

Smart Moves

with **Kaushansky** **Brown**

Passion • Knowledge • Integrity



Summer 2017

Your Community Real Estate News

Market Watch

July 6, 2017 -- Greater Toronto Area REALTORS® reported 7,974 sales through TREB's MLS® System in June – this number was down by 37.3% in comparison to June 2016.

The number of new residential listings entered into TREB's MLS® System, at 19,614, was up by 15.9% compared to June 2016. While this annual rate of growth was sizeable, it represented a more moderate annual rate of growth compared to May 2017, when new listings were up by a whopping 48.9% year-over-year.

"We are in a period of flux that often follows major government policy announcements pointed at the housing market. On one hand, consumer survey results tell us many households are very interested in purchasing a home in the near future, but some of these would-be buyers seem to be temporarily on the sidelines waiting to see the real impact of the Ontario Fair Housing Plan. On the other hand, we have existing home owners who are listing their home because they feel price growth may have peaked. The end result has been a better supplied market and a moderating annual pace of price growth," said Mr. Syrianos.

Annual growth rates for MLS® HPI benchmark prices have moderated over the past two months, but remain strong. The MLS® HPI composite benchmark price was up by 25.3% on a year-over-year basis in June. June's average selling price for all home types combined for the TREB market area was \$793,915, representing a 6.3% increase compared to the same month in 2016. A better supplied market has certainly been a key factor influencing the moderation in price growth.

"Recent Ipsos survey results suggest that home buying activity in the GTA will remain strong moving forward. The year-over-year dip in home sales we have experienced over the last two months seem to be the result of would-be buyers putting their decision to purchase temporarily on hold while they monitor the impact of the Fair Housing Plan, to see if there is any at all. On the supply side of the market, it certainly looks as though buyers will benefit from more choice in the second half of 2017 compared to the same period in 2016," said Jason Mercer, TREB's Director of Market Analysis and Service Channels. **On our end here at the KB Team, we are all looking forward to a more balanced market: one where buyers are able to think about a house before buying it and maybe even see it more than once, and sellers have realistic expectations about sale values.**

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Updates From Our Office

While our Team has had a record sales year so far (48 transactions at time of writing), we've also had a great time with our family: while the kids were up at Camp Wanakita at the beginning of the summer, Philip and I took a much needed break and explored Boston for the very first time. Its architecture and history astounded us and we were pleased to have had a few kid-free days away. Now the boys are over in Ireland for the second leg of their Scout Exchange, while the girl and I will be enjoying the sun and sand in Myrtle Beach...to each their own 😊. This has been made possible by our amazing real estate team: shored up by Bridgette and Nicoletta in the admin department, we welcomed Robin Smulders Richmond to our sales division. Robin comes to us with over a decade of sales experience within the travel industry, promoting luxury tours around the world. We are excited about our incredible support staff and what it will mean to the increased level of service for all our clients. Here We Grow!



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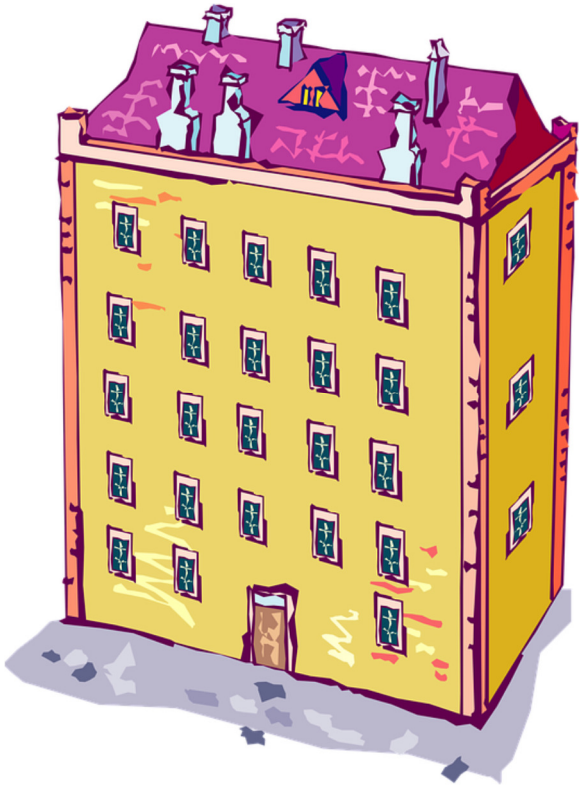
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Government of Ontario Announces Proposed Changes to the Condominium Act



At the end of July, the Minister of Government and Consumer Services, Tracy MacCharles, announced new protections for condo communities taking effect this fall. Changes will include:

- Regular mandatory updates about the condo corporation to help improve communication between boards and owners
- Improving condo corporation governance and addressing conflicts of interest by introducing new disclosure requirements for directors, including whether they are not owners or occupiers of units in the condo or if they have interests in contracts involving the corporation
- Mandatory training for condo directors to improve how condos are managed and operated
- Clearer rules to make it easier for condo owners to access records of their condo corporation
- New notices, quorum and voting rules to make it easier for owners to participate in owners' meetings
- Mandatory education requirements for condo managers applying for a general license.

