.S.A***

*Broker of Record*

*Direct 416-259-2444 Office 416-236-1392*

*info@ireneandphilip.com*

*www.ireneandphilip.com*

*www.facebook.com/ireneandphilip*

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"It is not Irene and Philip's intention to solicit listings or buyers under contract with other Brokerages"