

# Smart Moves

with **Kaushansky Brown**

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Your Community Real Estate News

Winter 2018

## Market Watch

**January 2018 --** Toronto Real Estate Board President Tim Syrianos announced that Greater Toronto Area REALTORS® reported 92,394 sales through TREB's MLS® System in 2017. This total was down 18.3% compared to the record set in 2016.

Record sales in Q1 were followed by a decline in Q2 and Q3 after the Ontario Fair Housing Plan (FHP) was announced. The pace of sales picked up in Q4, as its impact started to wane, and some buyers arguably brought forward their home purchase in response to the new OSFI stress test guidelines effective January 1, 2018.

"Much of the sales volatility in 2017 was brought about by government policy decisions. Research from TREB, the provincial government and Statistics Canada showed that foreign home buying was not a major driver of sales in the GTA. However, the Ontario Fair Housing Plan, which included a foreign buyer tax, had a marked psychological impact on the marketplace. Looking forward, government policy could continue to influence consumer behavior in 2018, as changes to federal mortgage lending guidelines come into effect," said Mr. Syrianos.

The average selling price for 2017 as a whole was \$822,681 – up 12.7% compared to 2016. This annual growth was driven more so by extremely tight market conditions during the first four months of the year. In the latter two-thirds of 2017, fewer sales combined with increased listings resulted in slower price growth. In December, the MLS® Home Price Index (HPI) Composite Benchmark was up by 7.2% year over year, and the overall average selling price was up by 0.7% year over year.

"It is interesting to note that home price growth in the second half of 2017 differed substantially depending on market segment. The detached market segment – the most expensive on average – experienced the slowest pace of growth as many buyers looked to less expensive options. Conversely, the condominium apartment segment experienced double-digit growth, as condos accounted for a growing share of transactions," said Jason Mercer, TREB's Director of Market Analysis.

Inside This Issue	Updates From Our Office
<ul style="list-style-type: none"><li>◆ Market Watch</li><li>◆ Rental Costs in Toronto</li><li>◆ Surviving Winter</li><li>◆ New Preferred Professionals</li><li>◆ 9th Annual Family Day Skate Party</li><li>◆ Super Service Professional Directory</li></ul>	<p>So much to tell, so little space. By the time this reaches you, we will either be just about to or will have just finished our second annual Toque Day fundraiser at High Park and Keele subway stations. We grab as many agents as we can, and along with our own KB Team, we sell “Raising the Roof” toques to busy, chilly commuters to help fund programs and shelters for homeless youth across Canada. We have our Family Day Skate (details on the insert in this newsletter) and will be close to meeting the newest KB Team baby, courtesy of our newest adult member of the team, Robin Smulders. Oh, and I’m about to launch a brand new Keller Williams office at Yonge and Lawrence, helping our company continue to grow. If you know an agent working at another company that you think could use a new opportunity, and work with some of the best in the business, drop us an email, or have them get in touch.</p>



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## Rental Costs Continue To Soar In Toronto

By Tess Kalinowski, Real Estate Reporter, Toronto Star - Fri., Jan. 12, 2018

The squeeze on Toronto-region rentals is approaching strangulation with a constrained supply and climbing rents. Condo rents, which rose 9% across the region in the last quarter of 2017 to \$2,166 on average, are pushing tenants out of the downtown and into buildings in the 905 area, according to a report from market research firm Urbanation. Its data on rentals leased through the Multiple Listings Service (MLS) show those who have an apartment are staying longer with turnover declining in even the tiniest units.

The overwhelming majority of MLS leases are condos, which are believed to account for a third of the region's rental stock. "With rent levels rising downtown and more condo projects finishing construction in the suburbs — and those units being offered for rent — we are starting to see some tenants looking at alternative options and starting to migrate into the 905 region where rents are quite a bit less expensive," said senior vice-president Shawn Hildebrand. New condos are attracting renters to Mississauga, Vaughan and Oakville.

Rents in downtown Toronto rose 12.4% in the last quarter of 2017 to an average \$2,392 or \$3.37 per sq. ft. But in the less costly 905 region, prices grew only 8% to \$1,867 or \$2.45 per sq. ft., said the report.

The 905 area saw a 26% increase in the number of leases in the final quarter, despite an overall 11% decline in the Toronto region year over year — the biggest drop since Urbanation started tracking data in 2010.

