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Sales and prices to edge up Employment strong but stress test a factor

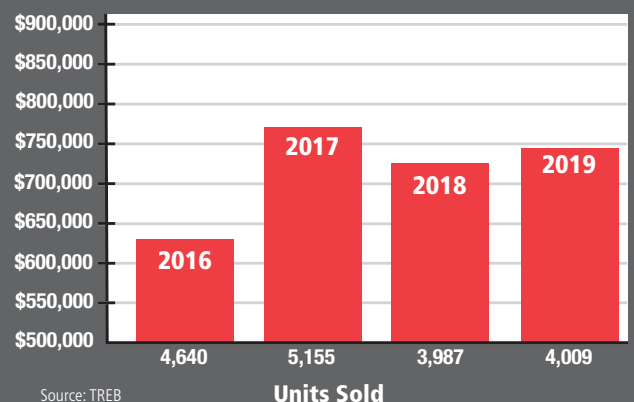
Look for real estate sales and average prices to edge up in the GTA this year. Favourable economic conditions and strong consumer demand for housing will battle affordability concerns, but the Toronto Real Estate Board (TREB) predicts sales will increase to 83,000 in 2019, compared to 77,375 last year. Average price will increase to \$820,000, says TREB, which is close to the peak reached in 2017. "Although we won't experience record levels, we do expect to see a better year in 2019 for sales," says TREB president Garry Bhaura. He points out government policies, including the mortgage stress test, moved some buyers to the sidelines last year, but consumer polling indicates that many may return to the market this year.

"Despite some uncertainty regarding economic growth over the next year, many traditional housing market drivers remain in place," says TREB's director of market analysis Jason Mercer. "The GTA population will continue to grow over the next year, as people are attracted by the region's diversity of job opportunities. Unemployment is expected to remain very low and home buyers are expected to benefit from lower fixed mortgage rates, on average, compared to 2018." The condominium market will continue to drive price growth, with detached home prices below the average growth rate for the market as a whole.

In January, sales were up by 0.6 per cent compared to last year. The average property sold for \$748,328, up 1.7 per cent from last January. "It's encouraging to see the slight increase in January transactions... even with the inclement weather experienced in the GTA region during the last week of the month," says Bhaura. The average condo in the City of Toronto sold for \$591,444, up 8.8 per cent from a year ago, while the average 905 condo sold for \$456,857, up 8.2 per cent. Detached homes sold for an average price of \$1,174,134 in Toronto, down 8.8 per cent from last January as the most expensive properties continued to see the largest declines. In the 905 regions, detached homes averaged \$883,027, up by 0.9 per cent.

A low inventory of homes for sale could result in upward price pressure. A survey of homeowners indicates that fewer owners than last year intend to list their homes in 2019. In January, the number of active listings was almost the same as at this time last year, with 2.7 months of inventory, and TREB expects the number of new listings to remain flat. REU

Average Home Prices - January
in the Greater Toronto Area



Monthly sales and average price by area

January 2019

Central.....	656	\$881,076
East	863	628,380
North	730	819,769
West	1,760	728,032

December 2018

Central.....	640	874,462
East	834	626,477
North	692	852,143
West	1,615	721,122

November 2018

Central.....	1,237	959,243
East	1,354	653,807
North	1,168	845,916
West	2,492	749,628

October 2018

Central.....	1,432	980,698
East	1,535	661,862
North	1,413	863,011
West	3,112	774,049

September 2018

Central.....	1,185	963,448
East	1,374	653,258
North	1,210	849,918
West	2,686	772,736

August 2018

Central.....	1,156	888,683
East	1,472	632,978
North	1,337	866,721
West	2,874	736,191

July 2018

Central.....	1,240	931,472
East	1,436	647,600
North	1,333	861,727
West	2,952	752,457

June 2018

Central.....	1,498	966,088
East	1,697	684,681
North	1,492	879,517
West	3,395	768,151

May 2018

Central.....	1,555	960,558
East	1,565	662,375
North	1,378	872,843
West	3,336	772,126

April 2018

Central.....	1,479	949,084
East	1,631	670,353
North	1,395	885,069
West	3,287	772,013

March 2018

Central.....	1,386	883,297
East	1,502	662,023
North	1,258	892,898
West	3,081	755,662

February 2018

Central.....	982	892,378
East	1,074	657,487
North	955	854,277
West	2,164	727,899

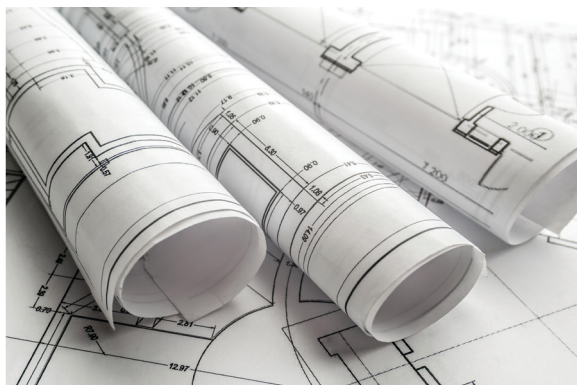
Source: TREB

Underground economy

Home improvements Risks of under-the-table cash deals

The underground economy (UE) in Canada is estimated at \$38 billion, annually. It is fair to say that millions of Canadians are either currently engaged in it or have benefitted from it in the past. Home improvement projects are among the most common financial transactions where people look to cut the taxman out.

