

Smart Moves

with **Kaushansky Brown**

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Winter 2017

Your Community Real Estate News

Market Watch

Record Sales in 2016

TREB President Larry Cerqua announced early in January that 2016 was a second consecutive record year for home sales. Greater Toronto Area REALTORS® reported 113,133 home sales through TREB's MLS® System – up by 11.8% compared to 2015. This included 5,338 sales in December – an annual increase of 8.6%.

The strongest annual rate of sales growth in 2016 was experienced for condominium apartments followed by detached homes. "A relatively strong regional economy, low unemployment, and very low borrowing costs kept the demand for ownership housing strong in the GTA, as the region's population continued to grow in 2016," said Mr. Cerqua.

The annual rate of growth for the MLS® Home Price Index (HPI) in the TREB market area accelerated as well – from 10.7% in January to 21% in December 2016. The overall average selling price for calendar year 2016 was \$729,922 – up 17.3% over the previous year. The pace of the annual rate of growth for the average selling price also picked up throughout the year, including a climb of 20% in December.

"Price growth accelerated throughout 2016 as the supply of listings remained very constrained. Active listings at the end of December were at their lowest point in a decade-and-a-half. Total new listings for 2016 were down by almost 4%. In 2016, we saw policy changes and policy debates pointed at the demand side of the market. If we want to see a sustained moderation in the pace of price growth, what we really need is more policy focused on issues impacting the lack of homes available for sale" said Jason Mercer, TREB's Director of Market Analysis.

For the first two weeks of January the Greater Toronto Area REALTORS® reported 1540 home sales through TREB's MLS® System, a slight decrease of 1.5% compared to the first two weeks of 2016, due to the lack of inventory. The average selling price for all homes types combined was \$692,234, representing a 16.3% increase compared to a year earlier.

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Updates From Our Office

We are proud to be able to say that you, our friends and clients, have helped the Kaushansky/Brown Team be named the Top Team by Keller Williams Canada for 2016. We are so grateful for your trust, your referrals and for letting us help you throughout the year. We were also happy to have been able to lend our support to a growing number of groups working all over the City, helping those most in need. In 2016 we were pleased to help support: Raising the Roof Canada, The YMCA High Park Childcare Center, The 333rd Scouts and Cubs, The Turner Syndrome Society of Canada, KW Cares, Sick Kids Hospital, Covenant House and The Rotary Club. We're always on the lookout for other groups that need a hand, and would be happy for other suggestions. In fact, we had an anonymous reader ask about working to help seniors centers provide activities, and have put that on our "to do" list for 2017. With all of these goals to achieve, we know we'll need extra hands, and we have found a great set in Nikku Sharma. Nikku has joined our team as a full-time realtor with 6 years of experience working with clients across the City. I think, totally biased, that with Bridgette, Nicoletta and Nikku, Irene and I have the best real estate team in Toronto. We'll let you be the judge Happy 2017!

**Don't forget on Monday, February 20th
we will be hosting our 8th Annual Family Day
Skating Party! See inside for all the details.**



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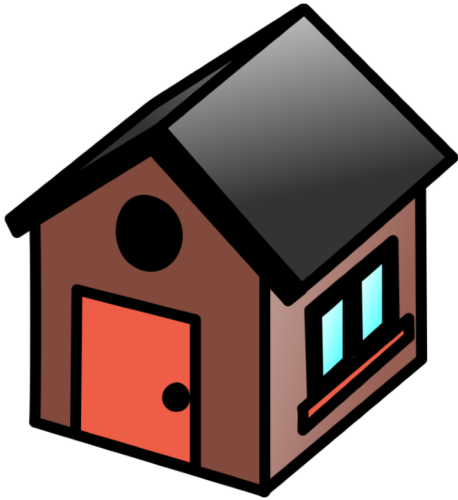
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Ontario Doubles First-Time Homebuyer Tax Rebate:

with info from Romana King, full article first published online at MoneySense.ca

In an effort to help first-time homebuyers—but not hurt the equilibrium of housing markets outside of Toronto—the Ontario Liberal government announced that they'll double the first-time homebuyers' maximum Land Transfer Tax refund to \$4,000. This increased rebate took effect January 1, 2017 and will mean that eligible homebuyers in Ontario would pay no Land Transfer Tax (LTT) on the first \$368,000 of their home's purchase price.



“With the doubled refund, more than half of first-time homebuyers in Ontario would pay no LTT on the purchase of their first home,” explained Ontario Finance Minister Charles Sousa, during a press conference this afternoon. Sousa’s announcement was part of the provincial government’s Fall Economic Statement. The finance minister’s focus on helping first-time buyers highlights how unaffordable a home purchase has become, particularly in hot property markets, like the Greater Toronto Area.

