



Wealth & Real Estate: Part 3 – Urban & City Living

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Keith: Welcome to the Empowered Investor. My name is Keith Matthews, and I'm joined by our co-host Marcelo Taboada. Marcelo, how are you doing today?

Marcelo: I'm doing great. I'm happy to be back on the podcast, Keith.

Keith: Great to have you here for the intro. Today's show is part three of Wealth and Real Estate. In the first two shows, we talked about residential real estate, mostly in the suburbs, with show number one focusing on real estate for maybe first-time homebuyers or individuals growing their family needing more space and looking for larger homes. In episode two, we focused on downsizing, and again, most of that was in the suburbs. Today's show is on city and urban living. What do you think of that topic, Marcelo?

Marcelo: I'm super excited because, as I think we've mentioned on the podcast a few times, I live in the suburbs and I love living in the suburbs, but I have a lot of friends who live in the city. At the end of the day, this is a lifestyle choice. Every time we go downtown or visit a friend's place who lives downtown or in the city, it's an amazing experience. So it is a lifestyle choice. I think a lot of people will appreciate what we have in store in the show today. And you know what? It has a lot of implications for our clients too and people listening because a lot of people may live in the suburbs, but they may have a rental unit or they may have a second property in the city. So it's going to be interesting for a lot of people, I think. And we have a great guest, by the way.

Keith: And we have a lot of clients that live in cities, and we're going to be talking about all Canadian cities. Canada has some phenomenal cities.



Marcelo: A hundred percent, yeah. We have an amazing guest today: Christina Miller from the Christina Miller Real Estate Group. Christina, I've known for many years, and she comes from truly an entrepreneurial background with entrepreneurial roots. We'll discuss that in today's show. She got into real estate 15 years ago. She runs an amazing team. They've got some very impressive statistics. So what kind of stats do you want to share with our listeners here, Marcelo?

Marcelo: I think the one that stuck with me, I had to check the number twice when you told me about it, but Christina has sold \$1 billion in real estate since 2006.

Keith: Hang on, Marcelo. Did you just say a billion dollars?

Marcelo: Correct. That's a billion dollars for her team in transactions. Over 1,200 transactions in 14-15 years now. So that is very impressive. That's 1,200 urban downtown properties, most of which are luxury properties. She's got a wonderful background. She's got a wonderful team. Really looking forward to having this discussion today about urban living. Enjoy the show. Welcome, Christina Miller, to the Empowered Investor Podcast.

Christina: Thanks, Keith. I'm so happy to be here.

Keith: This is going to be a very exciting show. This is part three of our real estate series, and today we're focusing on urban and city living. Having Christina, who is, as we've mentioned in the intro, an incredibly successful agent with a tremendous amount of knowledge and depth, it's amazing to have you on today's show.

Christina: Thank you so much.

Keith: Before we jump into real estate, let's go back to your roots. I remember you and I sitting down 15 years ago, and you were trying to figure out marketing strategies. You knew what you wanted to do, but you definitely have that entrepreneurial side to you.

Christina: Yes, I remember that conversation really well, Keith. I think we were at a cafe somewhere, and I was talking to you honestly about how I was so impressed by the way you approach your business. As I was getting ready to launch my career in real estate, I was looking for some pointers on how to position myself as a go-to real estate broker. I really wanted to make sure to



add value to the traditional offering of real estate representation. Also, back then, 15 years ago, people weren't marketing real estate the same way they are now. Now, a whole bunch of things have changed, but I was really bringing my business perspective to how to market real estate. And it made a really big difference having come from an entrepreneurial background.

Keith: What did your parents do? What entrepreneur business? Because your entire family, your brother as well, they're entrepreneurs.

Christina: Yes. So my family was in manufacturing, textiles manufacturing in Montreal. As we know, that was a very big part of the industry until about 15-20 years ago when we started seeing a lot more offshore production and factories here shutting down, and people had to pivot. So I come from an honest background of entrepreneurs who know how to right a ship, steer a ship, or move it in a different direction depending on what's happening in the business environment.

