

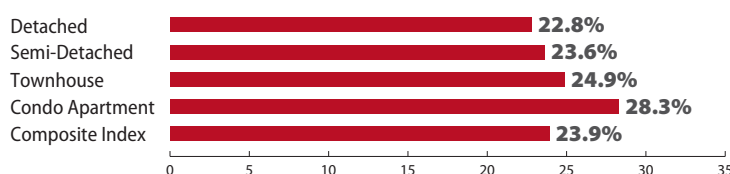
KATERYNA BORYSENKO'S MARKET NEWS

GTA MARKET CONTINUES RECENT TREND TOWARD MORE BALANCED CONDITIONS

Market Highlights

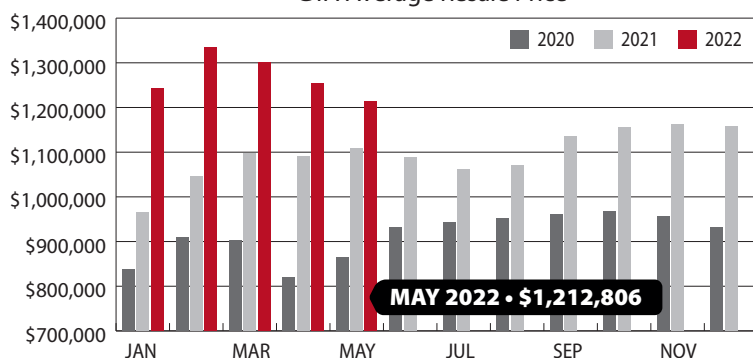
- Similar to April results, May 2022 sales were down on a monthly (-8.8%) and annual basis (-38.8%) as potential buyers are waiting for a bottom in price given recent monthly price declines
- May MLS® Home Price Index Composite Benchmark of \$1,261,800 was down by 6.8% versus April but still up by a sizeable 23.9% versus last year
- Home buyers are adjusting to higher borrowing costs, increased active listings (+26.0% annually) and some newly found increased negotiating power
- That said, housing demand will continue to be supported by extremely low unemployment, high job vacancies, rising incomes and record immigration

MLS® Home Price Index by Segment (versus May 2021)

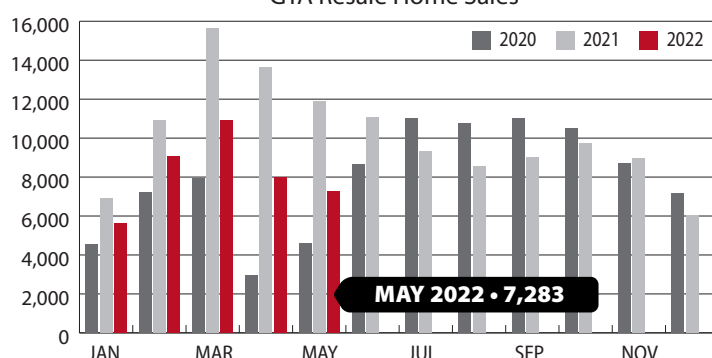


Resale Home Sales	May 2022	May 2021
-38.8%	7,283	11,903

GTA Average Resale Price



GTA Resale Home Sales



for more detailed GTA statistics: **KATERYNABORYSENKO.INFO**



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SHOULD YOU BUY A PRE-CONSTRUCTION CONDO?

If you're looking to buy a condo, there's a lot to consider before you've even started on your house hunting journey. The first decision to make will be whether to purchase a standard resale unit — or a condo that hasn't even been built yet. While it's certainly not for everyone (and won't suit anyone looking to move in immediately), a pre-construction condo can have a lot of benefits as well as some drawbacks. Here are some of the pros and cons.

Higher Down Payment

You can put down as little as 5% towards the purchase price of a resale condo, but when it comes to a pre-construction condo, you'll need to up the ante. You are often required to put down at least a 20% down payment on a pre-build, although that amount is typically broken down into smaller amounts over a period of time. For example, a typical down payment schedule may look like this: \$5,000 with the offer, balance of 5% after the 10-day cooling off period, 5% in 90 days, 5% in 180 days, and 5% at occupancy.

Higher Potential Closing Costs

Closing costs on pre-construction condos are often higher than a typical condo although some of these costs may be included in the purchase price of the unit. Development and educational levies, new home warranty plan enrollment fees, and utility hook-up fees are just some of the potential additional charges you may be facing. Have your lawyer scrutinize the Agreement of Purchase and Sale to find out exactly what you are on the hook for.

Cooling Off Period

After putting down your initial deposit on a pre-construction unit, you will be given a short period of time to rethink your decision (10 days in Ontario and 7 days in British Columbia). Use this "cooling off period" to get your finances in order and to have your real estate lawyer review the purchase agreement in detail.

Lengthy Waiting Game

About 70% to 75% of pre-construction units typically need to be sold prior to the developer's lender releasing the funds to break ground. While this gives investors a great way to get in on the ground floor, it also means that there can be a lengthy waiting game before occupancy. Moreover, the reality is that scheduled occupancy dates are almost never adhered to.

Savings

With pre-construction units priced at the lowest available point at the project's outset, you'll generally avoid getting into an expensive bidding war that drives up the purchase price of your condo. It also gives you time to save for the next few years while you wait for the project to be completed. Meanwhile, your unit will likely be growing in value. Plus, if you currently own a condo, the value of that property will also likely continue to increase while you patiently wait for your future home to be finished.

