



Compliments of Kelly Jack

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Greetings! You're receiving this newsletter with hopes that you find it informative and entertaining.

If you're thinking of making a move, or are just curious as to real estate trends in your area, please feel free to call at any time. It's always good to hear from you!

All the best,

Kelly Jack

Scarce Inventory Initiates More Determined Offers



Despite the cold temperatures, the Toronto real estate market continued to experience hot activity right through to the end of 2014. In fact, the Toronto Real Estate Board (TREB) confirmed 92,867 residential sales through the Toronto MLS® system in 2014 – just short of the record set in 2007 – as the average selling price increased 8.4 percent in 2014 over 2013.

"The strong price growth we experienced in 2014 can be explained with two words: listings shortage. The constrained supply of listings was especially evident for low-rise home types like singles, semis and town houses. The number of households looking to purchase these home types increased, while the number of homes from which they could choose decreased. This situation resulted in more competition between buyers and more aggressive offers," said Jason Mercer, TREB's Director of Market Analysis.

"TREB's 2014 sales figures are a testament to the importance Greater

Toronto Area households continue to place on home ownership. GTA households realize that home purchases have been a quality long-term investment. While home prices certainly increased substantially in 2014, the purchase of an average priced home remained affordable, in terms of the average household's ability to comfortably cover their monthly mortgage payments," added TREB President Paul Etherington.

Interested in finding out the latest prices and market activity in your area? Call today for a no-obligation update!

SALES & AVERAGE PRICE BY MAJOR HOME TYPE						
DECEMBER 2014	SALES			AVERAGE PRICE		
	416	905	Total	416	905	Total
Detached	521	1,451	1,972	\$934,039	\$668,063	\$738,334
Yr./Yr. % Change	17.1%	7.3%	9.7%	8.0%	6.6%	7.7%
Semi-Detached	128	283	411	\$615,794	\$451,314	\$502,539
Yr./Yr. % Change	-5.9%	24.1%	12.9%	-4.4%	9.9%	0.9%
Townhouse	174	503	677	\$474,874	\$420,105	\$434,181
Yr./Yr. % Change	1.8%	5.2%	4.3%	5.9%	9.4%	8.3%
Condo Apartment	924	368	1,292	\$387,612	\$300,352	\$362,758
Yr./Yr. % Change	16.1%	-1.6%	10.4%	5.4%	2.2%	5.4%

Information courtesy of the Toronto Real Estate Board.

TREB



FLOOR WAR

Alternatives like bamboo and cork are becoming increasingly popular, but for most homeowners installing new flooring in a home they're moving into, selling, or renovating, the choice comes down to carpet versus hardwood. To help you decide which is best fit for your lifestyle and circumstances, let's look at the benefits and drawbacks of each.

Carpet - Pros

- **Price.** Carpet is less expensive per square foot than hardwood, costs less to install, and is easier and less time-consuming to put down.
- **Comfort.** Soft and warm, carpet is cozy. The fact it helps cushion falls makes it an appealing choice in homes with toddlers or older adults.
- **Noise.** Carpeting provides sound insulation, ideal for homes where impact noise is a concern, such as condos.
- **Selection.** With so many colors, patterns and textures to choose from, carpet's the covering that makes it easier to have floors that are more personalized to your particular taste and décor.

Carpet - Cons

- **Health.** If anyone in your home suffers from asthma or allergies, hardwood may be the more health-conscious choice, as carpet fibers harbor dust, dander, and other allergens.
- **Wear.** Carpeting doesn't retain its good looks as long as (well maintained) hardwood does. This could be a problem in high-traffic areas like halls and living rooms.
- **Cleanliness.** Removing stains and odors from carpeting is much harder. Again, that's something to consider when you're deciding where to install it (low- or high-traffic areas), and if you have kids and/or pets.

Hardwood - Pros

- **Durability.** Unlike carpet, hardwood can last – and not just last, but continue to look attractive – for decades if it's well maintained. For many homeowners, this helps justify hardwood's relatively high initial costs.
- **Value.** Because they're so long lasting, and because they're perceived as being high end, hardwood floors add value to your home. Carpet, on the other hand, is seldom considered a selling feature.
- **Reparability.** When hardwood floors become stained, scratched or dulled, they can be refinished. Sand them down, buff and re-stain them – it's a big job, but your hardwood will look like new.
- **Cleanliness.** There's little place for dirt and odor to hide in hardwood. Debris and spills can be swept away in a snap.