Keith: You're telling me the textile business is probably one of the most cutthroat businesses where successful entrepreneurs really need to figure out how to move, get in and out of trends, and make great decisions.

Christina: That's so true. That's so true. Anyhow, I always envisioned working for myself eventually. When I graduated from university, I worked actually in the not-for-profit sector in the arts in Toronto. Then I was looking at Harborfront Center and then at the Ontario Science Center. But even while I was working for other people, I always had some kind of side business going on, a little bit of a side hustle, let's say. And I remember I was probably about 25-26 years old, and I decided to put together a home goods sale. I started calling giftware suppliers and buying their ends of lines and reselling it over a big weekend in Toronto. I always knew that I had this entrepreneurial spirit in me, and without a doubt, it was handed down by my family.

Keith: It's an amazing story. And then you took that entrepreneurial passion and brought it to real estate 15 years ago.

Christina: Yes, but there was a bit of a journey before that. I worked for myself for 10 years, not in real estate. After I had kids, I wanted something that could allow me the flexibility and allow me to be my own boss. And so I worked in the marketing sphere, doing marketing consulting as a freelancer for different companies. As well, I had a business supplying trade show lanyards to trade



shows across North America and big events. But then with the rise of the import business, the cost of my goods started to become too expensive because I was making them locally. And so I was losing business to China. I am a very loyal client-service person, and I was realizing I was losing business over pennies. I thought, oh my goodness, I can't continue to work in an environment where the service that I'm providing is not valued. It's just the dollar or the pennies that matter. So I said, that's it. I've always wanted to go into real estate. It's been in the back of my mind. I thought I would do it at the age of 50, but instead, I started at the age of 40. That was really because I knew that in a business that is so based on connection and emotion to a client, I could do it. I just knew it intuitively that was going to be the sphere where I would be happy and be able to provide a great service to my future customers.

Keith: It's great to hear the foundation and the roots where individuals come from because you've brought that service, that client service, and that entrepreneurial flair to your real estate practice and business in the last 15 years. So let's switch gears and get into real estate.

Christina: Sure.

Keith: A year ago, we were celebrating our one-year recovery point from the lowest point in the pandemic when there was a lockdown last March. April, May—you were in the real estate business. You had a big team. What did that feel like being in the real estate market a year ago?

Christina: I can tell you when the news came down that all of us were being sent home with our stay-at-home order and that we couldn't even show properties, it was frightening. Like every business owner, I thought to myself, we are only March 15th. How are we going to get through the whole year? I have a pretty substantial payroll of people that work on the inside, and I really did not want to put anybody on unemployment or CERB or anything like that. We set to work, put our heads down, and thought in a business that is so active—and 2019 was already a very good year and the end of 2019. We were seeing a rise in the real estate market. Even January, February that year was very good 2020. Suddenly to have the brakes on, I thought, okay, what are we going to do with this newfound time? And of course, none of us knew how long it would be. So we decided to look internally and take the opportunity to improve our systems and procedures. So we adopted new technologies. We cleaned up our database. We did training. We met three times a week as a team on Zoom to stay connected to each other and share ideas and talk about



what kinds of things we're doing to stay sane. Here I was with a team of—we were probably nine of us at that point. We've actually had to hire people since because it's been so busy. But nine of us would be on that Zoom screen talking about how we were staying sane. And it was really interesting to see how different people were handling it. Some of our team members headed to the country where they could be outside a little bit more, and others were stuck in their urban houses staring at the same walls. And we really helped each other stay healthy.

Keith: Yeah, and it must've been scary as an owner of a practice.

Christina: Absolutely. It was. My husband helps in the business on the back end, and he was helping me run spreadsheets for zero income through to the end of the year. And we were trying to see how long we could float that way. But little did we know what change would be ahead just eight short weeks later when the real estate market was allowed to go back to business.

Keith: And let's focus on that now. So today's show is about urban and city living. We've done two shows on suburban living. So let's focus on urban and city living. What are the main categories within a city living environment?

Christina: If you're talking about the real estate categories, of course, downtown real estate involves rental properties. It involves owning in condos, both divided and undivided co-ownerships. And then, of course, we have single-family homes. So that's really where we do all our real estate business in those categories.

