RLP Maximum Explains the Available Choices for Real Estate Homes

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RLP Maximum, a Toronto-based real estate company, wants all potential home seekers to understand the options now available to them when it comes to looking for detached homes for lease or to buy. Many people are not aware of the recent changes in the way mortgages are awarded, and this has meant that more people than ever are now looking to lease. Unlike many other real estate companies, RLP Maximum is prepared to help those wishing to lease as well as those wanting to buy. The company is ready to help in all aspects of the housing market; whether that is someone looking to sell or someone looking to rent out their own property, or someone who is looking for a place to live.

In 2018, due to the Office of the Superintendent of Financial Institutions? decision to change the guidelines and processes around mortgages, the availability of mortgages has become significantly lower in the Toronto area. As can be expected, this change has affected the mortgage chances of many prospective buyers detrimentally.

The new mortgage stress test requires would-be borrowers to show that they would still be able to make payments if interest rates slightly or significantly increased or if they suddenly had less income available.

Historically, the original stress test only applied to uninsured mortgages or those with down payments of less than 20 percent of the purchase price with a variable rate and a term of fewer than five years.

It was changed in 2018 to include both insured and uninsured borrowers. These changes, however, only applied to federally regulated mortgage lenders and this has caused some to seek alternative non-federally regulated lenders. Not everyone sees these non-regulated as their best option and as a result, this has caused many prospective buyers to change their intention to buy to one of leasing.

The Toronto Real Estate Board (TREB) estimates that in 2019 these mortgage stress test changes affected a full 50% of prospective homebuyers in the Toronto area. As a result, this has had the effect of pushing the average house price up substantially. Whilst that is not good news for buyers, it has also meant that there has been a corresponding increase in the number of available rental listings in the greater Toronto area. Despite the increase in properties for lease, there has been an unexpected increase in the rent being charged although there are some signs of those increases slowing down. At present, the average annual rent increase is double the rate of inflation.

Jason Mercer, TREB?s Chief Market Analyst said, ?The pace of average rent growth has slowed noticeably over the past twelve months as we have seen an acceleration in listings. This suggests that renters are benefitting from more choice in the marketplace.?

Many people are not aware that working with a real estate agent is possible whether one is looking to lease or to buy. Although real estate companies may not advertise it, many real estate agents will work with those who are interested in the possibility of leasing rather than buying. The changes in the mortgage system due to the stress test has meant that available properties to lease in the greater Toronto area are moving faster than many people realize. Anyone potentially interested in leasing should start looking for a property well ahead of the date by which they need to vacate their current residence. At the very least they should be looking one month in advance and preferably longer.

Royal LePage (RLP) was founded in 1913 by A.E. LePage. For more than 100 years RLP has been helping Canadians to find their dream home. Real estate is a complex subject and navigating this difficult world is never simple. As a real estate broker, RLP Maximum is committed to helping its fellow citizens achieve homeownership or home leasing.

Those wishing to find out more about RLP and its services along with properties available to lease or to purchase can find out more by visiting the company?s website.

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RLP Maximum

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