

TO MY VALUED CLIENTS

According to a recent study by the TransUnion credit bureau, up to a million Canadians would struggle to cope with a 1 per cent rise in interest rates, with 700,000 at risk from even a 0.25 per cent rise.

While the study showed that most Canadians are well-placed to deal with interest rate increases, existing high levels of debt mean that for some even a \$50 increase in monthly expenses could be a tipping point.

"Despite rising debt loads for Canadians, our study found that the far majority of consumers will be able to manage an interest rate hike of up to one percent," said Jason Wang, TransUnion's director of research and industry analysis in Canada. "Our assessment, though, identified a subset of the population of nearly one million borrowers who may face financial challenges when rates rise."

The study found that there are 26 million Canadians with credit, averaging 3.7 products each and the study focused on products which are most affected by interest rate changes.

Those who may struggle with a 0.25 per cent rise in rates represents 15 per cent of the population with a mortgage, line of credit, or both. A 0.5 per cent rise could see 30 per cent begin to struggle while a 1 per cent rise could be a problem for 40 per cent.

Of course, when it comes to the prospect of losing one's home, "struggling" does not necessarily mean default. Still it does bode for some level of concern, and is a factor that the Bank of Canada is surely taking into account regarding the pace and magnitude of future rate increases.

As usual, your client referrals are both highly valued and greatly appreciated. Until next time, take care!



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FEATURED PROPERTIES



Open-Concept!

12 McNabb Avenue – Open-concept 2 bedroom, 2 bathroom home with masterfully designed kitchen. Includes stainless-steel appliances, hardwood flooring and newly-renovated bathroom. Short walk to transit and shopping! **\$849,000**



Great Neighbourhood

38 Abbey Crescent – Stunning 2 bedroom, 3 bathroom + den townhouse with 4-piece ensuite. Minutes to subway, malls and E.V. Edwards Public School. Contact me today for a tour!
Asking \$721,000.



2-Car Garage

57 Lorrel East – Bright and spacious 2 bedroom, 2 bathroom 2,350 sq. ft. home in the middle of illustrious Haroldsberg. Includes hardwood flooring and has an expansive recreation room in the basement. Includes 2 car garage. **\$930,000**

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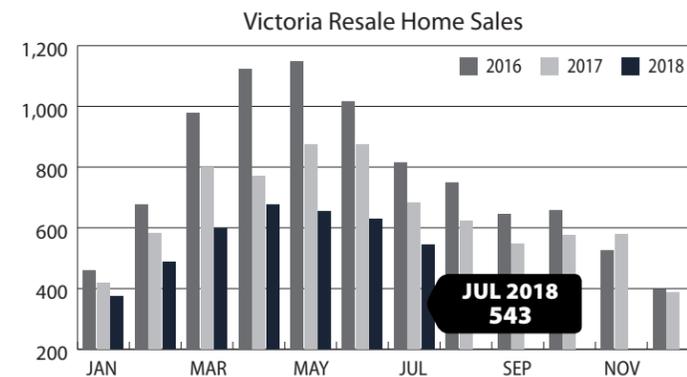
JANE SAMPLE'S Market Watch

VICTORIA PRICES KEEP SURGING FORWARD

MARKET HIGHLIGHTS

- Average price increased by 9.8% to \$724,713 in July, establishing a new all-time high for the market
- Price growth strong across all segments: single family homes (+7.1%); condos (+17.4%); and townhomes (+9.0%)
- Overall market price growth on a year-to-date basis (Jan thru July) is up by 8.2%
- Once again despite continued strong price growth, July sales volume was down by 20.4% versus last year

Average Resale Price



for more detailed GTA statistics: JANESAMPLE.INFO



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HOUSE SMART

HOW TO MAKE YOUR HARDWOOD FLOORS LOOK LIKE NEW AGAIN

Hardwood floors give homes that coveted warmth and beauty. But no matter how gentle you are to them, they'll inevitably lose that flawless, smooth gleam. Over time, they can look dull, dirty, discoloured, scratched up, or just plain old. Luckily there are easy solutions to bring your existing hardwood floors back to life without having to replace them altogether.

