

### Planning to Purchase a Home in the Future? What the Changes to the New Qualification Process Might Mean to You

If someone is interested in purchasing a freehold townhome in Whitby, they would likely be expecting to pay around \$485,000 for that property - based on current average prices.

If they were putting a \$40,000.00 down payment towards the purchase, it would leave them with a mortgage of \$464,736.10 (inclusive of CMHC or Genworth mortgage insurance premiums and based on an interest rate of 2.44% for a 5 year term, amortized over 25 years) and result in a monthly mortgage payment of \$2,068.01.

Assuming there is an annual income of approximately \$95,000.00 and based on the current CMHC and Genworth lending policies, and assuming property taxes of \$300.00 a month, heating costs of \$110.00 a month and other debt not exceeding \$600 month in total, they would qualify for that mortgage.

With the NEW Qualification Process (which took effect on October 17th of this year), it will require ANY buyer who is purchasing a home with LESS THAN 20% for a down payment to be approved at the current Bank Of Canada Posted Rate of 4.64% (the rate as of October 5th 2016) as opposed to the current 5 year rate being offered by mortgage lenders.

This new policy is most likely designed to ensure that if rates rise significantly in the next 5 years that today's new homeowners would still be able to afford to make the same mortgage payment they are currently making.

So what does this mean in terms of their ability to purchase that townhome in Whitby after October 17th? It means

that they will NOT be able to afford to purchase it.

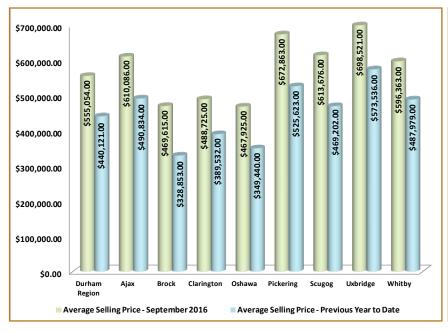
In order for them to qualify for the same

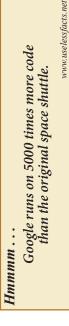
property (at the same price) after October 17th, they will either have to come up with a considerably larger down payment - in the range of \$123,000.00 (vs. \$40,000.00 today) OR they will require an annual income of \$115,000.00 (or \$20,000.00 more than they currently make).

This is likely a very prudent stance to take by the Finance Minister. However, it will most definitely affect the real estate market in the foreseeable

future. Likely it will result in a combination of discouraging a number of buyers from purchasing OR it will have those same buyers significantly adjusting their expectations on what they are going to be able to purchase.

Warmest Regards, David Roney





#### Decorate with Paint

You probably already know that a can of paint offers the biggest bang for your decorating buck. The right colour can transform a room for next to nothing. But why stop with walls? Paint can update furniture, revamp lamps, even give new life to a wood floor.

Here are a few simple and budget-friendly paint projects to try in your home:

- 1. Create a chalkboard. Use chalkboard paint on a bare wall. Frame it with some white trim or leave it as is, and you've got a fun drawing surface for a kids' room ("Go ahead and draw on the walls, kids!"), a kitchen ("Soccer practice @ 6:30"), or even a dining room ("Tonight's menu... roast chicken with frites").
- **2. Reinvent your furniture.** Got an old dresser that's ugly but serviceable? Give it a quick face lift with a can of paint and some new hardware. A coat of soft white will make it look fresh and romantic; glossy black adds drama and a modern touch.
- **3. Antique it.** Want to make that new bookcase look like an heirloom? Paint it, let it dry, then use 100 grit sandpaper to lightly sand off patches of paint. For an authentic look, sand in places where the paint would naturally have worn over time.
- **4. Do a cheap and cheerful kitchen "reno."** Don't have the budget for a complete kitchen overhaul? Paint it. Give the cabinets a fresh coat and replace the hardware. But don't stop there. Super-adherent primers will let you paint over a surprising range of surfaces, including laminate countertops, tile, floors and more.
- **5.** *Paint your floor new again.* Worn-out hardwood gets a great lift from being whitewashed. It gives the room a clean, informal, seaside feel that looks even better as it wears.

You can paint anything, anywhere - all it takes is some hard work and a little imagination, to create a unique space without spending a fortune.

### Housing Market Still Hot 26 Percent Increase in Average Selling Price

DURHAM REGION, October 7, 2016 - Durham Region Association of REALTORS® (DRAR) President Sandra O'Donohue reported 1,090 residential transactions in September 2016, a 10 per cent increase from the same time last year. "The balance between supply and demand for homes is very tight," stated O'Donohue. There were 1,556 new listings in September 2016 compared to 1,488 in September 2015.

"Durham Region has seen substantial growth in prices and sales demonstrating strong demand," added O'Donohue. The average selling price in Durham reached \$555,054 last month. In comparison, the average selling price was \$438,462 during the same period last year; a 26 per cent increase.

Homes have continued to sell quickly in an average of 12 days compared to 18 days last year. "When navigating through the market, whether it's hot or not, it's always important to enlist the services of a qualified professional," says O'Donohue. "Durham REALTORS" work where you live, providing

immediate value comprehension when purchasing or selling a home."

Finance Minister Bill Morneau recently announced that the federal government is taking steps to ease emerging risks in Canada's housing market with new measures to slow foreign purchasing and tighten eligibility rules on prospective borrowers.

"We are encouraged that the federal government has taken a restrained approach as recommended by the Canadian Real Estate Association (CREA)," said O'Donohue. "Our members are supportive of rules being followed and efforts to ensure that the same tax rules apply to everyone. Durham Region Association of REALTORS" will continue

our government relations outreach by meeting with local elected MPs and MPPs to express our members' views with the objective of emphasizing how housing markets differ throughout the province," said O'Donohue.

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David J. Roney, Sales Representative
Direct 905.261.0009 • Office 905.666.1333 • davidroney@royallepage.ca













## Coming Soon to M.L.S. Whitby

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One of Whitby's favourite, mature, upscale neighbourhoods! This mid-century modern classic is situated on a massive 85' x 130' lot and offers a tremendous opportunity for the renovator/builder. Four good sized bedrooms plus a den on the upper floor allows for many re-design possibilities. The living/dining room and kitchen sits at the rear of the house and features a walk-out to the patio and pool. Newly refinished hardwood floors through the middle and upper levels. A rare opportunity to own in this fabulous neighbourhood.



# Coming Soon to M.L.S. Whitby

After fifty-one years the current owners are going to sell their cherished family home to the right buyer, someone who appreciates it's charm and character. From the formal living and dining rooms with original trim and lovely hardwood floors, to the huge 66' x 135.95' lot, this home will excite the old home purist. Many practical updates have already been completed, yet there is still room for your design ideas. Fabulous privacy in the back garden that boasts a large deck and gazebo. Delightfully charming and beautifully maintained.

For more details on either of the above upcoming listings, or if you have any questions about selling and buying in the current market, just give me a call, I'd be happy to be of assistance.