

Oakville & Burlington Market Watch

New Mortgage Rules Impact Buyers

Page 7



2018 Expected to be Big Year in the GTA

Pent up demand in the Greater Toronto Area is going to be unleashed next year, according to Laurentian Bank Securities' chief economist.

Sebastien Lavoie says the introduction of the Fair Housing Plan in April cooled the market, and that the inactivity is temporary. A lot of people wanted to enter the market, but with massive year-over-year housing appreciation sellers stood idle and constrained the supply of housing. While buyers re-entered the market by summer's end, Lavoie says it will pale in comparison to next year.

“During the best months when things were up, conditions were overheating,” Lavoie told REP. “It wasn't just foreigners but domestic buyers who wanted to get into the market, and there was low supply, because why would you put your home for sale when prices are going up 20-25% a year?”

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Darlene Darragh

Award Winning Sales Representative 2013 - 2016



2018 Expected to be Big Year in the GTA

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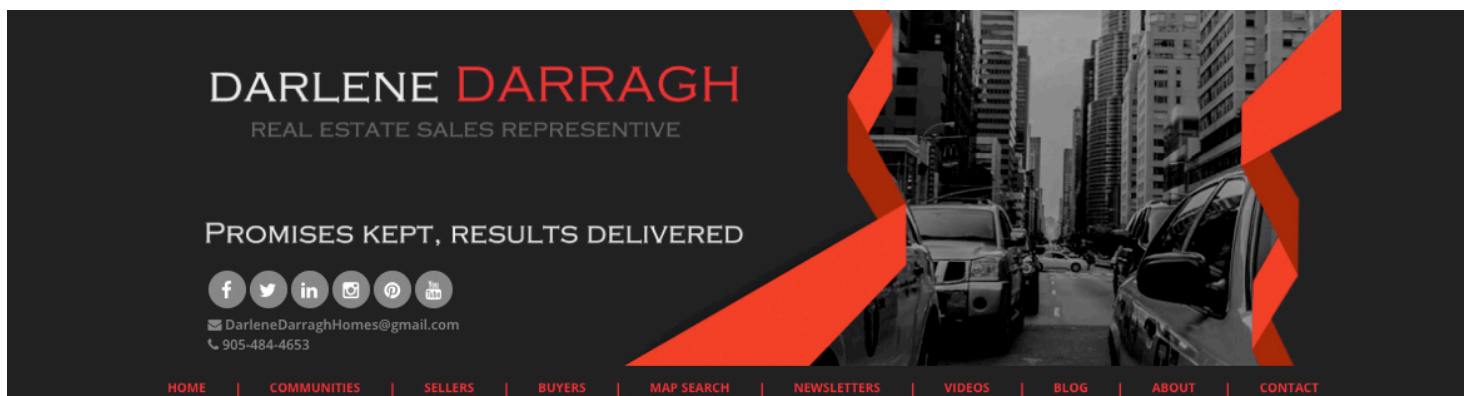
A lot of potential buyers were on the sidelines to see if there was a cool down and a price correction, but that wasn't the case, so they started to get back into the market during the late summer/early fall, and I expect that to continue next year because there's still pent up demand."

One reason Lavoie expects an active market in 2018 is employment, which traditionally drives the housing market, will remain strong. In spite of the new mortgage rules and potential interest rate increases next year—Lavoie doesn't expect the latter to occur—employment is always the housing market's primary driver.

"When you look at resale transactions, you had 10,000 transactions a month, which is a record-high for the GTA, but then it went down to 6,000," he said. "But at the current employment levels, it shouldn't be 6,000 transactions because that's how many there were during the financial crisis. It should be around 8,000 resale transactions a month, and it went up to about 6,800 transactions in October. But there's still some way to go."

Lavoie concedes Guideline B20 could put a spanner in the works next year and prevent market activity from reaching levels commensurate with the robust economy, but he noted that immigrants who settle in Ontario perform better than the national average and that should be more impactful than B20. In particular, after 10 years in Ontario, they have the same unemployment rate as their Canadian-born compatriots.

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Condo Corner

10-Day Cooling Off Period is Critical

Throughout the country a condo boom is occurring, and it's no surprise buyers remorse is likely to rise as well. Thankfully, the government has put into practice a 10-day cooling off period. Throughout the duration of this time purchasers of presale condominiums may rescind their offer of purchase.