Saving money is a priority for all of us, however, whether you are looking at updating your kitchen or finally finishing



your basement there are some corners you should not cut, like agreeing to a nothing-written-down cash deal instead of insisting on a proper written contract. These businesses don't claim the income and fraudulently avoid paying taxes, Workers' Compensation, and business insurance, much of which is illegal.

The Canadian Home Builders' Association clearly outlines the risks of such cash deals. For example, should a contractor accidentally damage your home and not have business insurance, the onus is on him/her to agree to pay for repairs out of pocket. The same can apply if a worker gets injured on the job. Without required Workers' Compensation coverage, you may be liable for their medical costs.

As homeowners without a written contract, there is little or nothing you can do if the project is not completed or the work is inadequate. Furthermore, you also don't have warranty on the work that is done. If something needs repair after a renovation, without a written contract you're likely out-of-luck.

It is important to safeguard your interests when embarking on a home improvement project. Do your research, find a qualified contractor and get a proper written contract, clearly stating the contractor's responsibilities. REU

Taxing matters

Avoid tax stress Tips for last-minute filers

A 2017 TD bank survey revealed that when it comes to filing income taxes, 28 per cent of Canadians (more than a quarter) experience negative feelings, and "find it stressful, confusing, or intimidating." These essential tips can help save a lot of stress and time for last-minute filers:

File before the deadline, even if you don't owe the CRA anything and are expecting a refund, or if you're missing key documents. Don't assume that filing your tax return after the deadline won't result in penalties. Those with variable incomes should go with their best guess when reporting their annual income. You can always file an amended return once you have all the information. If your taxes turn out to be higher than what you paid, you will still have to pay interest on the difference. CRA will only waive the late filing penalty in extremely extenuating circumstances.

Do your research to maximize the returns. Studies show that people forget to make eligible claims for charitable donations, childcare expenses, disability credits, medical expenses, travel medical insurance, and moving expenses.

Avoid common mistakes. TD identified these common mistakes Canadians make on their tax return, a) failure to report investment or foreign income, b) wrongly transferring claims like education or medical expenses between family members, c) failure to file necessary T forms, and d) failure to hold on to necessary receipts to backup expenses.

File online if you're racing against the deadline. REU

ripleyAQUARIUMS.com/canada

Programs offered for adults and children including sleeping under the fish, paint nite, morning yoga and many more.

twoSPOONS.ca

Healthy, easy, and delicious vegan recipes worth sharing - whether you're entirely plant-based, or looking for more plant-based recipes to incorporate into your diet.

mint.COM

Mint makes staying on top of your finances a cinch. Be the master of your money so you can get more out of life.

headSPACE.com

Provides guided meditations on everything from stress and sleep, to focus and anxiety, with a goal to improve one's health and happiness.

These sites are believed to be reliable but their accuracy cannot be guaranteed.

Mortgages

At February 8, 2019

Mortgage rates are negotiable with individual lenders. Rates are subject to change without notice. OAC E&OE

Prime.....	3.95%
Variable.....	3.19%
1-year.....	3.34%
2-year.....	3.39%
3-year.....	3.49%
4-year.....	3.54%
5-year.....	3.59%

Condo update

Tech jobs boost condo sales Toronto is tech capital

If you are wondering who is buying or renting condo units in Toronto, look no further as the tech industry has definitely impacted the condo market.

