

# MARKET WATCH



## 416-616-2484

FOR LEASE



## JUST LISTED

**297 Oak Walk Drive #2204  
Oakville, Ontario**

**Brand new never lived in luxury 2 bedroom condo ready for your enjoyment! The Oak & Co. building is extremely well equipped and in a fantastic location surrounded by the best shopping, restaurants & transit! 2 Bedrooms, 1 Parking and 1 Locker! Call for your private showing today!**

## What is a reverse mortgage and why might you want one?

A reverse mortgage is a loan secured against your home. But unlike regular mortgages, it allows you to draw money based on the equity you have in your home, without having to sell your home! You can take the money out in a lump sum, or in smaller amounts spread out over time. The reverse mortgage allows you to borrow against your home's equity to live out your remaining years in your own home while maintaining home ownership. You may want to use the borrowed money for home repairs, unforeseen health care expenses, debt repayment or even a vacation!

Unlike a traditional mortgage, your loan does not need to be repaid until you sell your home, move out, or die. If you pass away your loan is repaid by your estate. If you co-own the home with others the loan does not need to be repaid until the last borrower passes away, or the last borrower moves out of the property. If you have an existing mortgage you will have to pay off any existing loans, mortgages or lines of credit that are secured by your home; however, you can use some of that equity money from the reverse mortgage to resolve any debts.

One of the most appealing things about a reverse mortgage loan is that repayment can be entirely deferred until you sell. Although you are entitled to repay some of the interest or even all of the principal at any time, you can use the borrowed money freely and without restrictions as you choose, without having to make any repayments at all.

You pay no tax on the money you borrow, and it does not affect any old age security or guaranteed income supplement benefits you are receiving.

### **Sounds too good to be true and wondering what the downside is?**

The administrative costs and interest rate you are charged by the lender will tend to be higher than that for traditional mortgages. Also, since payments on the reverse mortgage needn't be made at all until the last borrower moves out, or the eventual sale of your home, the total interest you will pay at the end will possibly have accumulated to a significant amount. This means that when you do come to the end of the term of your loan, you will have chipped away at your home equity and will have less equity remaining.

### **Who can apply for a reverse mortgage?**

Aside from financial eligibility requirements, which are set by the lender, there are only a few stipulations for obtaining a reverse mortgage. Naturally, the first is that you must own your home; the second is that you must be using it as your primary residence – which means you occupy it for at least six months each year. Also, you must be at least 55 years of age at the time you apply. If you co-own the home with others, you must indicate that on the loan application.

### **How much can you borrow?**

The general rule under a reverse mortgage is that a person can borrow up to 55% of the current value of the home. However, your own personal borrowing limit may be less than that, depending on factors such as your age, your lender's own rules, and threshold factors such as your home's location, condition and appraised value.

Thank you to Toronto lawyer Martin Rumack for the above advice on reverse mortgages, but please speak to your financial advisor before deciding if a reverse mortgage could be the right solution for you.



**CENTURY 21**  
Miller Real Estate Ltd.  
Brokerage  
9-209 Speers Road,  
Oakville, ON L6K 0H5  
Tel: 416-616-2482  
arcadianrealtyteam.ca

# July 2021 MARKET STATS

Statistics provided by the Toronto Real Estate Board

**CENTURY 21**  
Miller Real Estate Ltd.  
Brokerage

## MLS Sales Activity

JULY 2021	Units 9,390	Average Price \$1,062,256
JULY 2020	Units 11,033	Average Price \$943,594

**+12.6%**  
\$1,062,256

YEAR-OVER-YEAR  
AVERAGE  
SALE PRICE

**-14.9%**  
9,390

YEAR-OVER-YEAR  
NUMBER  
OF SALES

**-20%**  
20

YEAR-OVER-YEAR  
AVERAGE  
DAYS ON  
MARKET

DETACHED	SALES	AVG PRICE
416	850	\$1,633,649
905	3,271	\$1,346,186

TOWNS	SALES	AVG PRICE
416	368	\$893,347
905	1,326	\$837,906

SEMI	SALES	AVG PRICE
416	278	\$1,205,814
905	590	\$944,062

CONDO	SALES	AVG PRICE
416	1,756	\$715,977
905	858	\$589,582

## Rent Freeze for 2021

The Government of Ontario has passed legislation to freeze rent at 2020 levels. This means that rents will not increase in 2021 for the vast majority of rented units covered under the Residential Tenancies Act.

The rent freeze applies to most tenants living in:

- Rented houses, apartments and condos (including units occupied for the first time for residential purposes after November 15, 2018)
- Basement apartments
- Care homes (including retirement homes)
- Mobile home parks
- Land lease communities
- Rent-geared-to-income units
- Market rent units in community housing
- Affordable housing units created through various federally and/or provincially funded programs

While the rent freeze will end on December 31, 2021, landlords can give proper 90 days' notice beforehand for a rent increase that takes effect in 2022.

### Exceptions:

Above guideline increases approved by the Landlord and Tenant Board prior to October 1, 2020 may be applied to 2021 rents. New above guideline increases may still be approved by the Landlord and Tenant Board and may still be applied to 2021 rents if they are for costs related to eligible capital repairs and security services, but not if they are for extraordinary increases in municipal taxes and charges. Tenants and landlords can still agree on rent increases in exchange for an extra service or facility (for example, air conditioning or parking).