Tim Hudak, the relatively new CEO of the Ontario Real Estate Association, had been calling for land-transfer tax breaks. In press statements made last week, he asked for help for first-time homebuyers to

“help them get out of their parents’ house or get out of their apartment into a place of their own.”

When the price brackets were first created, a \$400,000 was considered the starting point for a luxury property. These days, however, a \$400,000 home is no longer considered the benchmark for a luxury property in most parts of Ontario. Under the new “modernized” land transfer rates, buyers of detached or semi-detached homes or condos or townhomes should expect to pay the following:

“Modernized” Ontario Land Transfer Tax Rates

Home Purchase Price	Tax Rate
Up to \$55,000	0.5%
\$55,000 to \$250,000	1.0%
\$250,000 to \$400,000	1.5%
\$400,000 to \$2-million	2.0%
\$2-million and over	2.5%

Keep in mind, however, that buyers of multi-residential buildings (such as triplexes), commercial, industrial or agricultural properties will be required to pay 2% tax rate on any purchase price over \$400,000.

To help the tight rental market, the Ontario government also announced that it will be freezing the property tax on apartment buildings. While this freeze is in place, government officials will be reviewing how the high property tax burden on these buildings affects rental market affordability. Sousa writes: “The average municipal property tax burden on apartment buildings is more than double that for other residential properties such as condominiums.”



There are already a few programs in place to help first-time home buyers. These include:

Home Buyers' Plan

First-time homebuyers have an opportunity to use their RRSP contribution towards a down payment, using the Home Buyer's Plan (HBP). Under the federal HBP, you can withdraw up to \$25,000 from any RRSP account, as long as those savings were deposited more than 90 days before your request to withdraw. (Your mortgage lender can provide the official Canada Revenue Agency form or you can get this form T1036 by going online.) Keep in mind, you have to pay back this interest-free loan over a 15-year period and any year you don't make a payment, that annual sum is added to your income and taxed at your marginal rate. The good news is that couples can withdraw a total of \$50,000 combined from their RRSP accounts, which can make a huge contribution towards a down payment. To qualify for the HBP you and your spouse must not have lived in a home owned by either person for the five years prior to using the HBP.

First-Time Homebuyer's Tax Credit

Homebuyers who have not owned a home within the last four years may be eligible for the first-time homebuyer's tax credit (HBTC) through the Government of Canada's Economic Action plan. The credit is based on \$5,000 multiplied by the lowest federal income tax rate for that year. For example, the lowest federal income tax rate for 2014 is 15%, so the value of the credit would be \$750. You can learn more about the first time homebuyer's tax credit on the Economic Action Plan website or go to <http://www.taxtips.ca/taxrates/canada.htm> to find out more about tax brackets.

Land Transfer Tax (LTT) Refund

As a first-time homebuyer, you can receive a refund from the Ontario government of up to \$2,000 of the land transfer tax you paid on your first home. (Keep in mind, other provinces have similar programs.) To qualify for this refund, you must be 18 or older, you cannot have previously owned a home (or an interest in a home, which includes putting your name on the deed of your parent's cottage in order to avoid probate fees), and this all applies to property anywhere in the world. Typically, your lawyer will apply for the fee as you finalize your real estate purchase, but if that doesn't happen you have 18 months after the registration date of the sale.

GST/HST New Housing Rebate

First-time homebuyers residing in provinces that have combined provincial and federal sales tax, which includes Nova Scotia, New Brunswick, Newfoundland, Ontario, and B.C., are eligible for an HST tax rebate through the federal government. While rebates and conditions vary from province to province, the program is designed to help with the federal portion of the HST new homebuyers have to pay. You can find out if you're eligible for an HST New Housing Rebate, as well as all necessary application forms on Service Canada's website.

Energy Efficient Housing

Finally there's the Energy Efficient Housing rebates. While not restricted to first-time homebuyers, these rebates can certainly help first-time buyers. There are a variety of rebates both at the federal and provincial levels. For instance, Genworth offers the Energy-Efficient Housing program. Available across Canada, this rebate provides a partial refund of up to 25% of the Genworth Canada insurance premium, based on the date of application for the mortgage insurance. If you bought a \$300,000 home with only 5% down, you would have to pay \$10,800 in insurance premiums. Under the Energy-Efficient refund program, you could save \$1,620 off those premium rates. For eligibility requirements, see Genworth's website. The Canada Housing and Mortgage Corporation offers a similar rebate and can apply to a purchase or a renovation. Go online for more information.

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

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Kati Darvas 416-618-7070
thenaturallife@hotmail.com

Granite and Marble Supply

City Home Granite Depot 416-259-0800
Cathy Li

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Paul Kelly

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Roofers

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Transition Professionals

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Vicky Riley Keyes info@redcoatsmoving.com

Waterproofing

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

Wealth Management

Royal Bank Dominion Securities 416-842-3573
Geoff Hartley Geoff.hartley@rbc.com

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.