The government will also designate two new administrative authorities:

- The Condominium Authority of Ontario (CAO), when designated on September 1, 2017 will provide education and promote awareness of condo owner rights and responsibilities, as well as provide important information for condo corporations. On November 1, 2017 it will also be responsible for managing the Condominium Authority Tribunal which will resolve disputes about access to condo records. Going forward, Ontario will consult with the public to identify other disputes the Tribunal could resolve.
- The Condominium Management Regulatory Authority of Ontario (CMRAO), when designated on November 1, 2017 will regulate and license condo managers and providers.

Protecting condo residents in Ontario is part of our plan to create jobs, grow our economy and help people in their everyday lives.

“Addressing the growing needs of condo communities across the province and supporting long-term sustainability of condo living is key to our government’s mandate. Creating new consumer protections will help to build more sustainable condo communities so residents moving into condos today and in the future will be able to look forward to healthy condo communities and peace of mind in the place they call home.”

Tracy MacCharles, Minister of Government and Consumer Services

Quick Facts:

- There are currently 1.6 million people living in condos in Ontario and more than 50 per cent of new homes being built in the province are condominiums.
- There are more than 750,000 condo units in Ontario, up from 270,000 units in 2001.
- The CAO and CMRAO were created as part of the implementation of the Protecting Condominium Owners Act that was passed in 2015
- The government received about 200 recommendations for condominium law reforms through its public consultation process.



Interest Rates Have Finally Increased: How That Could Affect Your Loans

By Solomon Israel, CBC News Last Updated: Jul 12, 2017

After seven years of leaving its key interest steady or cutting it to near-historic lows, the Bank of Canada has finally increased its overnight rate by 0.25 percentage points to 0.75%.

The overnight rate determines the rate at which banks lend money to each other on a regular basis. In practice, changes in the overnight rate get passed on to consumers through corresponding changes in interest rates on different financial products. Here's how the increase in interest rates could filter down through the kinds of loans held by Canadians:

1. **Mortgages:** Canadians with variable-rate mortgages, also known as adjustable-rate mortgages, will immediately feel the increase in the overnight rate. For homeowners who have locked in a fixed-rate mortgage, nothing will change until the fixed term ends and it's time to renew. Even before the Bank of Canada's move on July 12th, some of Canada's big banks already started charging more for their five-year fixed-rate loans. That said, it's possible that some fixed-rate mortgage holders who renew in the near future could actually lock in a new fixed-rate mortgage at a lower interest rate than they signed up for five years ago, according to Preet Banerjee, author of *Stop Over-Thinking Your Money!*

Those borrowers "may actually still be renewing into a lower rate, because even though rates are going up, they're still lower than when a lot of people got their fixed-rate mortgage," Banerjee said.

2. **Home equity lines of credit (HELOCs):** Canadians who use their homes as a source of cash by borrowing against their home equity could quickly owe more now that interest rates have risen, as those loans are frequently variable rate.
3. **Credit cards:** Credit cards generally charge interest at a fixed rate, according to Laurie Campbell, CEO of Credit Canada Debt Solutions. Although that fixed rate can be quite high, it won't increase with the Bank of Canada's overnight rate. Some credit cards do charge variable interest rates, so check the specific terms and conditions of your card to be sure. Even if your credit card's interest rate is fixed, that's no reason to be complacent about credit card debt in a rising interest rate environment, suggested Campbell. If consumers start missing regular credit card payments (perhaps because the cost of making their other debt payments has increased) some credit cards will actually raise the interest rate owed on the outstanding balance. "So you might be sitting at 19%, and then if you start missing payments they might increase your rate to 24%," said Campbell. "A lot of people don't realize that."
4. **Lines of credit:** After variable-rate mortgages, Canadian borrowers will feel the Bank of Canada's interest rate hike most heavily in their lines of credit, said CIBC deputy chief economist Benjamin Tal. "That's where you feel the pain, because they're linked to the prime rate, and the prime rate probably will rise when the Bank of Canada starts raising interest rates," said Tal, speaking to CBC News before the Bank of Canada's move was announced. Interest rates on lines of credit "indeed could go up with the [Bank of Canada's] rate, so people should take a look to make sure what that impact could be on them and how they're going to pay that off," advised Campbell.
5. **Student loans:** Government student loans don't require payment until six months after leaving school, although they do accrue interest during that period. The rates can be either fixed or floating. Either way, Canadians who are about to start repaying their student loans will be affected now that the Bank of Canada has increased rates, according to Campbell. Floating-rate student borrowers will see their interest rate go up immediately, while fixed-rate borrowers will have to lock in their payments at a higher interest rate than they would have.
6. **Automobile loans:** Auto loans tend to be fixed-rate, according to Michael Hatch, chief economist with the Canadian Automobile Dealers Association, although some Canadian banks offer variable-rate car financing. If interest rates continue to increase, Hatch said, that could make monthly payments for future auto loans more expensive and affect the kinds of cars Canadians choose to buy.
7. **Savings accounts:** Higher interest rates could benefit Canadian savers: Recent history suggests an increase to the overnight rate will translate into "a corresponding increase" in interest earned from savings accounts, according to Tal. But the interest rates on savings accounts are still quite low, said Banerjee. He doubts an increase in rates will motivate Canadians to increase their savings by using traditional savings accounts.

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.