Manu Singh, broker of Right At Home Realty applauds the cooling off period due to home purchases top the list of biggest financial decisions one makes in their lifetime. Many purchases, commonly in cities like Toronto and Vancouver where the buying fever has caused those to purchase impulsively out of fear of missing out on a great unit, do not realize that preconstruction units do not always furnish as advertised. More importantly, without the cooling off period, the inability to secure financing could leave the buyer obligated by contract to abide the purchase agreement. This period can also be extended under diminishing circumstances and also ensure a measure of builder accountability.

In these 10 days you can go to the bank and see where you qualify for a mortgage. Singh shared with REP how he recently had a client who qualified fine, but had lack of fortune on the appraisal side. With mortgage rules tightening, banks are more concerned with risk management; including third-party appraisals. In the case of Singh's client, the appraised value came in lower than what the builder asked for and agreed upon. Therefore the 10-day cooling off period can be extended within reason. If it weren't for this period the client would have been on the hook.

Alex Balikoev, a Core Assets Real Estate agent, says agents employed in builders' sales centres are not regulated and can say whatever they want, true or not, to get a buyer to sign. Buyers coaxed by false promises tend not to hire sales agents, and, often the case, floor plans carry them away and models, resulting in impulse buys. We advise clients to work with agents who are well versed in preconstruction. As well, the chances of them backing out of a deal are low because they are making informed decisions.

We believe the 10-day cooling off period is critical and an excellent example of consumer protection.

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for details



Investors Corner

Rental Vacancy Rates Tighten as Rents Rise

Rental vacancy rates hit an unwelcome milestone in Toronto this year, according to annual data published by the Canada Mortgage and Housing Corporation (CMHC) November 28.

In the Toronto Census Metropolitan Area (CMA), vacancies in purpose-built apartments now stand at 1%, down from 1.3% a year ago, according to the federal housing agency's yearly survey. And among the smaller number of condos that are rented out, vacancies have fallen from 1% a year ago to 0.7% this fall.

Across Ontario as a whole, purpose-built rental vacancies fell from 2.1% in fall 2016 to 1.6% this year, as increased demand far outstripped the 8,551-unit increase in new purpose-built apartments across the province.

The CMHC said that a strengthening Ontario economy, leading to increased new jobs and demand for rental housing among young employees was a key factor, along with higher mortgage costs leading renters to stay out of homeownership longer.

The CMAs of Kingston, Thunder Bay and Hamilton saw even sharper declines in vacancy rates than Toronto, with Kingston's rate dropping dramatically from 2.7% a year ago to 0.7% in 2017.

Unsurprisingly, average rents continued to increase faster than inflation – although not as fast as in Vancouver, even though vacancies have eased slightly in that CMA. The average rent for a one-bedroom apartment in Toronto CMA this fall is \$1,194, up 4.4% from last year's \$1,132. In a rental condo, that figure rises to \$1,803.

Across the whole of Ontario, the average rent for a one-bedroom purpose-built apartment is up 3.9% year over year to \$1,144.

Source: REW/NEWS



“Lets Talk Real Estate” Podcasts

I am thrilled to expand my online marketing to now include podcasts in addition to video.

Starting in July we launched the “Let’s Talk Real Estate – Let’s Get Real Podcast series.

The response has been overwhelming. We are talking about topics submitted by the viewers and includes topics such as:

- Staging
- Selling your home on your own
- Discount brokerage pitfalls
- Renovating
- Buying a home for your children
- Buying investment properties

You can listen to these podcast by:

- Following my social media sites
- Accessing a direct link from the www.OakvilleDailyHouses.com or www.BurlingtonDailyHouses.com website posts or emails if you are on my automatic daily listing emails
- Selecting Podcast on the www.DarleneDarragh.com or www.HomeSaleDivas.com websites

2018 Expected to be Big Year in the GTA

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“Maybe we won’t get there because of B20 guidelines, but when you think about it, the immigration integration into the labour market is higher in Ontario than any other province and that tends to trickle down to mortgages. Maybe not a prime to start with; they might start with alternative and then they’d have enough credit history to jump into the prime space,” said Lavoie.

In2ition Realty’s Founder and CEO Debbie Cosic says next year’s second quarter is when the market will pick up, partially because that’s when most condo launches occur, but also because the pent up demand Lavoie talked about is especially pronounced among families.

