

Smart Moves

with **Kaushansky Brown**

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Summer 2015

Your Community Real Estate News

Market Watch

Mid-July Toronto Real Estate Board President Mark McLean announced that 4,332 sales were reported through TREB's MLS® system by Greater Toronto Area REALTORS® during the first 14 days of July, 2015. This sales figure was up by 11.9% compared to 3,871 transactions reported during the same timeframe in 2014 and hot on the heels of a record breaking June. Over the same period, new listings were down by 5.4% to 6,831. "There are many reasons why demand for ownership housing remains strong in the GTA. The fact that we benefit from steady

population growth and a strong regional economy, compared to many other parts of Canada, is clearly important. On top of this, of course, home buyers continue to benefit from historic lows in terms of borrowing costs, which is key from an affordability perspective," said Mr. McLean.

The average selling price for July 2015 mid-month transactions was \$610,724 – up by 11.5% compared to the average price of \$547,777 for sales reported in the first 14 days of July 2014. Year-over-year price growth was reported for all major market segments.

"The persistent lack of listings in many segments of the GTA housing market has been a key story this year. We have seen strong demand from all buyer groups – from first time buyers through to those seeking to purchase a luxury home. The problem is that many of these would-be home buyers have not been able to strike a deal on a home that meets their needs. The lack of supply has led to increased competition between buyers and strong upward pressure on home prices," said Jason Mercer, TREB's Director of Market Analysis.



Updates from Our Office

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Between getting kids ready for summer camps, deciding on stone colors and shapes for some backyard pool building and landscaping, and running around with a busier than normal summer set of listings all over town, we have had some goings on at the office that we're pleased to share. Philip has been named to the Toronto Real Estate Board's Professional Standards Committee, where he will help adjudicate complaints between Brokerages. KW Neighbourhood has added 10 agents over the last couple of months, and now sits at 75, with an end of year goal of 100 agents serving West Toronto and Etobicoke. We had a great Red Day (our annual KW day of giving in the community) and had everyone out to do a total facelift of the Dovercourt Boys and Girls Club Clubhouse at Bloor and Lansdowne. We're also gearing up for a Fall food drive to help the Daily Bread Food Bank hit its winter targets. If you'd like to help, let us know. As always, we're here to help you get ready for an amazing Fall real estate market.

Summer is the best time to start the preparation, so that you can be on the market before others hit your area. Feel free to call over the next few weeks so that we can get you into market shape!

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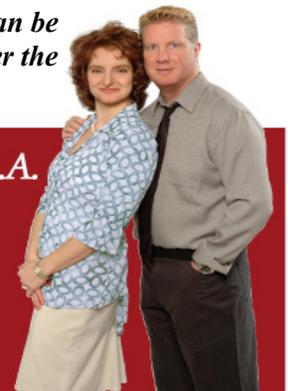
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New Changes to Real Estate Transactions



There have been two major changes to the way Realtors must do business from now on in the Province of Ontario. The first major change involves legislation now allowing the use of Electronic Signatures on all real estate documents. Up until now, we haven't been able to use them for the actual Agreements of Purchase and Sale or the documents needed to firm up a deal. As of July 1st however, all that changed with this Press Release from the Province:

Ontario Allows Real Estate Documents to Be Signed Electronically *Province Makes It Easier to Buy or Sell a Home*

Ontario is making the process of buying or selling a home easier by allowing real estate documents to be signed electronically. *Effective July 1, 2015, changes to the Electronic Commerce Act will make electronic signatures legally equivalent to signatures on paper documents for real estate transactions.* Under current rules, when a home or property

is sold, dozens of hard copy documents such as offers and agreements of sale, must be signed by hand. Allowing these transactions to be signed electronically will also make it easier to send documents electronically and save time for anyone buying or selling property, especially when the two parties are separated by distance. Providing more convenient options for consumers is part of the government's economic plan to build Ontario up. The four-part plan includes investing in people's talents and skills, making the largest investment in public infrastructure in Ontario's history, creating a dynamic and innovative environment where business thrives, and building a secure retirement savings plan.

Quick Facts

- ◆ Similar laws that allow electronic signatures in real estate deals are in place in five other provinces: Quebec, New Brunswick, Manitoba, Newfoundland and Labrador, and Prince Edward Island.
- ◆ Real estate professionals and their clients will still have the choice to use paper documents for transactions.
- ◆ In 2014, there were 205,720 real estate transactions in Ontario.