"We've seen previous quarters where activity has slowed down, but we've never seen a drop to that magnitude and it was primarily a supply issue," said Hildebrand. "We saw fewer projects come to completion last year and that was probably one of the biggest drivers." Hildebrand expects rents will continue to increase this year — not necessarily by 9% — but perhaps by 4 to 5%.

Rent controls, extended to new buildings by the province in the spring, are discouraging tenants from moving. In the fourth quarter, the average duration of a tenancy was almost 23 months — almost a full month longer than the previous quarter of 2017. Tenancy periods rose almost three full months compared to the end of 2016 and about six months compared to 2015. Renters are staying put longer even in the smallest of spaces. Tenants living in studio apartments were staying almost 4 months longer in the last quarter of 2017, compared to the same period in 2016.

That reduced turnover along with fewer construction completions this year is creating a situation where the market has tightened severely against a backdrop of extremely high rental demand in the city, said Hildebrand. The vacancy rate in the Toronto region was about 1%, a 16-year low, said a November report from Canada Mortgage and Housing Corporation.

That report put the average rent of a purpose-built unit at about \$1,300, compared to about \$2,080 for a condo. While declining home sales in the area may be extending the period people rent to some degree, the expanded rent controls are probably a greater factor, quoted a local real estate broker.

"Tenants can stay as long as possible now, their rents only go up 1 to 2% per year while the (housing) market is going up 10% per year,". "There is less of an incentive to move now if you're renting — you're only going to move to buy a home because moving to another rental would likely mean paying 20% more than you're paying now, assuming you've lived in your current unit for a couple of years," he added. There will be more units coming up for rent this year, likely in the second half of 2018 as new condos are ready for occupancy, said Hildebrand.

But demand will remain strong given new restraints on home ownership, including anticipated interest rate hikes from the Bank of Canada and new mortgage rules that took effect at the beginning of January from the Office of the Superintendent of Financial Institutions.

"This is happening at the same time as employment is surging, population growth is extremely strong," Hildebrand said. "It creates a lot of pressure on the existing stock of rentals and there's going to be continued downward pressure on vacancy rates. But there is some good news in the report. Developers of purpose-built rentals, who cancelled some projects after the province extended rent controls to newer buildings, appear to be less hesitant. The low vacancy rate and the rise in rents are offsetting some of the concern those developers who want to see favourable returns on their projects, said Hildebrand. There were 7,184 rental units under construction at the end of last year — the highest level in 25 years, he said.



# *Surviving Winter in Toronto*

We haven't had to really worry about a proper winter in a long while. Winter 2017/2018 has reminded us just how much we forgot about getting through to the first rays of Spring sunshine. Here is a guide to getting through maybe your first bad winter as an adult. Printed originally in the Torontoist in November 2016, this may give you something to hold onto until the thaw. Written by Richard Light.



## **January**

**What to Expect:** The warmth and good feelings of Christmas time will quickly be forgotten when an unpredictable and bone-chilling, storm front sweeps over everything. Then, after Trump's inauguration, it will get pretty cold. Canada Goose Jackets will start to replicate at alarming rates.

Faced with the long winter ahead some people will get hysterical and advocate for something called, "Sober January." It's best to ignore this. The only place that will not be freezing cold will be the subway, which will be a comfortable 48C at all times. In everyday conversation you will start casually dropping meteorological phrases like, "arctic oscillation," "polar vortex," and, "cold as balls."

## ***How to survive January:***

Hot cocoa and fun sweaters aren't going to cut it in January. It's time to get serious. Turn on your heat, invest in thermal socks, and start developing some psychological coping mechanisms for what's coming next.

## **February**

**What to Expect:** Your heating bill will arrive and just say, "Eff you." Bay Street will complete its seasonal transition into a wind tunnel experiment to test the limits of human endurance. If it gets up to -15C, you will text a screenshot of the weather report to your friend in Edmonton to brag about how warm it is here. The constant darkness makes it impossible to determine when days start or end, which will be your excuse for never changing your long johns. Absolute Zero will become less an obscure scientific concept and more a realistic possibility for the night-time low. Winterlicious, probably.

## ***How to survive February:***

If you can find any moose in downtown Toronto, this would be a good time to kill one, disembowel it, and use the still warm carcass as a protective shield against the cold. Otherwise you will have to settle for "layering" and relying on the PATH for getting around.