“There will be continual growth, particularly in the condo market in the multi-family marketplace,” said Cosic. “We’re basing that on the lack of supply and other factors like immigration and affordability. The only affordable option is multi-family housing,” which she described as stacked townhomes and condos with at least two bedrooms.

“We’re designing more and more two-bedroom floorplans but with smaller square footages so that we can have affordability. They’ll have smaller square footages, but more bedrooms with more convertible spaces, like dens converted into bedrooms, or flex space converted into a pullout couch. More options and more flexibility in floorplans will be a trend next year in the GTA.”

Source: Real Estate Professional

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New Mortgage Rules Could Disqualify 10% of Buyers with Big Down Payments: Bank of Canada

New rules coming in January could disqualify up to 10 per cent of prospective home buyers who have down payments of 20 per cent or more, the Bank of Canada says.

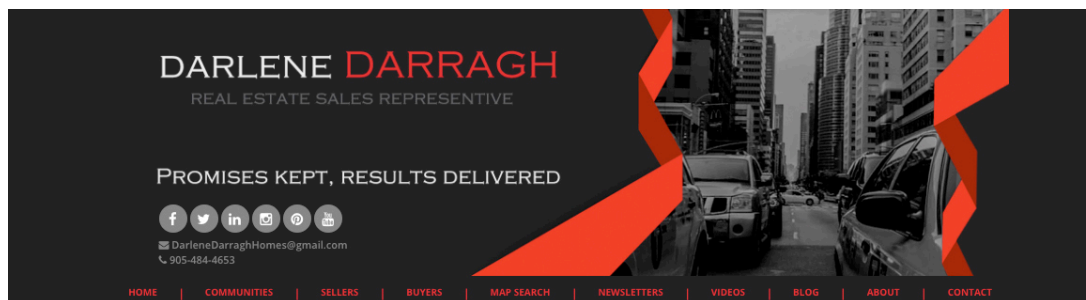
The new rules will likely cause those buyers to settle for smaller homes, put more money down or delay buying. Some may also take out riskier loans from alternative lenders that are not federally regulated, including credit unions and private mortgage lenders, the central bank said on Tuesday in its twice-yearly review of the financial system.

The change will require those applicants to prove they could still afford their mortgage payments if interest rates were raised two percentage points, a procedure called a stress test.

The restrictions would affect about \$15-billion a year in new borrowing, particularly in Toronto and Vancouver – markets that have had the steepest run-up in prices in recent years. The tighter rules could disqualify as many as 12 per cent of borrowers in the two cities, which account for half the value of homes sold in Canada.

Stress tests are already mandatory for mortgages in which the down payment is less than 20 per cent. The federal Office of the Superintendent of Financial Institutions announced in October that it will extend the tests to mortgages that have down payments of 20 per cent or more of the purchase price – known as low-ratio mortgages – to make sure the borrowers can cope with higher interest rates.

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The Bank of Canada expects the impact to be less severe than changes made in 2016 that raised the cost of high-ratio insured mortgages, for which borrowers put down less than 20 per cent. The bank's 10-per-cent figure represents the share of low-ratio mortgages issued in the 12 months ending in June, 2017, that would not have qualified under the stress test. The impact is higher in Toronto and Vancouver because such mortgages make up a larger share of those markets and prices are higher.

"The new rule will have some impact, but it is unlikely to derail the housing market on its own," Bank of Montreal economist Benjamin Reitzes said. "We'll need higher rates for that."

The stress test could eat into the buying power of the most-stretched borrowers by up to 15 per cent, Mr. Reitzes said in a research note.

Tim Hudak, CEO of the Ontario Real Estate Association, said the OSFI rule change and other recent housing-policy measures will be hard on buyers.

"The cumulative amount of government intervention in the housing market means that many people will no longer be able to buy their first home or upsize when the kids come along," Mr. Hudak said. "The piling on of federal, provincial and local government interference risks not only hurting aspiring homeowners, but damaging the broader economy when fewer homes are purchased, furnished and renovated."

Over all, the Bank of Canada said in its review that the main threats – rising household debt and overheated house prices – remain elevated. The threat level has been about the same since 2013.

But for the first time in a while, the bank sees "preliminary signs of improvement" in the quality of new lending triggered by the improving economy, higher interest rates and tighter mortgage rules announced in 2016.

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Our Team Is Growing

We are thrilled to announce Mandip Bains will be working with our team! Mandip has been a qualified lawyer in Ontario and the United Kingdom with over 12 years of progressive legal experience.

