

## In this issue

- ◆ Capital Loss: Your Gain
- ◆ Timothy Leary
- ◆ Market Statistics
- ◆ Willie Tyler
- ◆ More info re:  
Tennacy Agreements
- ◆ Mortgage Rates
- ◆ Suite Licensing

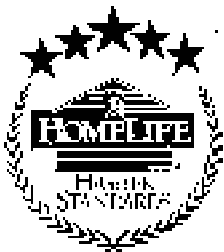
### Food for thought . . .

“The reason lightning doesn’t strike twice in the same place is that the same place isn’t there the second time.”

. . . Willie Tyler

Courtesy of:

**ROB DRYSDALE**



**Homelife Benchmark  
Realty Corp**

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## IN 1994 YOU CLAIMED YOUR \$100K CAPITAL GAINS EXEMPTION

Now you are . . .

### SELLING AT A LOSS

Many individuals elected to crystallize their \$100,000 capital gains exemptions on rental properties owned at the peak of the market in 1994. The values of many of the properties elected upon have now declined, leaving the owners wondering what the tax implications of a loss will be?

**Consider Mrs. Jones:** She was diligent in her tax planning in 1994 and claimed her \$100,000 capital gains exemption against the accrued gains of her rental property. In doing so, Mrs. Jones was able to increase the cost base of her rental property to its February 1994 market value of \$200,000.

However, her property has experienced a decline in value and is currently worth \$180,000. After estimated real estate commissions (and GST) of \$9,000, Mrs. Jones anticipates realizing a capital loss of \$29,000.

ie. Proceeds of Sale:	\$180,000
Less:	
Adjusted Cost Base	(200,000)
Commissions	(9,000)
Capital Loss on Sale:	<u>\$29,000</u> x 75% = <u>\$21,750</u>

The *net* capital loss of \$21,750 may be written-off against taxable capital gains realized in the current year. If no gains are currently available, the loss may be carried back for up to 3 years (to offset *previous* taxable capital gains, and create a *refund*) or may ***be carried forward indefinitely for future use.***

**Planning Opportunity:** Mrs. Jones may have another property with accrued gains that she is thinking about selling. Now may be a good time to sell that property as well, as she may be able to make immediate use of the \$29,000 loss by offsetting it against other gains realized in the year!

Everyone’s tax situation is different. To plan appropriately and avoid surprises, seek professional advise!

**Courtesy of: Pagnanini & Edwards, Chartered Accountants (tel. 299-9274, fax. 299-9247),** specialists in personal and corporate tax matters.

# RENTAL/INVESTMENT — PROPERTIES —

# UPDATE

SUMMER/FALL 1998

## SUITE FEES

The city of Surrey has charged nearly 15,000 home owners a fee for extra utilities — water, sewer and garbage of \$413.60. It is estimated that there are more than 20,000 suites in Surrey. The city continues to aggressively pursue location of suites and the onus is on the owner to prove they don't exist. Remember these become licensed suites not "legal" suites.

## HOUSING MARKET IN FRASER VALLEY: FIRST HALF 1998

"The number of sales for the first two quarters of 1998 is down 27% from the sales of the same period in 1997," says Dennis Wilson, president, Fraser Valley Real Estate Board. "This is a slight improvement from the 31% decrease we saw after the first quarter of this year. This decrease is consistent across all housing types — single-family, detached and condominium apartments.

"So far this year, prices have generally held steady. The average price of all of the single family detached homes that sold on MLS in the Fraser Valley in the first half of 1998 is \$246,359. This is within 1% of the average price for the homes that sold in the first half of 1997. The Median price is \$235,000, which is off 3.9% from June of 1997, this is perhaps more reflective of the market.

## SUBSTANTIVE REQUIREMENTS — STANDARD TERMS

Residential tenancy agreements for premises other than manufactured homes must also contain certain standard term clauses. These standard terms summarizes the parties' rights and responsibilities with regard to:

- ◆ security deposits
- ◆ rent payments and rent increases
- ◆ assignments and subleases
- ◆ repairs
- ◆ number of occupants and invited guests
- ◆ door locks
- ◆ landlord's right to enter the premises
- ◆ changes to the tenancy agreement
- ◆ non-contravention with the provisions of the RTA
- ◆ ending the tenancy
- ◆ providing the tenant with a copy of the tenancy agreement
- ◆ arbitration of disputes

Sample Residential Tenancy Agreement form available through Ministry of Attorney General — Residential Tenancy Branch. A copy is available by telephoning 773-2829 in Vancouver or in Surrey 930-3600.



## Residential Mortgage Rates

Best residential rates as of July 20, 1998

Term	Our Rates	Most Banks
Convertible	4.400%	6.700%
1 Year Closed	6.050%	6.550%
2 Year	6.150%	6.650%
3 Year	6.050%	6.800%
4 Year	6.150%	6.900%
5 Year	6.200%	6.950%
7 Year	6.450%	7.200%
10 Year	6.490%	7.600%

Courtesy: Jared Dreyer,  
The Mortgage Source: 582-7121

## Comparative Market Evaluations

Rob will be pleased to do an evaluation on your rental properties. Preliminary appraisals can be accomplished with a drive-by (without disturbing tenants).

If you are interested in the value of your primary residence a no-cost, no-obligation market evaluation is available. Call

**Rob Drysdale**  
597-7292

## RENTAL MANAGEMENT SERVICES

To have your rental property operate carefree, have it looked after by Cathy Mantel @ HOMELIFE PROPERTY MANAGEMENT.

Cathy offers a very competitive service with a low monthly fee with **no start up charge**.

**For more information call:**  
590-2037

## Thought of the Month:

Women who seek to be equal with men lack ambition.

... Timothy Leary

## EXPERIENCE — TO SERVE YOU BEST



### Rob Drysdale

Since 1980 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.



## Company Profile

Benchmark Realty was established in Langley in 1983 with seven 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 has maintained the no. 1 market share in the Fraser Valley for the last 6 years.