Keith: And so what are the major trends that you're seeing in the cities right now?

Christina: So what we're seeing is a lot of change, like everywhere. And it's coming from all kinds of thinking and thought patterns. So I have seen clients—and I'm hearing the same thing, by the way, across Toronto, Vancouver, Ottawa, Calgary. Other colleagues of mine who are working in those cities are seeing clients say the same thing. They're reevaluating what they need. So we're seeing everything from people who've been happy living in their small homes suddenly realizing they can hear the kids everywhere, suddenly as they're trying to work from home, and they want to upsize to a house with two home offices, maybe a little more outdoor space. So we're seeing that. We're also seeing some people who are saying, you know what? I'm not really happy



using my city house as much as I should be because I've been living at our cottage for the last 12 months most of the time, and geez, I like the slower pace. I like looking out at the beautiful trees and being able to go for a bike ride after my day is over in nature. So we're seeing some of that. We're also seeing some people in the rental market who are saying, I don't want to rent anymore. The interest rates are crazy low, and there's an opportunity for me to buy in the market, and we're going to start maybe considering buying where there may be a little bit of opportunity. I've had some young people say, hey, condos are emptying out. It's certainly at last year at the early part of the pandemic. People were putting their condos on the market, and there was a glut of inventory in the condo market. So some people said, hey, I'm going to buy a condo now. I might be able to get a little bit of a better price than I could have six months prior or whatnot. So first-time buyers are buying condos. We're seeing a little bit of everything, Keith. Honestly, we're seeing some people say, I'm out of here. I don't even want to live in the city anymore. I'm moving to a smaller town, let's say a B city, and I'm going to enjoy what those places have to offer.

Keith: So when we read the newspapers and you speak to people and you hear stories, you're hearing a lot of individuals saying, I'm leaving the city. I'm going to go to the suburbs. I'm leaving the city, and I'm going to smaller cities outside an hour or two or three. Is that your sense? Your sense is people might be living in a rental, small condo. They're definitely not leaving the bigger homes. Because they're still under pressure right now.

Christina: Absolutely. So I think there's a bit of everything, and I wonder. And of course, we are seeing there's proven trends and research is showing that people are flocking out. So where are they flocking from? Maybe they're flocking from the rental market into homes in the suburbs or smaller cities. But I'm not seeing that in single-family home sales in the downtown Montreal market anyway, and neither are some of my colleagues in other cities. In fact, what we're seeing is a strain on our lack of inventory of single-family homes as the owners of those homes don't want to sell because they don't know where to go. They don't have an alternative. I think that we should talk a little bit about the city dweller. Lives in the city for a reason, and they're rooted to those reasons. For example, people like to be able to walk to their local haunts. They want to be able to walk to their grocery store, the local pub, the coffee shop, and they'll sit on the park bench and chat with a friend. That's the reason they like living in the city. I call it a little bit the Starbucks effect. Even if we talk



about what's happened in the downtown core, there's a lot of people that express wanting to be able to not use their car every day, to jump on a Bixi and toot around. I have a lot of clients who've given up the second car in favor of using things like Communauto or walking or public transportation. And people are concerned about the impact on the environment as well, as we've seen for many years now. People want higher density in cities so that we can have a reduced impact on the environment by not commuting in and out. Now, that's going to change, as we've all been hearing, as employers are going to have to figure out a way to have more of a hybrid approach to where their employees work from. I don't think we can put that jack back in the box. It's popped now.

Keith: Yeah. I remember listening to a podcast maybe a month ago, and it was by some scientists who were following illness and pandemics. They studied the last thousand or 2000 years, and they look at history. History has always shown that when illnesses come, people leave cities and go to farmlands, and they just go for space. And we were seeing a little bit of that trend and that behavior across North America in the last year. But what they also said is it is a matter of time, and people will come back because they want the activity of the city.