Mandip's has a wealth of experience in dealing with various agencies, financial advisors and lenders and people from all walks of life. She has conducted hearings on behalf of clients in federal and provincial courts in both Ontario and United Kingdom.

She is a client focused and results driven so she is a perfect fit for our team. Her law firm operates in Oakville with strong commitments to high standards of service delivery and client care. She can assist our clients in various areas of law including Real Estate, Wills and Estates, Administration of Estates, Personal Injury, non-contested Family Law, Civil Law and Litigation matters as well as dealing with notarizations, certifications and statutory declarations.

We are thrilled to have worked with Mandip to service our clients and welcome her to our team. For further information please Mandip can be contacted at:

<http://www.darlenedarraghomes.com/about/meet-the-team/>



New Website – Keeping You Updated



We are so please to launch our redesigned website starting November 2017.

Why did we redesign it?

Our newest design allows **you** to:

- Search for properties using a variety of methods such as map search, community search, price, size, communities, and other home criteria
- Find out recent sales in your area
- Find out the value of your home
- Receive listings hitting the market right in your email inbox with your specific buying requirements
- Access market update information such as:
 - Podcasts
 - Videos
 - Newsletters
 - Social Media
 - Market News Updates

New Mortgage Rules Could Disqualify 10% of Buyers with Big Down Payments: Bank of Canada

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"Our financial system continues to be resilient, and is being bolstered by stronger growth and job creation, but we need to continue to watch vulnerabilities closely," Governor Stephen Poloz said in a statement accompanying the bank's Financial System Review.

The Bank of Canada's cautiously optimistic tone comes amid evidence that higher rates and tighter lending standards are helping to cool the housing market and stem riskier borrowing. For example, fewer Canadians with extremely high debt levels are taking out mortgages with little money down.

The report suggests most borrowers could handle a "moderate increase" in mortgage rates, especially if their incomes also rise. Nearly half of outstanding mortgages in Canada face an interest rate reset within the next 12 months.

"The Bank of Canada sees things moving in the right direction," Toronto-Dominion Bank economist Brian DePratto said in a research note.

The rate of the increase in house prices across the country slowed to 10 per cent a year in October after a significant slowdown in Toronto. Prices are heating up again in Vancouver, particularly in the condominium market, the bank said.

The housing markets in both cities took a hit from the introduction of taxes on foreign buyers. Vancouver's started to recover early this year, with the average price of a detached house last month at about \$3-million, virtually identical to the record high in April, 2016. In the Greater Toronto Area, detached houses sold for an average of about \$1-million in October, down 16 per cent from April.

Mr. Poloz acknowledged that the threat from high household-debt levels and the run-up in home prices will take "a long time" to work off.

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New Mortgage Rules Could Disqualify 10% of Buyers with Big Down Payments: Bank of Canada

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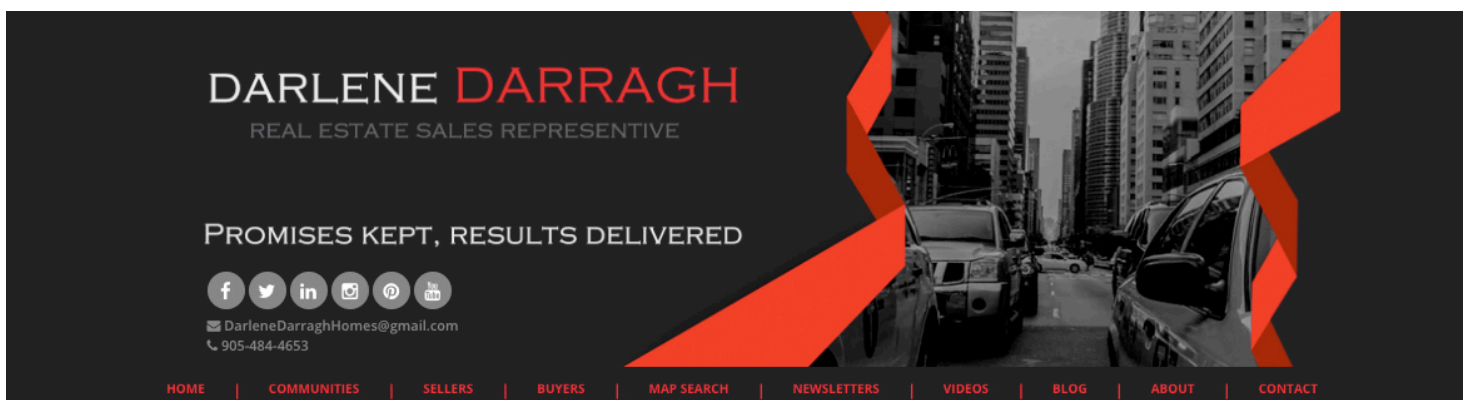
Part of the problem is that buyers find ways to deal with tighter mortgage rules. When Ottawa clamped down on high-ratio mortgages in 2016, some borrowers shifted to low-ratio mortgages, which now account for three quarters of new mortgages, up from two-thirds in 2014. Many are also using home-equity lines of credit, which do not require regular interest and principal payments.