The second major change to the business is a new addition to the Real Estate Business and Brokers Act (REBBA) which creates a new method of tracking and verifying the number of offers submitted on each property for sale in the Province. Have a look at the Fact Sheet sent out to all Realtors in Ontario:

Bill 55: Changes to Offer Handling Process

Effective **July 1, 2015**, brokerages across Ontario acting on behalf of sellers must meet new requirements for handling offers. The changes stem from Bill 55, the *Stronger Protection for Ontario Consumers Act, 2013*. To review the relevant changes, see section 35.1 of the *Real Estate and Business Brokers Act, 2002* (REBBA 2002) and section 19.1 of Ontario Regulation 579/05 made under REBBA 2002. The changes are intended to increase the transparency of the offer process, but it's important to remember that real estate professionals are required to conduct a fair and transparent offer process. Brokerages are responsible for developing the processes and policies necessary to be compliant, and for training its employees on those processes and policies.

When representing the seller

You cannot indicate that you have received an offer unless you have received a written offer. Please keep in mind that written offers must be signed to be valid. [This is not a new change: but it's a good step towards ensuring ALL Realtors with a listing are up front about the offer process.] The brokerage must keep a copy of all written offers that it receives, or a complete summary document for each offer, for at least one year from the day it is received. The offers may be stored electronically or as a hard copy. For the purposes of the new amendments, each counter offer made by a buyer and received by the seller's representative is considered an offer, so the brokerage must retain records for the original offer and every change made to it during negotiations. Though offers from a seller to a buyer are not covered by this amendment, they should continue to be retained by the seller's representative. For unsuccessful offers, the

brokerage may retain a summary document instead of retaining the offer in its entirety. The Ontario Real Estate Association (OREA) has a form for this purpose, but a brokerage may create its own form, provided it contains the required information. It's important to note that the summary document may be used only when the buyer is making an offer through a brokerage (brokerage acting for the buyer). For offers coming from a buyer directly, the brokerage must retain the offer in its entirety.

When representing the buyer

All offers must be made in writing. Please keep in mind that written offers must be signed to be valid.

Process to confirm the number of offers that a property received

For the purposes of the new amendments, if you are a person who has made a written offer or if you are a registrant acting on behalf of someone who has made an offer, you can request that RECO determine how many written offers the listing brokerage received for the seller on that property. You may use the RECO complaint form for your request. Upon receipt of a completed complaint form, RECO may contact the listing brokerage to confirm the number of offers that a property received. RECO may also request documentation for each offer (either the entire offer or the summary document). The brokerage is required to provide this information to RECO upon request. RECO will only disclose the number of written offers received to the person who requested it. RECO will not release any detail regarding the offers, or identify the people who made the offers.

Door to Door Sales: Did You Know?

We have built our business on the principle that we are always here for our clients, long after the sale has been successfully wrapped up. Thankfully, many of our clients, both young and older, have called us to ask about deals being offered at their doorsteps by heating and cooling companies, renovators and other high pressure sales people representing every trade imaginable. In a few cases, it has been after they have been pressed into signing a document of some kind or other. In one recent case, I had to speak to the "Sales Manager" of a furnace company and quote Consumer Protection Act verse and chorus to ensure that a "contract" was terminated, and harassing phone calls stopped.

Recognizing that this is on the increase, particularly with Seniors, Consumer Protection Ontario is working with Realtors to reach out to our clients and let them know about their services. Here is a quick overview:

GET INFORMED: MOVERS, DOOR-TO-DOOR CONTRACTS, HOME RENOVATIONS AND MORE!

Consumer Protection Ontario is an awareness program from Ontario's Ministry of Government and Consumer Services, which promotes consumer rights and public safety in conjunction with other public organizations such as RECO.

MOVING COMPANIES:

Did you know that when working with a moving company, they can't charge you more than 10% above the written estimated cost unless you agree to a new service, price, or sign a new contract?

DOOR-TO-DOOR SALES:

The Consumer Protection Act (CPA) gives you special rights when you buy something in your home that costs more than \$50. You have the right to cancel a contract for any reason within a 10 calendar-day cooling-off period, with the exception of water heater contracts for which you have a cooling-off period of 20 days.

