

# RENTAL/INVESTMENT — PROPERTIES —

# ↑ UPDATE

WINTER/SPRING 2002

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### Food for thought . . .

“Between two evils, I always pick the one I never tried before.”

. . . Mae West

Courtesy of:

**ROB DRYSDALE**



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Realty Corp**

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# RENTAL LOSSES

## . . . A RISKY BUSINESS

Revenue Canada continues to focus a tentative eye on recurring rental losses, and may challenge deduction of such losses for up to the past three taxation years resulting *in taxes, penalties and interest compounded daily.*

Although Revenue Canada has met with limited success by challenging taxpayers on the basis that there is *no reasonable expectation of profit*, the risk increases to the taxpayer reporting ongoing rental losses over a period of years.

### Our Advice:

Ensure that you have some tangible plan for paying down the mortgage on the property and can show that losses will be eliminated over time. Retain evidence that you have actively sought to rent the property at market rates and maintain adequate records and receipts to support expenses incurred on the property. Also ensure capital expenditures are not written-off as repairs and maintenance.

*For professional advice  
on your rental activity or business,  
we welcome your call:*

Pagnanini Edwards Lam,  
Chartered Accountants

Telephone: 604-299-9274

Email: Info@accountants.ca

\*Disclaimer: Not intended to solicit properties already listed

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## 2001 MARKET STATISTICS

The Fraser Valley Real Estate Board reported that sales for December 2001 soared 91% to 1,171 sales over the 613 sales recorded in December 2000, according to information from the Multiple Listing Service. In the Fraser Valley there were 13, 567 sales in 2001 on the Multiple Listing Service, up 33.9% over the 10,132 sales reported in 2000.

In December, the average price for a single-family detached home in the Fraser Valley was \$252,224. The average price for a Fraser Valley townhouse was \$181,505. Fraser Valley apartments had an average price of \$98,721. The single-family detached home average was up 6.6% over the \$236,618 average of December 2000.

Average prices can be deceiving, however there is certainly an increase in value and continuing strong demand directly attributable to the low mortgage interest rates. Take note as we go to press, the Prime Rate has plunged to 3.75%. The variable rate is 3.35% (pegged every 90 days .4% below bank prime)

Take advantage of this window of opportunity: Buying or selling for experience, enthusiasm and results call Rob at 604-597-7292.



## Residential Mortgage Rates

Best residential rates as of January 17, 2002

Term	Our Best	Bank Posted
Variable Rate	1.24%	3.75%
1 Year Closed	3.60%	4.60%
2 Year Closed	4.30%	5.30%
3 Year Closed	4.75%	5.75%
4 Year Closed	5.55%	6.55%
5 Year Closed	5.60%	6.85%
7 Year Closed	6.15%	7.60%
10 Year Closed	6.55%	8.15%

Courtesy: Jared Dreyer,  
INVIS: 604-649-5991

## 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:  
(604) 590-2037*

## Thought of the Month:

“The only reward of virtue is virtue. The only way to have a friend is to be one.”

. . . Emerson

## SELLING A TENANTED HOUSE

Usually tenants are helpful, but some can make this process a nightmare! The RTA allows entry between 8:00 AM and 9:00 PM with proper written notice not more than 72 hours or less than 24 hours before time of showing. Sometimes it is helpful to let the problem tenant feel in charge by asking them to pick a couple of evenings during the week and an afternoon on the weekend for showings. Then realtors have something to work with.

Courtesy of Cathy Mantel Homelife Property Management.

## 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) 597-7292**.

## EXPERIENCE — TO SERVE YOU BEST



### Rob Drysdale

For more than 18 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.



## 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 its category in the Fraser Valley for the last 8 years.