But before you revive your wood, make sure they are thick enough to be sanded to the point where you can erase scratches and dents. Secondly, ensure the work area is completely empty of any furniture and cords. You need a completely blank slate to do the job properly and safely. Next, make sure the floor is thoroughly cleaned and free of grease, dust, grime, and even residue from your cleaning supplies. Once the floor is dry, you're ready to try out these floor-rejuvenating solutions.

Polish

If your floors don't need a lot of work, then a quick and easy way to give them a boost is to use a wood floor polishing solution. Bona and Rejuvenate are two popular brands that restore shine to hardwood floors. They can be purchased at your local hardware store.

All you have to do is spread the solution on the floors and mop it using a polishing pad or microfibre cloth. It will not only add a glossy shine to your dull floors, it will also seal and protect them for months to come. However, don't expect to fill in any scratches or dents with this method. For that, you'll need to look at the next two options.

Rescreen and Recoat

If your floors suffer from minor scratches, then adding a fresh layer of protection is an easy, fast, and relatively inexpensive solution to make your floors look like new.

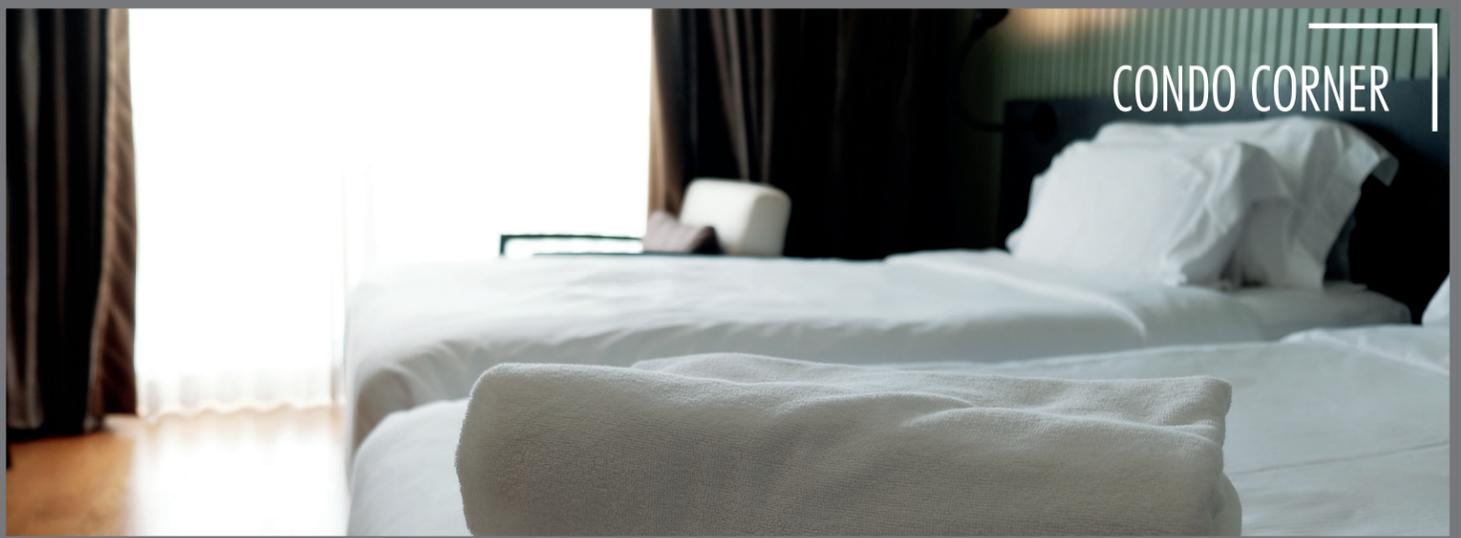
Rescreening your floor involves using a machine to create mild abrasions to the existing topcoat in order to prepare it for a new layer of polyurethane. This topcoat of polyurethane essentially protects the wood below from any damages. However, day-to-day friction will eventually cause this top layer to get thinner and worn out over time. That's why it's important to rescreen and recoat your hardwood floors before this protective coating is completely deteriorated. Otherwise, your floors may get exposed to too much damage to the point that it will need to be refinished.