Christina: It is a wonderful thing to sit in a city park and have life going on around you. And I think I've spent more time discovering nooks in the city due to the pandemic than I ever did before. A couple of weeks ago, friends and I gathered in Saint-Henri in Sir-Georgette and Cartier Park. We brought our chairs. We brought our own appetizers. You're actually allowed to bring a glass of wine. Who knew? Anyhow, we had a lovely gathering in a safe environment outside in our own bubbles, and it was so much fun to be around other people who were enjoying the outdoors. We're very lucky in Canadian big cities. Every single Canadian city has good parks in its downtown core. Mount Royal is full of people taking advantage of what the city has to offer. I'm hearing it over and over again—how fun it is to be able to put your cross-country skis on and have a ski around Mount Royal and then be back at your desk for a Zoom meeting that's scheduled for 9 am. There's not a lot of bad things you can say about being able to do that. Really nice.

Keith: You are absolutely right, Christina. Canadian cities are amazing in terms of having parks, walking spots. I remember living in Toronto, and we lived right beside Hyde Park, and that is a massive green space. It is something that's extremely appealing. Christina, again, you work in the luxury high-end market.



Would it be Westmount, Outremont, and a couple of other areas like TMR that would be the marketplace?

Christina: Montreal West, NDG, downtown.

Keith: How does the market feel? Does it feel balanced to you right now?

Christina: Oh no. It doesn't feel balanced. It's definitely in favor of the seller. There is no question. I have never seen so many bidding wars because the inventory is low and demand is high, and we are selling homes quicker than I've ever seen.

Keith: So for these homes, walk us through what a sale looks like. How many bids do people end up having? Are prices going for the asking price? Are they going for more than the asking price? What's going on in the downtown cores right now?

Christina: So the listing price to asking price is tighter than it's ever been. We've seen more properties sell for over the asking price in the last year than in my 15-year real estate career. If a house looks good and is in good condition, it has a much higher chance of selling for over asking, and that's because people in this pandemic world are worried about taking on renovations. We hear and read every day about how the cost of lumber has gone up, how it's impossible to get a contractor because people are looking around and deciding, I've been spending a lot of time in this house, and boy oh boy, I hadn't really noticed, but I could use a little bit of home improvement. So it's hard to get a contractor. So if people are offered something that's in good condition where they can move in literally with their toothbrush in hand and unpack some bags, then that's making that property very appealing. So we are seeing trends of renovated houses in good condition selling at three or four times the speed that they used to with a lot of demand. We listed an upper duplex in Montreal a couple of weeks ago, and we had 12 offers on that property. It's in very nice condition. It surpassed anything we would have imagined. Literally, we've made ourselves a spreadsheet to deal with bidding wars now so that we can lay out all the offer details for our clients so they can go through it and choose what makes the most sense for them.

Keith: So you definitely are seeing bidding wars in single-family homes in the cities.



Christina: Yes, and not only single-family homes. That example I just told you about was an upper duplex, so it was a condo as opposed to a condo in a tower. We have a lot of supply of that right now. Little parts of houses, an upper duplex, a lower duplex, or a fourplex with maybe a roof terrace—that is really in high demand because often they come with a patch of outdoor space which people appreciate.

Keith: Okay, so that's a pretty big distinction for city living then. So apartments and condos in towers, it makes sense when you have to get into an elevator—those are struggling or in less demand, perhaps, versus single-family homes or condos in a five-story condo complex.

Christina: That's right. I listed one in the McGill Ghetto a couple of weeks ago, and the woman called me up and said, hey, I hear the condo market is soft, and I'm wondering if I should bother listing my house right now. I asked her a little bit more about where she lived, and it turned out she lived in the middle floor of a triplex with a parking space and a lovely little balcony that is sun-filled all day long. I said, oh no, you are going to have no trouble selling that. And sure enough, we listed it. We've got six offers, and it sold for over asking about four or five days after we allowed the visits to happen. So definitely, there is a distinction. If you can feel like you're in your own private oasis as opposed to in a big tower, there's more demand for that kind of place.

Keith: That's massive. Thank you so much. Yeah, that's a great distinction. So what's driving the shortage of supply right now in family homes in major cities? What's driving that shortage?