Rapid Capital Appreciation

A common misconception about purchasing a pre-construction condo is that you won't see an immediate return, but this couldn't be more inaccurate. You often get the highest capital appreciation directly after finalizing your purchase. For example, if you're investing in an up-and-coming neighbourhood, you are directly investing in an area where jobs will be created and people will be coming to live – which, in turn, will generate more demand for the area. Although you can still buy a resale condo and rent it out, resale condos generally don't appreciate in value as much as pre-construction units. This is basically due to the fact that most people want new as opposed to old – modern finishes, latest features, and amenities – and are willing to pay a premium for them.

Material Changes

Builders have a fair amount of leeway to make changes to the units and buildings, even after they have pre-sold them. For example, builders can add or subtract floors, change layouts, and decide that the rooftop pool should now be in the basement. Buyers are protected from any "material changes", but you might be surprised to find out what is and is not considered "material". Read the sales agreement carefully and be prepared to be flexible.



HOW TO CREATE THE PERFECT GALLERY WALL

You've seen them all over your Instagram feed and they look cool as hell — but where on earth do you start when it comes to creating a gallery wall in your home? Though they can be a great way to get some of your favourite prints up on the wall and add some personality to a room, it's worth taking some time to plan out a gallery wall for optimal success. If you're not feeling brave enough to pull the trigger, we've created a guide to help you mount the perfect gallery wall.

Choose your spot

Peruse your house thoroughly before deciding which wall should be home to your masterpiece. Ideally you'll have a large, empty, white wall space to work with: living rooms are usually a safe bet and get a lot of foot traffic, meaning your colourful compilation provides a talking point for guests. Gallery walls can also provide depth to a smaller room, keeping clutter away from the floor. If you don't have a blank wall, you can plan your gallery wall around a front door, fireplace, or in a nursery.

Do a test run

Before you break out the hammer, do a trial to see how your gallery wall will look. Map it out first with pieces of paper, cutting them in different shapes to represent the size of frames you're planning to mount onto the wall. There's no firm rule, but complementing one larger, statement size piece, with a series of smaller frames is a good ratio to work with. You don't have to keep things symmetrical but try to keep things balanced so your eyes are drawn equally across the gallery wall.

Let it breathe

Your gallery wall is all about curating a variety of art, colours and textures — but that doesn't mean you have free reign to cram in as much as you can. Try to keep at least two inches of space between frames to let the art and photography breathe. If you don't have the luxury of spacing them out this roomily, at least keep the distance between your frames consistent so it's easier on the eye.

Experiment with texture

Gallery walls are a fantastic way to add some personality to a room, so don't

be afraid to mix things up. Use a variety of frames — from sleek modern and sculpted vintage to wooden and deep-set options — for a fun collage feel. If your frames are looking too similar, purchase some smaller pots of paint or spray paint from your local craft shop and get creative. You'd be amazed how a splash of colour can bring a gallery wall to life, but if you want to take it a step further, head to Pinterest for ideas on how to DIY frame your prints with clothes pegs or on acrylic.

Out of the picture

When you're putting your gallery wall together, think outside of the frame. While photography and prints will make up the majority of things, adding in other features can add a richness and depth. Incorporate clocks, mirrors, and other wall hangings to balance out the frames. You could even hang a favourite hat, a macrame plant hanger or a shelf with some books placed on it to create a variety of levels and complexity to your gallery wall.

Forget your time frame

If you've fallen down a Pinterest hole, it's very tempting to hop online and purchase a series of prints, trinkets and knick knacks to supplement your creation. However, the whole point of a gallery wall is to quirkily celebrate your memories. You can leave some space to build upon later — or take a breather before mounting your gallery wall — the final unveiling will be all the better for it.



TO MY VALUED CLIENTS

Beware the difference between pre-qualification versus pre-approval

Just about every lender has an online calculator where you can estimate the mortgage you'll be approved for. These calculators also allow you to adjust the interest rate to see how any changes would affect your payments. While this is a convenient and quick way to calculate affordability, it's simply a pre-qualification and is essentially meaningless since you haven't been approved for anything yet.

With a pre-approved mortgage, lenders will **formally** run your numbers. They'll look at your income, credit score, debt loads, and more to determine precisely how much they're willing to lend you. They'll also share the interest rates they're willing to extend you for fixed and variable mortgages. Since this is a formal approval process, lenders will be able to **hold the rate for 90 to 120 days**. This will allow you to shop in confidence, knowing that you have the financing in place.

Some people assume that a pre-qualification is the same as a pre-approval, but that's simply not the case. Getting pre-approved is basically a promise from the lender. The last thing you want is to buy a home and then find out you don't have the financing in place.

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



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PEARLS OF WISDOM



"I was going to buy a copy of The Power of Positive Thinking, and then I thought: What good would that do?"
– **Ronnie Shakes**

"A pun is the lowest form of humour, unless you thought of it yourself." – **Doug Larson**

"Ever notice that we trust banks with our money, but they don't trust us with their pens?" – **Anonymous**

"Having one child makes you a parent; having two makes you a referee." – **David Frost**