The bank said it is closely monitoring developments in the private lending market, worth as much as \$15-billion a year.

Many economists and real estate industry officials anticipated the OSFI rule change could curb home sales next year. The Canadian Home Builders' Association has forecast the rule changes combined with other recent housing-sector policy reforms could reduce total house transactions by 10 per cent to 15 per cent.

In a submission to the federal government in August, the association said that would translate into a decline in resale-home transactions of 50,000 to 75,000 units a year, while housing starts could drop by 20,000 to 30,000 units.

Source: The Globe and Mail

A real estate website banner for Darlene Darragh. The background is a black and white photograph of a city street with cars and buildings, overlaid with a large red geometric shape. The text is white and red. At the top, it says 'DARLENE DARRAGH' in large letters, with 'REAL ESTATE SALES REPRESENTATIVE' below it. In the middle, it says 'PROMISES KEPT, RESULTS DELIVERED'. Below that are social media icons for Facebook, Twitter, LinkedIn, Instagram, Pinterest, and YouTube. At the bottom left, it lists the email 'DarleneDarraghHomes@gmail.com' and the phone number '905-484-4653'. At the bottom, there is a navigation menu with links: HOME, COMMUNITIES, SELLERS, BUYERS, MAP SEARCH, NEWSLETTERS, VIDEOS, BLOG, ABOUT, CONTACT.

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New Listings



210 Beach Blvd, Hamilton - \$860,000

Custom brand new 3 bedroom home in the popular "Hamilton Beach Community".

Go to <http://www.darlenedarraghhomes.com/b/buyers/featured-listings/new-listing---210-beach-boulevard-hamilton.html> for more details.

With over 2,100 sq. feet, this custom home has upgraded finishes, open kitchen and great room, separate dining room, raised basement and first floor, and deep lot. Luxury finishes include hardwood flooring on main floor, upgraded kitchen cabinetry, quartz counters, upgraded hardware & trim, upgraded windows, 9' ceilings on main floor, first floor laundry room, and powder room. Second floor includes large master bedroom with private balcony overlooking the lake and walk-in closet, 4 piece ensuite and 2 additional bedrooms with a 3 piece bathroom. Don't miss out on being able to choose paint colours, stair stain and kitchen countertops before the final finishes are made and installed. Opportunity To Belong To The Popular "Hamilton Beach Community." Walk, Ride, Skate, The Water Front Trail. Easy Access To Qew Toronto Or Niagara, Red Hill Express Line , Go Train And Walking Distance To The Lake.

Contact me at DarleneDarraghHomes@gmail.com for a private viewing.

New Listings



856 Beach Blvd, Hamilton - \$870,000

Custom brand new 3 bedroom home in the popular "Hamilton Beach Community".

Go to <http://www.darlenedarraghomes.com/b/buyers/featured-listings/new-listing---856-beach-boulevard-hamilton.html> for more details.

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November real estate market slows, Median prices vary

Oakville, ON, December 1, 2017 – According to figures released December 1 by The Oakville, Milton and District Real Estate Board (OMDREB), the number of all property sales decreased by 4.93 per cent in November compared to the same period in 2016. Monthly property sales totaled 598 compared to 629 in November 2016.

The number of new property listings saw an increase of 26.74 per cent, from 804 in November 2016 to 1,019 in 2017.

“We are seeing a trend at this point,” said Dennis Horton, 2017 President of OMDREB. “The number of sales has seen a decrease, and this could be a result of the impending mortgage changes. We look forward to seeing what the market brings in December leading into the new year.”

The dollar volume of all property sales processed through the OMDREB MLS® system saw a decrease of 10.20 per cent in November 2017 to \$423,707,913 from \$471,856,127 in November 2016.