Christina: It's really the sellers of those properties are not quite ready to sell yet, and they don't know where to go. Generally, if they're going to go to the trouble of moving, they want to take a decent sum of money out of the market, let's say 50 percent out. So let's say if they're going to sell for \$2 million, they want to buy something for \$1 million, and they can't find that inventory. And so they're saying, oh, forget it. I'm going to stay right here. Some of the options that they could go to are condos, but then condos come with high condo fees and potential assessments, and they find it actually less expensive to stay in their homes than to take on some of those fixed costs in condo living. So they're saying, no, I'm going to stay here. If I had—and I don't know if I can—there are townhouses that I could offer people in the urban core where they still had their own front door and a little patch of grass in the



back and a nice garage for their one car. I could have more people selling their homes. But right now, they're just staying put.

Keith: That's what popped up in the second show that we did where we talked about the downsizers, and there just doesn't seem to be a place for them to go.

Christina: Yes.

Keith: Even in the suburbs, people are looking for townhouses. How do we fix this? It seems to be that everybody is suggesting, obviously, we need more supply. So how does it get fixed? Any ideas on that? Or is that a magic question? I understand it's a tough one, but what are your thoughts?

Christina: If we talk about it in the downtown cores, we need to increase density. And I know mayors of all our big cities across Canada are trying to fix that with modifying development rules and whatnot so that we can have denser cities. But that takes time, right? It takes time for that to happen. And there are processes in place where the public can comment, and there's a lot of the not-in-my-backyard (NIMBY) effect. So you might be living somewhere, and you don't want an apartment building coming up at the end of your block. So there's a lot of hoops to get through before new developments get approved.

Keith: You are so right, Christina. We've heard the NIMBY effect throughout this series, the not-in-my-backyard effect.

Christina: Yes.

Keith: So the NIMBY effect is not just reserved for suburbia. It's also urban city.

Christina: Oh, no question. No question.

Keith: So, Christina, let's switch gears a little bit and get into your best suggestions and recommendations for buyers and sellers who are interested in either buying property in an urban city or selling in an urban city. So let's start with buyers.

Christina: Okay, so my biggest hands-down advice to any buyer is to be ready with proof that you have the financial capacity to purchase what it is you're purchasing because in an environment with bidding wars, if somebody has a



couple of offers in front of them and one of them has a financing condition without a pre-approval letter, they're going to be just looked right over, passed right over, even if their price is higher. So I'm actually encouraging buyers to have any kind of proof of their financial capacity to purchase, and the more compelling that proof, the better. The other advice for buyers is to not get too attached because you will be disappointed. We had a buyer lose a property a couple of weeks ago in St. Lambert, and they had bid \$261,000 over the asking price, and they did not come away with the house. And so you have to quell their expectations and say, we're going to do our best. If you don't get it, we're going to find you another one.

Keith: Wow. What a story. That's heartbreaking.

Christina: It is.

Keith: And I got to believe that the buyers are really the most challenged here, of course, and they're the ones that have to really be more worried and stressed about how to acquire a property.

Christina: And even the buyer brokers on my team, agents on our team who mostly represent buyers, are working so hard doing four, five, six offers for the same clients, and yet they're still coming away without the house. So that's disheartening not only for the buyers but also for the broker. So that presents us a whole other set of challenges.

Keith: Okay. That's interesting. Can you take a minute and elaborate on your team? You said buyer brokers, you've got agents that specialize in the buying side and then agents that specialize on the listing side. Is that correct?

Christina: So I would say that our brokers actually are very adept at all things. However, the idea behind our team is that we can really help service a lot of buyers. We list a lot, we sell a lot, and those listings lead to new buyers. So we try to help those buyers as they come to us with whatever it is they need. So we do end up representing a lot of buyers. So our brokers work very hard to make sure that our buyers are set up for success by doing some of the things I just told you. We're seeing a big trend right now for our listings to prepare to go to market with a presale inspection. And that helps buyers because the buyer doesn't have to actually wait for an inspection. They'll have an inspection in front of them to be able to make their decision as to whether they want to make an offer on that property. So we're teaching buyers to



understand the choice between doing your own building inspection or using an inspection that was prepared in advance. Some people are a little leery about that, but in this competitive market, a lot of buyers are just accepting a pre-listing inspection as their own take on what the condition of the house is. And that's a trend that's been going on in Toronto and Vancouver for years. But in Montreal, we didn't have such a fast-paced market until very recently, and therefore buyers were uncomfortable with somebody else's pre-listing inspection, but now they're getting more and more comfortable with that.

