

TO OUR VALUED CLIENTS

CMHC grant to UBC sparks concerns

According to several reports, the CMHC recently granted \$250,000 to the University of British Columbia's School of Population to investigate ways to tax the equity Canadians have gained in their homes. Since then, there has been quite a media uproar and the CMHC has backpedalled by issuing a denial that a capital gains tax on primary residences is in the works.

That said, where there is smoke, there is almost always fire. Consider this statement from the CMHC at the time the grant was made: "The objective is to identify solutions that could level the playing field between renters and owners." Consider also that their research partner at UBC has been leading the charge for higher taxes on home ownership in order to make owning more equivalent to renting.

What do Canadians think of this? In a word, "not much". According to a recent Nanos Research report in Ontario, 63% of the general population is opposed to a new capital gains tax on primary residences with only 16% in favour. Among homeowners, the number rises to 72% in opposition.

This is hardly surprising seeing as homes are taxed enough as it is. Of course, houses are purchased from the proceeds of after-tax income. Then there are punishing land transfer taxes to be paid followed by ongoing property taxes. Then sales taxes need to be paid whenever home improvements are made, followed by even higher property taxes when the renovations are completed.

Over time, homes do build equity and for many, it is what they rely upon for their retirement or for a rainy day. Instead of this new ideology of "talking down" the Canadian value of owning a home, the CMHC should return to its historic role of building a strong, vibrant Canadian middle class by supporting and encouraging responsible and affordable home ownership.

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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SEPTEMBER/OCTOBER 2020

REAL ESTATE UPDATE

THE LEVIE'S

MARKET NEWS

HAMILTON MARKET CONTINUES ITS EXCEPTIONAL RALLY IN AUGUST

MARKET HIGHLIGHTS

- August resale volume of 865 units up sharply by 19.8% versus August 2019; year-to-date volume still lags 2019 by 5.7% however
- Resale prices remain very strong; average price up by 21.2% versus last August (also up by 14.3% on a year-to-date basis)
- New listings increased (+11.6% versus August 2019) for the second consecutive month following four months of significant decline
- Market is showing all signs of shrugging off COVID impact and returning to a more normal mode

