

TO MY VALUED CLIENTS

Tariff uncertainty clouds 2026 housing forecast

Canada's housing and mortgage markets head into 2026 with trade tensions hanging over almost every forecast, even as interest rate cuts and improving inventory offer some relief for borrowers. Canada and the US are set to launch formal talks in mid-January to review their free trade agreement, opening a high-stakes process for sectors from autos and steel to housing.

Prime Minister Carney has warned there is "not a lot of evidence right now" that Washington would agree to a tariff-free pact. Tariffs have already been called

the biggest question mark hanging over Canada's 2026 housing outlook, even as Bank of Canada cuts – totalling 275 basis points since mid-2024 – helped pull mortgage rates lower. Trade uncertainty kept the market in a holding pattern through 2025, and we can likely expect more of the same in 2026 until we get some clarity on the trade front with our southern neighbour.

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



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JANUARY/FEBRUARY 2026

PREFERRED CLIENT UPDATE

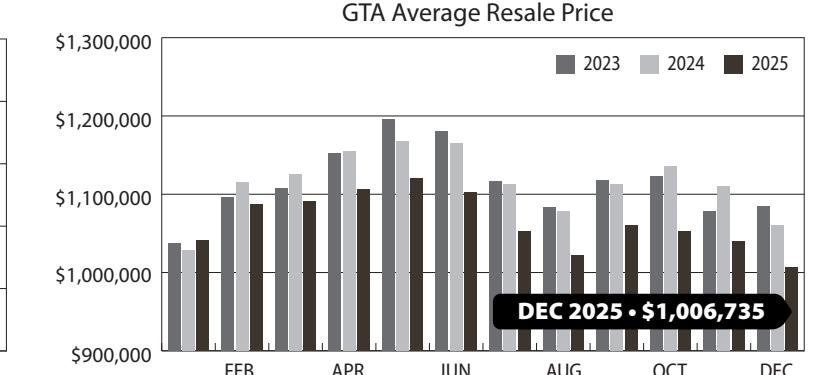
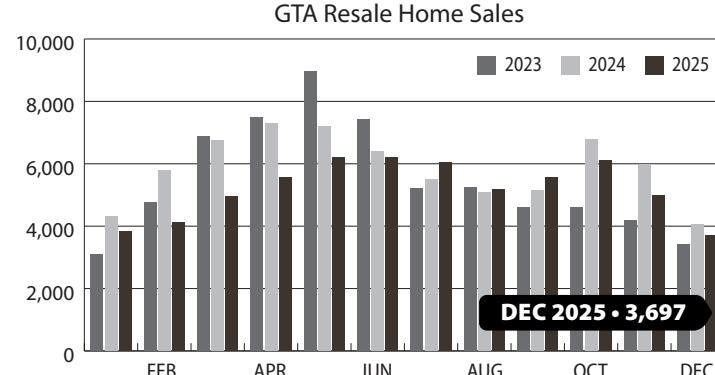
SERGEI'S MARKET NEWS

ECONOMIC UNCERTAINTY TOOK A HIGH TOLL ON 2025 GTA MARKET PERFORMANCE

Market Highlights

- GTA market recorded 62,433 sales in 2025 – the lowest level since 2000 as trade tensions with the USA and resulting economic uncertainty played a major role
- Average selling price for all homes combined was \$1,067,968 in 2025 – the lowest level since 2020 as tepid demand outweighed lower mortgage costs
- New listings of 185,628 units in 2025 set an all-time record for the market eclipsing the previous record of 178,411 units set in 2017
- Reaffirmed trade relationships and large-scale domestic economic development projects will be key for improved home sales moving forward

Average Resale Price	2025	2024
-4.7% year year	\$1,067,968	\$1,120,241
Resale Home Sales	2025	2024
-11.2% year year	62,433	70,274
New Listings	2025	2024
+10.1% year year	185,628	168,667



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



Sergei Mendeleev

SALES REPRESENTATIVE

DIRECT: 416.721.3316



OFFICE: 416.218.8800



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HOW LAYERED LIGHTING IS REPLACING MAJOR RENOVATIONS

With 2026 now here, our mind is turning with all of the ways we can refresh and inject life into our homes. However, when you factor in the cost, timelines, and the disruption to everyday life, renovation fatigue takes over. Layered lighting, by contrast, is quietly becoming a fast way to modernize a home — no demolition required. Here's how to light up your space.

Why Lighting Is Replacing Major Renovations

If you've ever turned off the big light in favour of a few well-placed lamps or lit a candle, you know that light changes mood before anything else. Outdated lighting can date a space way more than cabinetry or floors, whether it's poorly placed, an old light fixture, or too bright of a lightbulb for the space. By creating warmer tones, cleaner lines and intentional placement, you can quickly modernize your home. Layered lighting, from sconces to fun floor lamps, adds sophistication and depth, keeping things current.