Rescreening and recoating will not work if your floors have been waxed. In this case, you will have to hire a professional to rewax and polish your floors, which will bring up the price of the project.

Refinish

If you want to restore the original appearance and shine of your wood or change the finish of your floors entirely, then you may want to consider refinishing. This is a much longer process that could span multiple days depending on the size of the workspace and the complexity of the project. You will most likely want to hire a professional floor refinisher to get the high-quality results you want, and you may want to consider finding an alternative place to stay while the refinishing is taking place.

Although it may be more inconvenient, time consuming, and costly than the previously mentioned solutions, refinishing will make your floors look as bright and shiny as the first day they were put in. This method not only improves the floor's appearance, it also seals and protects any open pores in the hardwood floors that could otherwise absorb dirt and spills, making them more susceptible to further damage.



CONDO CORNER

WHAT'S THE DEAL WITH CONDO HOTELS?

Hotels are designed to offer a luxurious experience from start to finish, while condos offer modern amenities and the freedom from maintenance. Put the two together and you get condo hotels, or what's also known as "condotels." Some examples of these types of properties in Canada include the Omni King Edward Hotel & Residences in Toronto and La Grande Résidence at The Sutton Place Hotel in Vancouver.

Condo hotels are similar to luxury hotels in that they offer 24/7 access to room service, luxurious amenities, and top-tier customer service. The only difference is that condo hotels reserve a set number of units for individual investors who want to own a permanent vacation home.

The concept is simple. When you own a unit in a luxury hotel, you can use it as a permanent living residence or you can use it for when you're in town. You'll have access to everything that a regular hotel guest does, such as the pool, gym, front desk, valet, restaurants, business centre, housekeeping, and spa.

When you're not using the unit, the hotel management will rent out the space and take care of any upkeep, payments, and communication required in renting out the space. As the owner of the unit, you will earn a percentage of the profits. Typically the funds are split 50/50, although that split varies from place to place. Regardless, it's an easy way to make some rental income while securing yourself a luxurious place to stay whenever you're travelling in the area.

Condo hotels may sound like a perfect place for a vacation home, but there are some things to take into consideration. Since they are developed by big-name hotel and resort companies as opposed to traditional condo developers, the price you pay for one of these units will be substantially higher.

Plus, like any real estate property, their return on investment is not always as rewarding as it may initially seem. Many condo-hotel investors have lost money in the past on these types of properties. For example, a unit at the Four Seasons condo resort in Whistler, BC, sold for \$520,000 in 2012, even though it was originally purchased for \$1.1 million in 1999.

Additionally, in order for owners to offset their expenses including their maintenance fees and property taxes - which are already higher than usual compared to a regular condo - they'll have to ensure that the unit is rented out for the majority of the year. This can be a difficult proposition during off-season travel times, bad weather, or other unforeseen circumstances. The rise of home-sharing services like Airbnb has already made it more difficult for hotels to fill their vacancies.

Investors who are interested in condo hotels may have a harder time getting approved for financing, as few lenders will fund this type of unit, especially if there's a heavy reliance on rental income to pay off the mortgage. For instance, when the Trump Tower in downtown Toronto first began selling units in 2004, there were reports of lenders who wouldn't touch the property due to the high commercial property tax rates. Many investors were left scrambling to find ways to walk away from the deal.

This type of purchase should be one that is carefully thought out. While the idea of owning a unit in a prestigious hotel may be enticing, it's important to consider how good of an investment it will actually be.

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.