Oakville’s median residential sale price for the month of November was \$915,000, a decrease of 13.27 per cent from \$1,055,000 compared to November 2016. The median sale price in Milton was \$665,000, an increase of 2.31 per cent from \$650,000 compared to the same time last year.

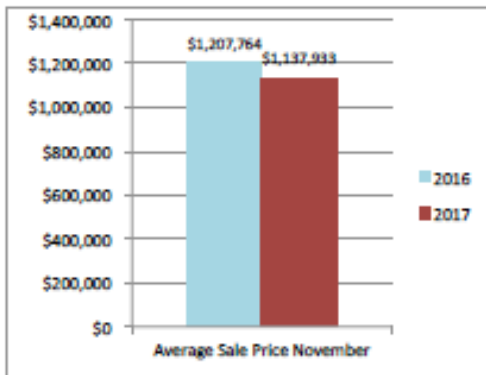
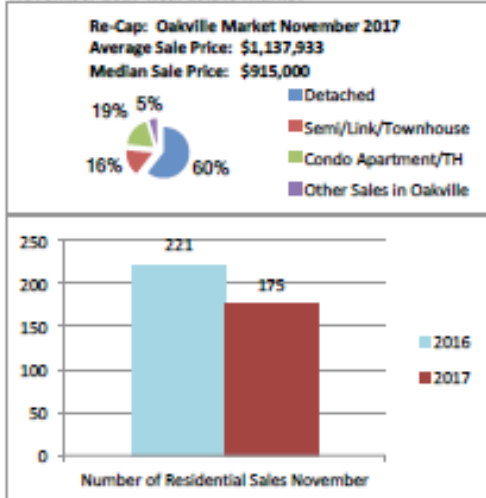
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November real estate market slows, Median prices vary

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For Immediate Release
The Oakville, Milton and District
Real Estate Board (OMDREB)

November 2017 Real Estate Market



Re-Cap Oakville Market in November 2017	
Average Sale Price	Median Sale Price
\$1,137,933	\$915,000
Residential Type	Units Sold by Type
Detached	106
Semi/Link/Townhouse	28
Condo Apartment/TH	33
Other Sales in Oakville	8
Total	175
Detached Sales in Oakville	
Price Range	% of Sales by Price
\$400,001 - \$600,000	0.94%
\$600,001 - \$800,000	8.49%
\$800,001 - \$1,000,000	19.81%
\$1,000,001 +	70.75%
Semi/Link/Townhouse Sales in Oakville	
Price Range	% of Sales by Price
\$400,001 - \$600,000	3.57%
\$600,001 - \$800,000	82.14%
\$800,001 - \$1,000,000	14.29%
Condo Apartment/TH Sales in Oakville	
Price Range	% of Sales by Price
\$300,001 - \$400,000	33.33%
\$400,001 - \$600,000	42.42%
\$800,001 - \$1,000,000	15.15%
\$1,000,001 +	9.00%
Other Sales in Oakville	
Price Range	% of Sales by Price
\$400,001 - \$600,000	37.50%
\$600,001 - \$800,000	50.00%
\$1,000,001 +	12.50%

The median sale price is the midpoint of all sales.

Disclaimer: The information provided herein is deemed accurate but not guaranteed.

Source: The Oakville, Milton and District Real Estate Board

Your trust means so much to me

Selling your home is a privilege.

Real estate is my passion because I truly believe that once my clients' home life is settled, everything else falls into place.

With a passion for homes and over 30+ combined years experience in real estate sales, communications, marketing, negotiations, website design, social media marketing, relocations, decorating and staging, I know your home and your needs are as unique as you are!



My experience, dedication and attention to detail throughout the entire sale and/or buying process will provide you with the results you expect.

What kind of Realtor am I?

When most people think of the word "REALTOR®", the image of a professional helping someone buy or sell a home comes to mind. Of course, that's a big part of the job! But as your REALTOR®, I also consider it my job to help you enjoy your home between transactions.

How do I do that?

This informative newsletter is one way. Another is to invite you to give me a call when you have questions about the real estate market or want to know the current market value of your home.

If you need some work done around the property, I may also be able to recommend a good contractor from amongst the reputable home professionals I know.

Is there any other way I can be of service? Please let me know!

Darlene Darragh

Sales Representative

Right At Home Realty, Brokerage

Office: 905-637-1700

Direct: 905-484-4653

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