Resale Home Sales

+19.8% year/year

Aug 2020

865

Aug 2019

722

Average Resale Price

+21.2% year/year

Aug 2020

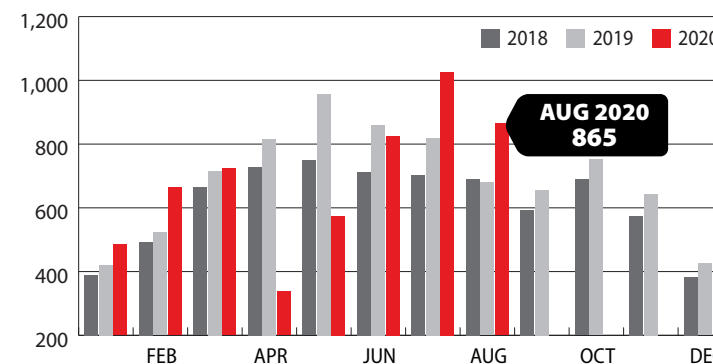
\$662,257

Aug 2019

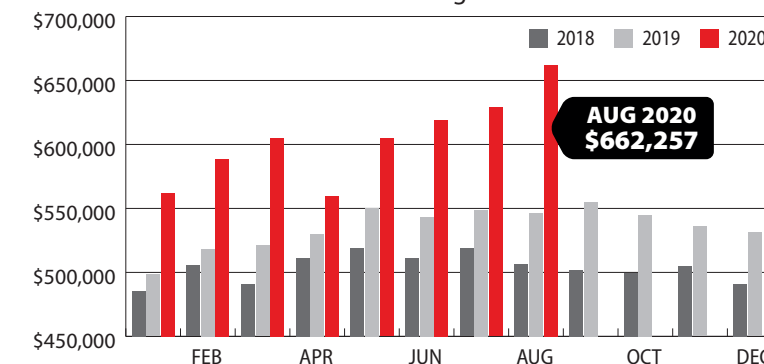
\$546,234



HAMILTON Resale Home Sales



HAMILTON Average Resale Price



for more detailed HAMILTON statistics: ORVALROSELEVIE.INFO

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PEARLS OF WISDOM

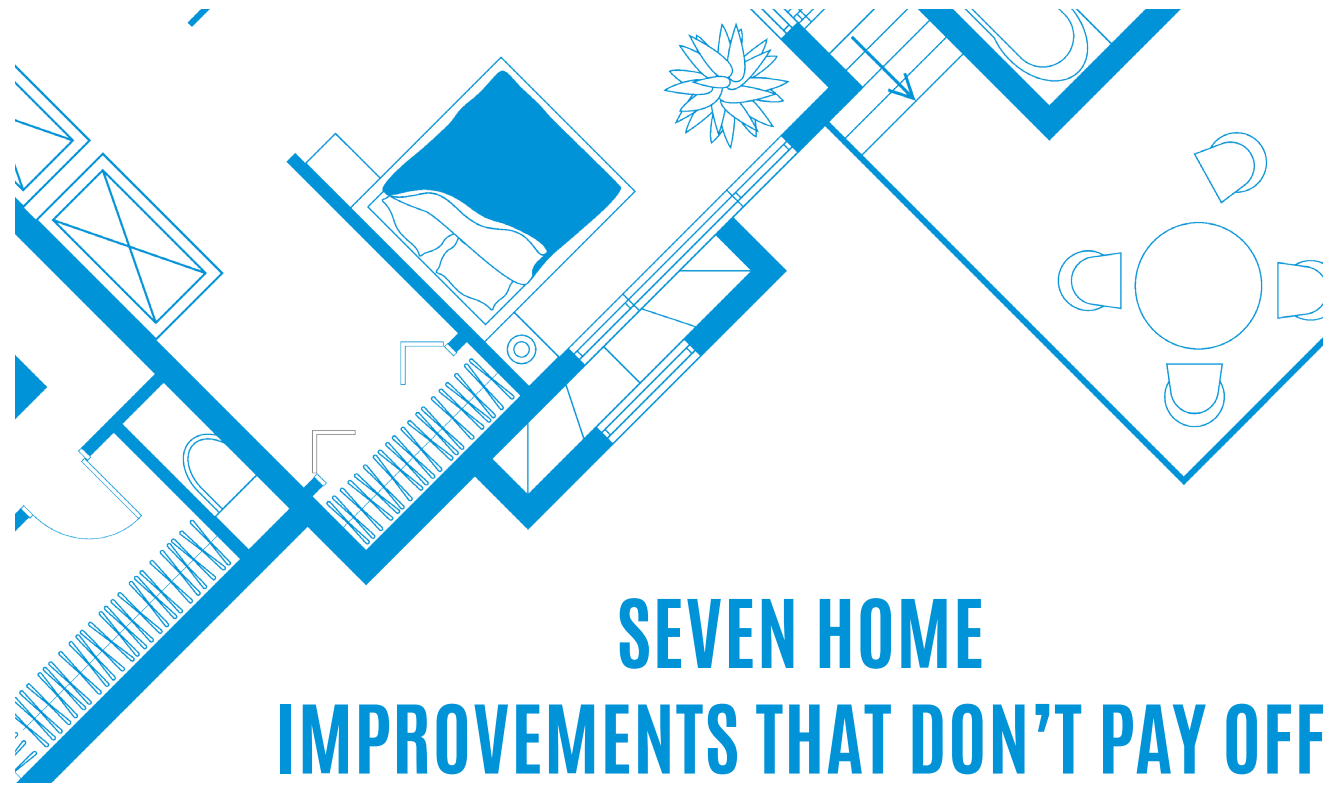


"Familiarity breeds contempt – and children."
– Mark Twain

"Telling a teenager the facts of life is like giving a fish a bath."
– Arnold Glasgow

"The little girl assured her teacher, 'Of course I know how to spell banana. I just never know when to stop.'
– Bennett Cerf

"America is the only country where a significant proportion of the population believes that professional wrestling is real but the moon landing was faked."
– David Letterman



SEVEN HOME IMPROVEMENTS THAT DON'T PAY OFF

Home renovations are messy, stressful, and exciting at the same time. It's a great way to revamp your space and add value to your property. However, don't expect to recoup the full cost of every home improvement project you undertake. Despite how beautiful it may look, the truth is that not all improvements pay off. Here are seven projects you likely won't profit from.

An Expanded Master Bedroom

A large master bedroom may catch the eye of many a buyer, but making it bigger can be an expensive undertaking. Plus, expanding the master bedroom means you'll have to eat into the space of another room. Unless buyers are seeing before and after pictures, they may not even notice a difference. Instead of expanding the master bedroom, focus on maximizing storage in the closet and updating the lighting.

New Carpeting

If you are planning to rip up all of your carpets and replacing it with brand new wall-to-wall carpeting, you won't necessarily get back the full cost of that project. That's because buyers may prefer hardwood flooring or something more akin to their tastes. Instead, a cheaper alternative is to do a deep clean of your existing carpet before you sell, making sure to get rid of all stains.