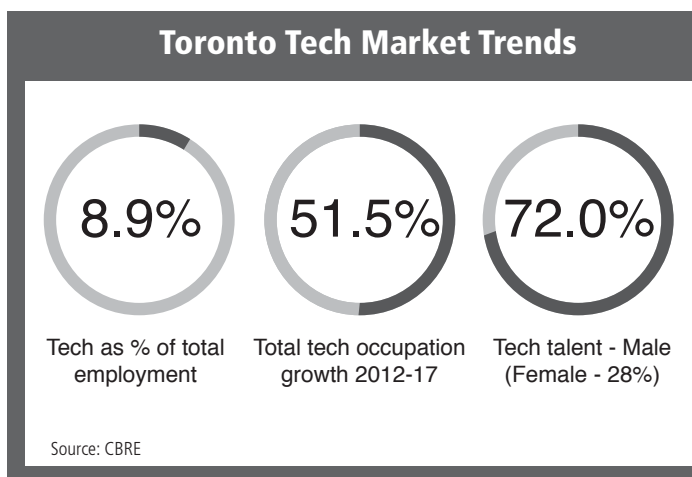
Toronto ranks as North America's fourth largest tech talent market, with more than 241,000 tech workers. CBRE - a commercial real estate and investment firm - reports Toronto added 82,100 tech jobs between 2012 and 2017, up 51.5 per cent from the previous five-year period. In 2017 alone, the area added 28,900 tech jobs. And last year, big-name tech companies such as Shopify, Microsoft, OpenText and Google increased their operations in the GTA. Toronto also made the short list for Amazon's HQ2, which brought more attention to the city.

"High quality and well-educated tech talent, cost efficiencies and welcoming immigration policies are competitive advantages for the Canadian tech markets. Toronto continues to outpace other North American markets, having added more tech jobs in 2017 than the San Francisco Bay Area, Seattle and Washington, D.C. combined," says Paul Morassutti, executive managing director at CBRE Canada. "Canada's tech markets are booming. In downtown Toronto alone, tech demand sits at 36 per cent of all current office space demand."

The profile of tech industry workers is exactly the same as those who are interested in purchasing a condo, which

may help explain why condo prices and condo rental rates have gone up in the last few years. The average tech worker's salary is \$83,245, according to CRBE.

CBRE points out that Toronto is a leader in the field of artificial intelligence, which is "attracting hundreds of millions of dollars in investments from major tech firms looking to join the growing hub, including Uber, NVIDIA, Etsy and the University of Toronto in the opening of an AI research lab." The fintech industry is also



expanding rapidly, and Toronto is home to the corporate headquarters of Canada's major banks, as well as the Toronto Stock Exchange.

Another reason why the area is attracting tech business is that thirty-six per cent of the GTA's population has a bachelor's degree or higher. REU





Undertaking home repairs **Some basic rules**

Home repair, which is replacing things that are worn out or fixing things that are broken, is different from home renovation but many of the basic rules apply to both situations.

The first step is to know what you need to have done. If you are replacing a furnace, for example, research to find out whether you need a mid-efficiency or a high-efficiency furnace. If you are repairing a roof with leaking valley flashing, determine whether you need to replace it or whether you can patch it to last a few years until the whole roof needs re-flashing.

If you know what you want done, you can compare apples to apples when reviewing repair quotes. Otherwise you'll find it hard to compare various quotes, especially if each contractor has a different repair strategy. Be prepared to stick to your guns. Many contractors will tell you that the job is much bigger, much harder, or it must be done a particular way because if you don't the job will be dangerous or much more expensive the next time. In some cases, the contractor may be proposing unnecessary work. Here are some basic rules to follow.

Find at least three experienced, reputable contractors to provide written estimates. While it is best to rely on personal referrals from trusted people, be sure the type of work that you are planning is similar in size and scope to the work done for the person providing the referral.

Get references from each contractor. Ask contractors to provide a list of recent clients that they have worked for. That way you get to choose who you would like to select as a reference. Follow up with these references and also ensure the contractor has appropriate licences and insurance.

Both parties must sign a contract. The contract should include a complete description of the work. It should also include who is responsible for obtaining permits. (If there is any doubt regarding the need for a permit, contact your local building department.) The contract should include a start date and a completion date. On larger contracts, there is sometimes a penalty clause included for each day the job extends beyond the completion date. The contract must also contain a payment schedule. The schedule should not demand very much money up front and payment should be based on stages of completion as opposed to pre-determined dates. Remember to hold back 10 per cent of each payment for 45 days after the job's completion to determine whether any liens have been placed on the property as a result of the contractor not paying sub-contractors.

Expect delays and have a contingency fund. Any type of home repair seems to take longer than first predicted. Often the repairs end up unearthing something else that requires repair. Be prepared to adjust the time frame and expense accordingly.

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GTA'19 totals

Sales activity of single-family homes

Most recent month, year to date

Active listings

January 11,962
YTD..... N/A

New listings

January 9,456
YTD..... 9,456

Sales

January 4,009
YTD..... 4,009

Average price

January \$748,328
YTD..... \$748,328

Median price

January \$650,000
YTD..... \$650,000

Average days on market

January 33
YTD..... 33

Average percentage of list price

January 98
YTD..... 98

Source: TREB

Housing market indicators

Single-family dwellings

Source: TREB Sales New Listings

Jan '18	3,987	8,561
Jan '19	4,009	9,456
% Change	0.6%	10.5%

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