High-Impact Upgrades Designers Swear By

Once you've cracked the first tier of lighting upgrades, take things to the next level with insider enhancements. Under cabinet LEDs in kitchens and other highly functional areas are both practical and luxurious. Uplighting - when fixtures are placed low to the ground to cast light upwards - is another technique used by experts to soften ceilings and highlight architecture, plants and columns. Pendant lighting is another artistic, statement-enhancing

way to create a big visual payoff without installation disruption.

The Smart Layer: Dimmers and Tunable Light

Even the most elegant feature can fall flat if it only has one setting. To create a day-to-night vibe, think about installing dimmer switches and tunable bulbs to help elevate your light fixtures. Go from bright, cool lighting when cooking and working, then use the flexibility to tone things down to warmer, softer tones for relaxing and watching TV in the evening. Handily, these upgrades don't require rewiring or major electrical work, making them an easy retrofit for older homes.

Making Older Homes Feel New Again

Older homes are flush with charm but don't always have lighting that serves modern living. By introducing layered lighting, kitchens and living areas feel dramatically updated without altering their original character. Thoughtful placement draws attention to what already works - textures, joinery, ceiling height - while softening elements that could seem dated. Rather than competing with existing architecture, modern lighting reframes it. A well-lit room feels intentional and calm, even if the finishes haven't changed. The result isn't a loss of personality, but a refreshed version of it: spaces that feel current, comfortable, and designed for contemporary living.

Why It Matters for Listings and Showings

Lighting plays a huge role in how a home is perceived, particularly online and after dark. Layered lighting improves listing photos by reducing harsh shadows and creating depth, making rooms appear larger and more inviting. In evening showings, it also sets an emotional tone that overhead lighting alone can't achieve. Buyers may not consciously register the lighting, but they will likely respond to how a space makes them feel. Warm, adjustable light suggests care and modern living that can differentiate a home in a competitive market. In many cases, upgraded lighting doesn't just improve how a home looks, it helps it linger in a buyer's memory.



THE CONDITION COMEBACK



Not that long ago, winning in the housing market meant stripping every possible condition from an offer. Financing and inspection subjects were seen as liabilities and buyers felt pressured to remove safeguards to stay competitive. Speed mattered more than structure, and confidence was often measured by how much risk a buyer was willing to absorb.

As the market cools from the height of intense bidding wars, that mindset is shifting. Today's environment is less defined by extremes and more by balance. This doesn't signal a weak market but reflects a healthier one, where strategy matters more than speed and certainty is valued over swagger. Increasingly, buyers are putting subjects back into offers, and in many cases, they're winning because of it.

Financing and Inspection Conditions Are Returning

Financing and inspection conditions are once again appearing in offers, and the reasons are practical. Lenders are more cautious, interest rates remain volatile and buyers are less willing to absorb unexpected costs or repairs just to stand out. In this climate, conditions act as guardrails rather than hesitations. Importantly, today's conditions tend to be more targeted and intentional. Shorter subject periods and clearly defined terms signal preparation, no doubt. This renewed emphasis on due diligence

helps prevent deals from unraveling later, creating more stability for both buyers and sellers.

How Conditional Offers Affect Pricing and Negotiation

Conditions often feel like part of a trade: if an offer includes stipulations, the price must come down or so the thinking goes. In reality, conditions don't always function as a discount tool. Instead, they can operate as a strategic trade-off. A strong price paired with well-considered subjects can be more appealing than an aggressive, conditionless offer that carries hidden risk. Conditions also open the door to conversation. Rather than treating offers as all-or-nothing propositions, buyers and sellers can negotiate timelines, financing details, or inspection outcomes, creating flexibility that benefits both sides.

When Conditions Strengthen a Deal

Handled well, conditions can actually increase confidence in a transaction. Sellers are increasingly aware that unconditional offers aren't automatically safer, particularly if a buyer hasn't fully vetted their financing or the property's condition. Deals that fall apart late in the process are costly and disruptive. Offers with short subject periods, meaningful deposits, and clear communication often signal seriousness and capability. In a calmer market, confidence isn't about removing clauses but demonstrating preparedness and follow-through.



Why Sellers Are More Open to Flexibility Now

Right now, sellers are navigating a market defined less by urgency and more by patience. Listings are taking longer to sell, buyer pools are thinner, and the certainty that once came with multiple competing offers is no longer guaranteed. In this environment, flexibility has become a practical advantage rather than a concession.

Carrying costs matter more when timelines stretch, and the risk of a deal falling through can be more costly than accepting reasonable conditions upfront. Sellers are increasingly weighing the quality of an offer - its clarity, structure, and likelihood to close-over its aggressiveness. A well-prepared, conditional buyer can feel safer than one rushing in without safeguards. In today's market, adaptability isn't about lowering expectations; it's about responding intelligently to what's actually happening now.

"RIGHT NOW, SELLERS ARE NAVIGATING A MARKET DEFINED LESS BY URGENCY AND MORE BY PATIENCE."