

RENTAL/INVESTMENT — PROPERTIES —

ROB'S UPDATE

SUMMER/FALL 2010

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Food for thought . . .

“If we have no peace, it is because we have forgotten we belong to each other.”

. . . Mother Teresa

**Courtesy of
ROB DRYSDALE**



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GOVERNMENT OF CANADA

continues to protect and strengthen the Canadian Housing Market

The government has further adjusted the rules for government backed insured mortgages as follows:

- Requires that all borrowers meet the standards for a five-year fixed mortgage even if they choose a mortgage with a lower interest rate and shorter term. This initiative will help Canadians prepare for higher interest rates in the future.
- Lowers the maximum amount Canadians can withdraw in refinancing their mortgages to 90% from 95% of the value of their homes. This will help ensure home ownership is a more effective way to save.
- Requires a minimum down payment of 20% for government backed mortgage insurance on non owner occupied properties purchased for speculation.

These adjustments to the mortgage insurance guarantee framework came into force on April 19, 2010.

Finance Minister Flaherty stated that: “Our government is acting to help prevent Canadian households from getting over extended and is acting to help prevent some lenders from facilitating it.” Minister Flaherty added, “If some lenders aren’t willing to act themselves, we will act. These measures demonstrate the government is committed to taking action when necessary to support the long term stability of a sector that is so vital to our economy and the financial well-being of Canadian families.”

I believe that these changes are sensible, however they will have some impact on the housing market. Of course those needed funds can still be taken from the equity in your principal residence or another rental property.

www.robdrysdale.ca

Check out my website. On the site you will find the last twelve years of the ‘Investment Update Newsletter’ and other information, such as the “Residential Agreement for Crime Free Housing”. On this site you can also receive information on new listings 24 hours faster than realtor.ca and with much more detail. There are also direct links to the Residential Tenancy Office, city halls and more. You can e-mail me directly at rob@robdrysdale.ca.

If you do not want to receive the newsletter or to be contacted by phone please e-mail or page me through my office at 604-575-5262.

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2010 MID YEAR STATISTICS

Sales processed on the Fraser Valley Real Estate Board's Multiple Listing Service (MLS®) increased by 23% in one month going from 1,477 sales in May to 1,815 in June. June's numbers represent an 8% decrease compared to the 1,982 sales during the same month last year. We have been busier than expected and it could be a combined effect of the mortgage rates, the HST coming into effect July 1, as well as the tremendous selection of homes available in the Fraser Valley. The total active inventory on Fraser Valley's MLS® at month's end was 11,110, 19% more than was available in June 2009. The Board's MLS® received 9% fewer new listings in June compared to May. Listings typically do decrease in the summer, which will continue to stabilize the market."

In June, the benchmark price for Fraser Valley detached homes was \$518,355, a 9.9% increase compared to \$471,788 in June 2009. The benchmark price for Surrey was \$530,763 an increase of 9.4%. Over the last few months we've seen residential benchmark prices levelling. Year-over-year price increases may still appear dramatic depending on the property type and location, because at this time last year we hadn't yet begun our recovery phase. As we go to print the number of sales in July has decreased from last month and from July 2009. More will be revealed as we proceed through 2010.

Buying or Selling: For experience, and results, call Rob at 604-575-5262.

LEASE AGREEMENTS

Recently I sold a property for an investor who had a fixed term rental agreement for one year with his tenants. We were timing the sale to complete at the end of the lease. If you are using the rental form from the Residential Tenancy Office you must check one of two options under Section 2 (LENGTH OF TENANCY). If you check the first box you will be responsible to pay the tenants' compensation of one month's rent and give them 60 days notice at least the day before the rent is due after an unconditional offer. If you check box number 2 the tenant must move out on the end date and no financial compensation is required.

EXPERIENCE — TO SERVE YOU BEST



Rob Drysdale

For more than 25 years Rob has been working as a professional Realtor in the Fraser Valley. Specializing in residential and investment property sales, his knowledge of the market and community is impressive, and has served his clients exceptionally well over the past years.



Dominion MacKlem Mortgages

Your Recipe For Smooth Stress Free
Financing

Effective July 23, 2010

Term	Bank Rate	My Rate
6 mo. Closed	4.65%	3.95%
1 Year Closed	3.70%	2.64%
2 Year Closed	4.20%	2.95%
3 Year Closed	4.75%	3.64%
4 Year Closed	5.44%	4.09%
5 Year Closed	5.79%	3.95%
7 Year Closed	6.49%	4.99%
10 Year Closed	6.80%	5.35%

Variable rate mortgages from Prime Rate 2.75%
as low as Prime minus 0.6%.

O.A.C.— Subject to change without notice.

Conditions apply. Please
call for more information

Bill Outhwaite
Mortgage Consultant

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Thought of the Month:

"Man needs for his happiness,
not only the enjoyment of this
or that, but hope and enterprise
and change."

... Bertrand Russell

MARKET EVALUATION

Whether you are considering selling your rental property in order to take out your equity, take advantage of your capital gains tax exemption reservation made in 1994 or **planning to sell your principal residence** I will be pleased to do an up to date market evaluation at no cost or obligation to you. Please call **604-575-5262**.

Company Profile

Benchmark Realty was established in Langley in 1983 with 7 salespeople. Within one year additional branches were added in White Rock and Surrey and boasted 75 salespeople. In 1986 a long search for a franchise partner ended by hooking up with Homelife Realty Services. Homelife Realty with 9 offices and over 560 salespeople is a major force in the Fraser Valley Real Estate market.