

TO OUR VALUED CLIENTS

Resale prices still boil down to “supply versus demand”

For the past several months, we have been in the midst of an unprecedented global pandemic. Unemployment levels are at an all-time high with millions of people out of a job. And yet, across most markets in Canada, resale prices have weathered the storm extremely well. In fact, we have seen the return of multiple offers in many markets as both buyers and sellers gain more confidence. How can this possibly be you ask?

In early June, HSBC lowered its five-year fixed mortgage rate to 1.99%, becoming the first bank in Canada to “crack” the 2% barrier. It was the first bank to do so, but likely not the last. That said, low rates don't create buyers. At best, they create a little more urgency. The fact that we still appear to be in the midst of a sellers' market boils down to a basic lesson in Economics 101 – “supply versus demand”.

With approximately half as much sales activity coupled with an equivalent drop of available product in the marketplace, the activity taking place in most markets is still representative of a sellers' market (like before the pandemic hit).

Bidding wars are actually back in vogue in highly coveted areas with properties that are priced reasonably. In addition, the “demand” side of the equation has been bolstered to some extent by “pent-up demand”, with people finally coming out of the woodwork after a period of forced confinement.

Will this trend continue? There are some observers who remain dubious; among them, most notably, the CMHC. Citing the looming “deferral cliff” (debt deferral that will expire in the fall), CMHC forecasted a drop in housing prices of between 9-18% over the next 12 months. Also, the Conference Board of Canada estimates that the number of new immigrants coming to Canada will drop by about 35% this year due to the pandemic. While these factors will obviously weigh in at some point, at the end of the day, the basic relationship between overall supply and demand will determine where resale prices will end up.

We are always here to take care of all your real estate needs and, as always, your referrals are greatly appreciated. Until next time, stay safe and be well!

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PEARLS OF WISDOM



“All of us have moments in our lives that test our courage. Taking children into a house with white carpet is one of them.” – **Erma Bombeck**

“We owe a lot to Thomas Edison - if it wasn't for him, we'd be watching television by candlelight.” – **Milton Berle**

“Most of us can keep a secret. It's the people we tell it to who can't.” – **Anonymous**

“Statistics always remind me of the fellow who drowned in the river whose average depth was only three feet.” – **Woody Hayes**

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JULY/AUGUST 2020

REAL ESTATE UPDATE

THE LEVIE'S

MARKET NEWS

JUNE HAMILTON MARKET ACTIVITY HIGHER AS PHASE 2 OF REOPENING COMMENCES

MARKET HIGHLIGHTS

- June sales of 825 units were down by 4.1% versus last June, however they were up sharply by 43.7% versus May
- New listings followed a similar pattern to sales; down by 9.9% versus last June but up sharply by 52.2% versus May
- Despite the impact of COVID-19, resale prices remain very strong; average price up by 13.9% versus last June (also up by 12.1% on a year-to-date basis)
- Home buyers and sellers have now become more comfortable operating within the established COVID-19 safety protocols

Resale Home Sales

-4.1% year/year

Jun 2020

825

Jun 2019

860

Average Resale Price

+13.9% year/year

Jun 2020

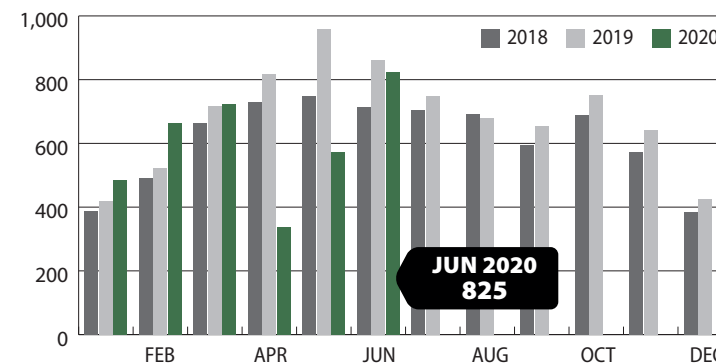
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Jun 2019

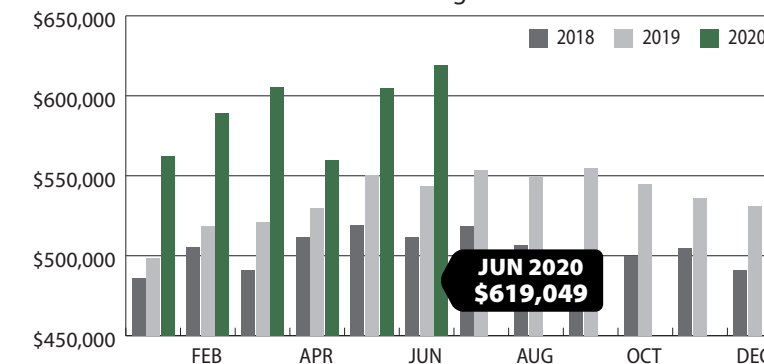
\$543,323



Hamilton Resale Home Sales



Hamilton Average Resale Price



for more detailed HAMILTON statistics: ORVALROSELEVIE.INFO

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Home improvement projects you may not realize need a permit

If you've been contemplating an update to your home, one of the first things you need to find out is whether the project will require a building permit. It's especially important now because, depending on where you live, inspections may be delayed due to the pandemic, which means you'll need to factor this into your timeline.