Increase to CMHC Premiums

Jason Friesen PFP, one of our trusted Mortgage Professionals with Verico Premiere Mortgage Centre Inc. has advised of an upcoming increase in mortgage premiums from Canada Mortgage and Housing Corporation. Any mortgage applications submitted on or after March 17th will be subject to the new CMHC premiums.

Here are the changes:

Loan-to-Value Ratio	Standard Premium (Current)	Standard Premium (Effective March 17, 2017)
Up to and including 65%	0.60%	0.60%
Up to and including 75%	0.75%	1.70%
Up to and including 80%	1.25%	2.40%
Up to and including 85%	1.80%	2.80%
Up to and including 90%	2.40%	3.10%
Up to and including 95%	3.60%	4.00%
90.01% to 95% - Non-Traditional Down Payment	3.85%	4.50%

The changes are not significant but will still impact a borrower's bottom line. On a \$550K mortgage with the minimum down payment, a borrower can be expected to see an increase of approximately \$10/month to their payments.

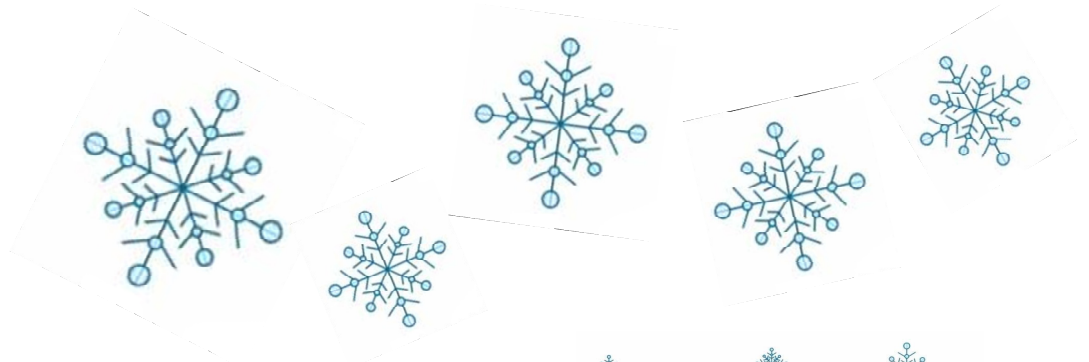
The increase comes as CMHC and all other mortgage insurers follow new guidelines set up by OSFI (Office of the Superintendent of Financial Institutions) with respect to increased capital they are required to now have on hand in the event there are large scale defaults at any point (which doesn't seem likely any time soon). The increase in capital requirements has driven up the costs and insurance premiums as we are seeing today. See the full article at <https://www.cmhc-schl.gc.ca/en/corp/nero/nere/2017/2017-01-17-0830.cfm>

You can reach Jason at: Jason@friesenmortgage.com or 647-352-5825

Proposed Increase to the Toronto Land Transfer Tax

The City of Toronto is proposing a change to the amount of money collected via the Land Transfer Tax as part of its 2017 Budget discussions. Since 2008, City Hall's take from its Land Transfer Tax has TRIPLED from \$3,725 to over \$11,000 on an average-priced home. Yet, City Hall is proposing a \$750 increase for all repeat home buyers, and no new relief for first-time buyers, even though the current rebate has never been adjusted in line with home prices. In fact, when the tax was first introduced 8 years ago, City staff estimated it would generate approximately \$350 million dollars per year in tax revenues. Actual revenues have been closer to \$850 million per year, with this new increase adding an additional \$80 million to the total. The timing of this is interesting, given the Provincial decrease in its own land transfer tax for First Time Buyers. What are the potential impacts of this increase? For starters, this increase, added to increases in the fees charged by CMHC for mortgages could reduce home purchases by lower income buyers. Given that the land transfer tax and property taxes account for just under half of the tax revenues that fund the City's \$10 billion annual operating budget, anything that negatively impacts home ownership hits directly at the budget bottom-line. At a time when Toronto City Council should be looking for ways to better manage long term revenues to deliver on long-term investments in infrastructure and transit, eroding the biggest source of operating revenues is not the way to go.

8th Annual Family Day Skate Party



Hosts: Irene, Philip and the entire KB Team

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

When: Monday, February 20th, 2017 at 2pm

The Kaushansky/Brown Real Estate Team invites you, your family and friends to join us for a fun filled, pizza fueled, 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 15th of February, and let us know how many skaters you'll be bringing along.

Hope to see you there!

RSVP to admin@ireneandphilip.com or call 416-259-2444

This event is proudly being sponsored by:



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