HOME RENOVATIONS:

Under Ontario law, any home renovation contract worth more than \$50 must be in writing. Be sure that all the details (such as the type of materials being used) are in writing. Be prepared to pay for any extra materials or any work that are not in the contract. If something isn't written in your contract, you may not get it.

To learn more about your rights and the right questions to ask when it comes to movers, door-to-door sales, home renovations and much more, visit

www.ontario.ca/ConsumerProtection



KITEC Plumbing: Is this the next “knob and tube”?

There have been a number of recent notices to both consumers and Realtors regarding the ongoing saga of KITEC brand plumbing piping. This company made a type of plastic water piping used throughout the late 90’s and into the early 2000’s under a number of brand names. Many of the products were good, and hold up to today. One particular model of piping contained an aluminum sleeve that ended up corroding and splitting, causing anything from minor leaks to major water events. That particular type of tubing was discontinued, and the company settled a class action law suit that allows owners of it to be compensated for its replacement. It is super important to recognize that not all plastic piping is KITEC, and not all KITEC is problematic. If you (or your plumber) see an AL (for “aluminum”) stamped on the side of a KITEC brand pipe, it is likely the one in question, and you should consider having it replaced, and be in touch with the folks running the KITEC lawsuit fund. If it isn’t, you can relax. Below is an article that appeared in the June 17, 2015 on-line version of MoneySense Magazine. It’s a good general overview, and gives the links to the brand names KITEC was produced under, and the contact info if you want more answers regarding replacement cost funding.

Kitec plumbing lawsuit impacts homes and condos built after 1997

by Romana King June 17th, 2015 MoneySense Magazine

Do you have pretty bright orange and bright blue pipes running through your home? If so, you may be handing over some hefty cash to a plumber in the near future—if you haven’t already. Homes built between 1995 and 2007 often used a then-new type of plumbing commonly known as Kitec. Marketed as a corrosion-resistant alternative to copper pipes and fittings, Kitec took the residential building industry by storm, until in 2005 the product was recalled. It had a tendency to corrode at an accelerated rate. These days it’s no longer manufactured. (Bright orange and bright blue were the most common colours, but Kitec piping also came in red, dark blue, gray and black.)

But the problems don’t stop there. Apparently, Kitec plumbing not only corrodes quickly, it also flat out fails. And these leaks and bursts, which result in flooding, increase over time. The only real solution? To replace all the Kitec plumbing with copper pipes—a resolution that requires access behind walls and through floors.

If your home or condo was built after 1997 and before 2007, consider exploring the pipes around your hot water heater (or if you live in a condo, in the mechanical room where the pipe connects to or exits from the walls). You can also examine pipes beneath kitchen sinks or bathroom vanities. Typically, a Kitec pipe will be marked with one of about 10 different brand names, including Kitec and PlumbBetter. Also, all visible fittings should be stamped with Kitec or KTC.

One final spot to check would be on your home’s electrical panel doors. Many professional plumbers would’ve added a sticker to the electrical panel stating that Kitec piping was used in the home and that the electrical system cannot be grounded to it. Find the sticker and you’ll need to make plans for pipe remediation.

Buying a home built between 1997 and 2007

At one point in time the mention of knob-and-tube wiring sent potential buyers running. These days not so much. While replacing knob-and-tube can be expensive, it’s also considered a standard upgrade for most older homes.

That said: disclosure of any knob-and-tube is mandatory. To the best of their knowledge a seller must be truthful to their real estate agent and the real estate agent must notify any potential buyers. These same rules apply to the installation and use of Kitec plumbing in Canadian homes. According to the Real Estate Council of Ontario (RECO), real estate agents must take “reasonable steps to determine the material facts” and then “promptly disclose those facts.” This does not mean simply relying on a home owner’s verbal assertions. Instead, a realtor must actually do a bit of digging—whether that’s a visual inspection, or asking for supporting documentation to show what products were used in the construction of the home.

What if your home has Kitec plumbing?

If you find Kitec plumbing in a home, you’ll need to call in a plumber to get it replaced. Skip this step and you run the risk of a messy and expensive water damage claim—assuming, that is, your insurance provider will cover the damage when (not if) the pipes leak or burst. But you may be able to get some compensation. Because Kitec was so widely used in North America a class action lawsuit has been launched. For more information go to www.Kitecsettlement.com.



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!

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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.