Building permits are necessary to ensure the work that's being done complies with local zoning bylaws, building codes, and health and safety standards. When you make an application for a permit, you'll need to include forms, drawings, and other documents, as well as pay a fee. Building without a permit can result in major delays, costly penalties, and legal problems. If you're unsure whether your project requires a building permit, check with your municipality's building department before you start any work. Remember, even if you're working with a contractor, it is ultimately your responsibility as the homeowner to obtain the proper permits for the project.

These are some of the home improvement projects that require a building permit.

ADDING OR REMOVING LOAD-BEARING WALLS

If your renovation plans include the installing, changing, or removing of a load-bearing wall, you'll need to apply for a building permit. Since load-bearing walls are important structural elements of the home, the removal or alteration of these walls will require a permit to ensure the work is done to code.

CHANGING THE SIZE OF DOORS AND WINDOWS

You'll need a permit for this project if you plan to enlarge the size of your doors and windows. However, if you plan to replace the windows and doors without changing the size of the opening, there is no need to apply for a building permit.

BUILDING OR ALTERING A DECK

If you plan to remodel or construct a brand-new deck that will be more than 24 inches off the ground, you will need a permit. You'll also need a permit if you plan to add an enclosure to your deck or if your deck will be larger than 10 square metres.

ADDING A SECONDARY SUITE

If you plan to add a secondary suite to your existing house, such as a basement apartment or detached guest suite, you will require a permit. This ensures that the new addition to your home meets building code requirements, such as minimum floor to ceiling height, entry and exit points, and bedroom egress windows.

BUILDING A SWIMMING POOL

Due to hazards involved with having an open body of water, homeowners are required to obtain a building permit before they begin any construction on a pool. Separate permits might be needed as well depending on the scope of the work, such as electrical and plumbing permits. Any plans to construct a swimming pool must include details on how access will be restricted, such as the building of fences or walls around the pool.

EXCAVATING A BASEMENT

If you plan to dig out your basement to increase the headroom or to repair the foundation, a permit is required since stability and safety precautions need to be considered.

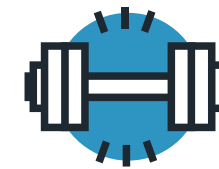
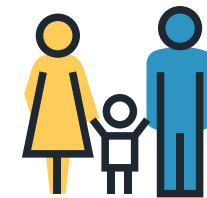
MODIFYING THE PLUMBING SYSTEM

If you're planning to build a second bathroom in your home or upgrade the pipes behind the walls, then you'll require a building permit since the work will involve major alterations to the plumbing system.

This information should not be relied on as legal advice, financial advice or a definitive statement of the law in any jurisdiction. For such advice, please consult your own legal counsel or financial representative.



Just viewed a condo? How to get even more information after your visit



As restrictions start easing across the country, in-home viewings are ramping up again with proper precautions in place. If you're currently looking to purchase a condo, it's important to remember that a viewing won't have all the answers to your questions. After you've toured the place, you should try to gather as much information as possible about the unit and the building. You'll want to know things like what the community is like, how well maintained the amenities are, how secure the building is, and more. Here's how to gather even more information after you've viewed a condo.

ASK FOR PHOTOS OF THE AMENITIES

If you've viewed a condo but weren't able to check out the amenities due to closures, you can request photos from the building's management. Make sure to ask for multiple angles so you can get a better sense of the size and scope of the space. This is something your real estate agent will be able to help you with.

GET A DETAILED FLOOR PLAN

Even if you've viewed the unit, you may be left wondering whether your sofa will fit in the space, or whether your dresser can squeeze into the walk-in closet. This is where it would be helpful to have a detailed floor plan with measurements for every single room. Again, your agent will be able to help you obtain these documents.

JOIN THE BUILDING'S SOCIAL NETWORK GROUP

Many condo buildings have online communities on sites such as Facebook where residents swap information and express any grievances they have about the building. This is a great opportunity to play fly on the wall and learn more about what it's really like to live in the building and how residents feel about the management and condition of the condo. If you're unable to join the group,

you can also request a copy of the corporation's meeting minutes, which will give you insight into the operations of the building.

REQUEST IMPORTANT DOCUMENTS

It's important to review the building's bylaws before purchasing as it could have a major effect on how you enjoy the property. If you have pets, see if there are any restrictions. If you like to entertain, see if there is visitor parking or guest suites. If you have a bike, see if there is a secured parking area. If you're concerned about short-term rentals in the building, see what their policies are around that. If you have plans to renovate, look into the rules and restrictions. Furthermore, when it comes to the building's financials and reserve fund, you should always have a lawyer review those documents.

WALK AROUND THE BUILDING'S EXTERIOR

For some buyers, the outside is just as important as the inside. After your viewing, walk around the condo's exterior to get a feel for the vibe of the neighbourhood and the quality of the building. Is there a lot of traffic and street noise? Do you like the landscaping they've done? Are there any amenities nearby? Do the windows look clean? You'll also get a good idea of the demographics based on who's entering and leaving the building. A walk around the block can give you more insight into whether the condo is right for you.

FIND OUT ABOUT FUTURE CONSTRUCTION

Do some research online to find out if there are any upcoming construction projects planned for the neighbourhood. This could affect the future value of your property, as well as your enjoyment of the neighbourhood. Your real estate agent may be able to help you find more information regarding future developments.