High-End Finishes

It's nice to be able to say your home has marble countertops, polished concrete, and top-of-the-line faucets, but it would be difficult to get back the investment you put towards these luxury upgrades. If the rest of your home already has that wow factor, these finishes won't do much to increase the purchase price.

Fancy Light Fixtures

If your light fixtures are outdated, go ahead and swap them out for something new and modern. Just don't go overboard

with fancy or quirky fixtures. Lighting is highly personal, and splurging on a glamorous chandelier or conversation-starting pendant is not particularly prudent. Instead, focus on making sure every part of your home is well lit.

Trendy Tiles

From terrazzo to hexagon shapes, there are so many styles, patterns, textures, and colours to choose from. But what you consider to be gorgeous could be tacky to a buyer. Since the majority of tiles are found in the kitchen and bathroom—rooms that tend to seal the deal—it's better to play it safe and opt for something simple and classic.

Eye-Popping Wallpaper

Putting up new wallpaper is another project not guaranteed to boost your resale value. Sure, it may make your home stand out from the rest, but it does nothing to increase a buyer's purchase price. Like lighting and tile, not everyone shares the same tastes in wallpaper. If you are still keen on wallpapering, stick to just accent walls and consider temporary wallpaper that can easily be removed.

Swimming Pool

Who doesn't love the idea of having a swimming pool in their backyard? The reality is that not all buyers are willing to factor in the upgrade to their purchase price, especially in Canada when you can only use the pool for a few months of the year. Some buyers may even be turned off by the presence of a pool because they don't want to pay for cleaning, maintenance, and winterization costs. If you want to build a pool anyway, don't forget to factor in the additional cost of constructing a fence and a surrounding patio.

This is not to say you shouldn't make any of the above improvements to your home. Just make sure you do it for your own enjoyment, not because you expect to recoup every dollar you put into it.

Six Renovation Ideas Your Condo Board Will Probably Reject

There are many perks of living in a condo. One downside, however, is dealing with restrictions when it comes to remodelling your unit. If you have dreams of building a second bathroom or expanding the master bedroom, you may need to come back down to reality. Since your unit is made up of major components that will affect other residents if you alter them—such as plumbing, electrical, load-bearing walls, and so on—there are just some projects your condo board will flat-out reject, including these six:

Adding A Second Bathroom

If you've always envisioned having a second bathroom in your condo, think again. Condo boards may turn down plans to add a second bathroom because of how extensive the work will be. It often requires opening the walls, breaking into slab concrete, and accessing pipes and drains that could become very disruptive to your neighbours. Not to mention, it could end up becoming a very costly project. If you're determined to get that second bathroom, it may be less expensive and stressful to move to a new place with two bathrooms.

Installing A Steam Shower

Steam showers look like regular shower stalls, but the difference is they generate steam that then gets trapped in the glass enclosure, creating a soothing, spa-like experience. It's a luxurious—and costly—upgrade, however, your condo board might think twice about approving it. It would involve complicated plumbing and electrical work, plus there is the added risk of moisture damage, leaks, and mold build-up.

Installing Real Hardwood

Condos are strict about the type of flooring you put down. That's because the material must meet acoustic requirements to prevent increased sound transmission to other occupants. Hardwood floors, unfortunately, do not have the best soundproofing properties, which is why some buildings prohibit them altogether. If you are set on the hardwood look, your best bet is to go with engineered hardwood, laminate, or vinyl.

Getting A Garbage Disposal Unit

This one is a big no-no for condo boards. Garbage disposal units, or garburators, are small machines installed under the kitchen sink to shred food scraps and wash them down the drain. While they sound incredibly convenient, many residential buildings have banned them because they can clog building pipes and lead to expensive repairs.

Changing The Front Door

Any alterations that you want to make to the entry door require approval from the board. It's important to note that the entry door is considered to be part of the common elements, so there may be restrictions as to what you can and can't do. Your board may say yes to changes such as switching out your lock, but they will probably say no to painting the door a new colour or updating the hardware, especially if these changes don't match the aesthetics of the other doors.

Touching Load-Bearing Walls

When it comes to structural changes, there are several criteria you must meet before you get the green light from the board. If you plan to move or get rid of a load-bearing wall, the board will request structural drawings that have been reviewed by a professional engineer or architect at your expense. You will also need to be responsible for obtaining the appropriate permits before you begin any work. Unless all of these criteria are met, the board will not provide approval.