Hardwood - Cons

- **Damage.** Hardwood floors are susceptible to scratches and dents, so you'll want to be careful about where you install them, but knowing they can be refinished makes this con less of a deal breaker.
- **Vulnerability to moisture.** Wood expands and contracts. Humidity levels can cause warping of and gaps between planks, and direct contact with liquids from drips, spills, or leaks can cause stains, cupping, crowning and buckling.

THE REWARDS OF RESALE

Should you buy a resale home or build/buy new? Deciding isn't a matter of which is inherently better, but of which is better suited to your particular needs and wants. Let's look now at the benefits of buying a resale property.

- **Affordability.** Given the rising costs of construction, some resale homes can be less expensive per square foot, which means that in some cases you can buy more home for your money. Resale homes include features such as hardwood floors and kitchen islands right in the selling price, rather than costing extra as they might in new construction.
- **Better negotiating power.** When dealing with a homeowner, as opposed to a builder, there's more flexibility for you and your real estate representative to negotiate a deal that's more tailored to your needs, not just in terms of price but closing date and items to be included, too.
- **What you see is what you get.** When you buy a resale property, there are fewer surprises. You'll know exactly what your new home will look like, what your new view will be of, and who your new neighbors will be.
- **An established neighborhood.** Paved roads and driveways, green lawns, mature trees, and less disruptions related to ongoing construction (e.g., traffic and noise) are just some of the benefits of buying a resale home in an area that's had a chance to do a little maturing.
- **Convenience.** As they're often soon available to be occupied, there's little waiting until the day you can move in when you buy a resale home. For buyers who need to move in a timely fashion, this can be the deciding factor between buying new and buying resale.



OVERPRICING IMPLICATIONS

Overpricing their home is the biggest mistake sellers make, though many don't fully understand the implications of doing so. Here's why overpricing is so problematic.

A property never generates so much interest as it does during its first few weeks on market. When you enter the market overpriced, you squander this time by scaring away buyers and, more crucially, real estate representatives looking for properties to show clients. As a result, you can affect the number of showings during those critical first weeks.

Few to no showings mean few to no offers. And that can potentially mean no sale. Even if you do manage to get an offer, it's possible the buyer won't qualify for financing due to a low appraisal of your home (a side effect of overpricing); again, that means no sale.

Now you face a new problem: stigmatization. The longer a property lingers on the market, and the more times its asking price is slashed, the more people will assume there's something inherently wrong with it. Now they have new reason to stay away.

In the meantime, you're stuck making mortgage payments on a property you'd no doubt planned on having sold already, which can be devastating for those who've already bought their next home.

Desperate, you may be forced to accept any offer, however lowball, that comes your way. It's for this reason that many sellers of overpriced properties often end up getting even less for their homes than they would have had they listed at a competitive price to begin with.

Avoid these pitfalls – contact your real estate representative today to ask what price is right for your home!

INSPECTION INITIATIVE

Some say it's really the home inspector that sellers should be concerned about. Don't get caught by a big surprise – examine (and repair as needed) these major components before listing your house.

- **HVAC equipment.** You might be selling your home in the dead of winter, but that doesn't necessarily mean your air conditioning won't be checked.
- **Plumbing system.** Low pressure, leaky pipes, dripping faucets, backed-up drains, running or clogged toilets – you may have learned to live with such flaws, but the inspector will be looking for them.
- **Electrical system.** Test all light switches and outlets (regular and GFCIs), and turn all your breaker switches or fuses off then on, one at a time, to make sure everything's working properly.
- **Appliances.** The inspector will be testing all your appliances to make sure they're in good working order, so now's the time to fix that dishwasher or washing machine that's been on the fritz – or delete it from the contract.
- **Roof.** The inspector will be looking for signs of damage to the shingles, roofing underneath, chimney, flashing, eaves, gutters and downspouts.
- **Basement/attic.** You'll want to take a close look before the inspector does, checking for signs of mold and mildew, as well as moisture.

Interested in more home preparation tips? Please call today!



Planning a move this year?

Whether moving up, moving down, or just a lifestyle change

With priorities and lifestyles changing, I can carefully guide you through the process, helping you make informed decisions that are right for you now, and into the future - a home that fits your desired lifestyle. Taking the time to understand each client's needs and wants is key to delivering excellent service.

For your next move why not take advantage of my knowledge and experience having helped countless 'move-up' buyers, as well as having helped, and a designation in helping the 50+ home owners make their next move.

If you are, or someone you know, is planning a move this year simply give me a call today!

Kelly

Your guide to real estate

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Whether you are buying or selling a home, I am here to assist you and your family with all your real estate needs. Please feel free to call me with any questions. I look forward to speaking with you.

Kelly Jack

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