## **March**

**What to Expect:** You will start showing worrying signs of something that WebMD calls, "Urban Snow Madness." A rare forecast of no precipitation will result in a late-season attempt to hike through High Park. As soon as you arrive it will start blizzarding large chunks of permafrost. You will find yourself getting into one-sided, screaming matches with weather patterns. All plans with everyone, anywhere—including weddings, funerals, and non-elective surgery—are to be considered "weather dependent." During a particularly bad flare-up of your Urban Snow Madness, you will consider moving to Vancouver.

## ***How to survive March:***

Survive? Why would you want to survive? There's nothing for you on the other side.

## **April**

**What to Expect:** One day you will look out the window to see a snowstorm and stutter, "B-b-but it's April! It's April! Why? Why, God!?"

## ***How to survive April:***

Curl up in the fetal position, rock back-and-forth and quietly whisper, "It's almost patio season, it's almost patio season, it's almost..."

# 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 416-404-1075  
Claus Olsen info@nordiccleaning.ca

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

## Hardwood Flooring

PK Flooring 416-330-1340  
Paul Kelly

## Heating and Air Conditioning

Atlas Air Climate Care 416-626-1785 x 210  
Steve Crozier scrozier@atlasclcare.ca  
Customer Care Manager

## Home Inspectors

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

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

Keystone Inspections 416-410-5714  
Alrek Meipoom info@keystoneinspections.ca

## Home Stagers and Decorators

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

Show and Sell 416-886-5396  
Anja Lavigne anja.lavigne@sympatico.ca

Savvy Drapery Solutions 416-251-7138  
Rob Ritchie Info@savvydraperyinstall.com

## Lawyers, Real Estate

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## Lawyers, Arbitration/Mediation and Litigation

Maureen Tabuchi 416-477-5673  
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## Landscaping

John Perry 416-627-3268  
johnperrygardens@yahoo.ca

## Moving and Storage

Public Storage 416-251-7138  
Siva Sivasubramaniam P0005@publicstorage.ca

## Mortgage Consultants

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

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

Royal Bank 647-893-9233  
Shafraz Madhani shafraz.madhani@rbc.com

## Painters, Renovators and Contractors

Design Express 416-524-5949  
Bill Nicoloff bill@designexpress.ca

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

## Pool Installation

Simply Pools 905-257-8558  
Vince Camastra info@simplypools.ca

## 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

## Transition and Downsizing Professionals

Organize Me Please 905-681-1659  
Rose Ritchi rose@organizemepleascanada.com

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

## 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.**



## Welcome New Preferred Professionals

We proudly welcome Rob Ritchie of Savvy Drapery Solutions as a part of our service professional directory. We first met Rob several years ago when he was recommended by a local framing shop. He's since hung several large art pieces in our own home and consequently saved what would have undoubtedly been hours of bickering between spouses. I'm sure you know what I mean. Rob and his team install anything that hangs: drapes, pictures of all sizes, bathroom accessories....they will even clean your drapes and if needed, alter them to fit in your new home. If it needs to hang somewhere, Rob is your guy! With over 30 years of service he's seen it all and can do it all. **Rob can be reached at 416-251-7138 or [info@savvydraperyinstall.com](mailto:info@savvydraperyinstall.com).**

We're also pleased to introduce Siva Sivasubramaniam from Public Storage. You wouldn't think to expect amazing service and care from a company that you'd use just to store your 'stuff'.....but that is exactly what we got from Siva and his wife when we were researching locations for storing items from one of our listings that needed to be decluttered. He took such care in explaining their programs, service and charges to me I wanted to bring stuff to him just so I could store it there. Fortunately we don't need to do that right now...but if you do, **give them a call or email at 416-251-6713 or [P0005@publicstorage.ca](mailto:P0005@publicstorage.ca).**

Last, but certainly not least, Rose Ritchi at Organize Me Please (no relation to Rob, above 😊) Rose and her team specialize in downsizing families, preparing a home for sale or reno, or just with organizing or decluttering your existing space as a result of everyday life. We seem to have become a nation of collectors. Rose is a former Information Technology Project Manager and is a member of the Professional Organizers of Canada. **Rose can be reached at 905-681-1659 or [rose@organizemepleascanada.com](mailto:rose@organizemepleascanada.com).**

## 9th Annual Family Day Skate 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 19th, 2018 at 2pm

The Kaushansky/Brown Real Estate Team invites you, your family and friends to join us for a fun filled, pizza fueled, 7th 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.



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