Keith: Okay. Interesting. And I would assume that would be a seller strategy too.

Christina: Absolutely.

Keith: Seller strategy would be to get that inspection in place. It's just an easier way to make their property more attractive and encourage higher bids.

Christina: Absolutely. The other thing we're doing with our sellers onto seller strategies is how we price it. We are pricing at a price that they would be comfortable with if it sold there, but also to attract people to potentially bid over. And that's working very well for our sellers. We're also letting people come in for four or five days and then looking at offers on the fourth or fifth day. And that's working as well to make sure that everybody has a chance to get in and put down their best bid.

Keith: Fascinating. So any other sort of final suggestions for a buyer or seller?

Christina: Certainly talk to your broker. Talk to your broker about the landscape. Work with a broker that you feel has your back and is really there to protect you. You have to realize that your best asset is the landscape, understanding the market activity, understanding that a house is a huge investment. You want to make sure that you're buying something that is not riddled with problems. You want to buy in an area that will hold its value or at least sustain its value, especially in a market where we're seeing frothiness. We very much never want to put our clients in a position when they're buying that if they had to sell again in a year or two or three, that they would sell for less money than they bought it for. So we try our very best to advise our clients on how to avoid making that pitfall.



Keith: All excellent points. Thank you, Christina. Let's start wrapping up the show. But before we do that, there's a couple of controversial subjects that are thrown out there in terms of new things, new mechanisms that should be added into the real estate market. One of the ones that are gaining a little bit of traction in the media is open bidding versus blind bidding. So let's spend a couple of minutes talking about that. I'd love to hear your thoughts on that. So obviously, blind bidding is where you don't see what the other bidders are paying, and that's the current mechanism in Canada. And there's some suggestion that open bidding would become more transparent. Pros and cons. Let's have a little discussion on that.

Christina: Sure. So I can tell you that the notion or the practice rather of blind bidding in a robust market like we are seeing now is usually providing a great advantage to the seller because that person who is coming away with the property is often paying substantially more than the second-best bidder. I've seen examples of it. Yes, sometimes it happens where bids are almost the same, and maybe the conditions are better on one. Perhaps somebody has decided to waive their inspection or somebody is a cash buyer, whereas the person behind them isn't. I had that happen a couple of weeks ago. In fact, my client took \$15,000 less from a cash buyer than from someone he had to wait 21 days for to get financial. He just wanted the bird in hand. So there's that. But there are examples where the price being paid far surpasses the second bid. And all the information is confidential, so the buyer never knows how much they overbid beyond the next guy. And they just have to accept that. And usually, they're very comfortable with it. They say, no, I don't care. I'm probably \$100,000 over the second bid behind me, but I don't care. I want the house.

Keith: So what about the argument in favor of the seller actually, where if there was a second or third place bidder, if they would have known what the first place bidder was bidding, they might actually pay a little bit more. Do you think there's any substance to that?

Christina: I think it could happen, but at some point, the bidding has to stop. Now, I know that there are places in the world where open bidding has been the practice. I think trying to turn the Canadian market to that is going to take some time and meet some resistance. People don't like change. So we'll see what happens in the long term. But overall, I'd say if I had to place my bet, if we could open every bid that's ever happened and interview every potential buyer, I'd say that the closed bidding process ends up favoring the seller.



Keith: Fair enough. Fair enough. Great observation. Christina, thank you so much for sharing your time today. I know our listeners are very appreciative. This wraps up our third part and a great part on urban and city living. So thank you so much, Christina.

Christina: Thank you very much, Keith. It was great to be here.

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