

# ROB'S UPDATE

## RENTAL/INVESTMENT PROPERTIES

WINTER/SPRING 2018

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#### Food for thought:

"Develop an attitude of gratitude, and give thanks for everything that happens to you, knowing that every step forward is a step toward achieving something bigger and better than your current situation."

Brian Tracy

Courtesy of  
**ROB DRYSDALE**

[Personal Real Estate Corporation](#)

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#### MAJOR CHANGES TO BC RESIDENTIAL TENANCY RULES

Changes to the legislation include limiting the use of vacate clauses in new and existing fixed-term tenancy agreements, limiting rent increases between fixed term tenancy agreements with the same tenant, and strengthening the ability of the Residential Tenancy Branch to investigate and levy administrative penalties for serious repeat and deliberate non-compliance with tenancy laws or orders.

A vacate clause requires a tenant to move out on the date the agreement ends. Landlords will no longer be able to include a "vacate" clause in a fixed-term tenancy agreement except in certain circumstances. These new rules will apply to both new and existing tenancy agreements.

Effective December 11, 2017, fixed term tenancy agreements can no longer include a vacate clause requiring a tenant to move out at the end of the term unless:

- The tenancy agreement is a sublease agreement; or
- The tenancy is a fixed term tenancy in circumstances prescribed in section 13.1 of the Residential Tenancy Regulation. This Regulation specifies situations where a landlord or landlord's close family member plans in good faith to occupy the rental unit.

The ministry will monitor the use of these provisions, continue to consult with key stakeholders and may add new circumstances as necessary.

Unless the landlord and tenant agree to another fixed term, the tenancy will automatically continue as a month-to-month tenancy under the same terms as the original agreement. This type of tenancy continues until one party serves notice or they both agree to end the tenancy.

A rent increase for a tenant remaining in a rental unit is limited to the maximum annual allowable amount and can only be increased once every 12 months. Rent can no longer be increased above that amount between tenancy agreements with the same tenant. Landlords must provide tenants with three full rental months' notice of a rent increase and use the approved form.

**Emerald Master Medallion Member ---15 Consecutive years in the Top 10% of realtors in the Fraser Valley**

**[www.RobDrysdale.ca](http://www.RobDrysdale.ca)**

Check out my website. On the site you will find the last eighteen 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 more detailed information on listings than on Realtor.ca and you can set up an auto email for properties you may be interested in. There are also direct links to the Residential Tenancy Office, city halls and more. You can email me directly at [rob@robdrysdale.ca](mailto:rob@robdrysdale.ca). **If you do not want to receive the newsletter or to be contacted by phone please email or page me through my office at 778 565 1397.**

# 2017 END OF THE YEAR STATISTICS

SURREY, BC - The Fraser Valley housing market had its second highest selling year on record in 2017, with total MLS® transactions and dollar volume sold behind only 2016's unprecedented level of activity.

The Board's Multiple Listing Service® (MLS®) processed 22,338 sales in 2017, 7.3 per cent less than the record of 23,974 sales set in 2016. The total dollar volume of MLS® sales was \$15.7 billion, coming out slightly beneath 2016's record setting total dollar volume of \$16.2 billion.

Of the total transactions for the year, 5,198 were townhouses sold and 6,183 were apartments, together representing over half of overall market activity for the region. This was also the highest total annual sales for apartments in the Board's history.

Much of the market's momentum through 2017 came from the incredible shift in demand to attached-style homes, particularly in our larger communities. For inventory, a total of 32,651 new listings were received by the Board's MLS® system, the third highest in the Board's history after 2016 (34,768) and 2008 (35,651).

Last month the Board processed 1,344 sales, the second-most transactions for a December on record in the Fraser Valley. December inventory finished at 3,818 active units, with a total of 1,277 new listings entering the market throughout the month.

## HPI Benchmark Price Activity

- Single Family Detached: At \$976,400, the Benchmark price for a single family home in Fraser Valley increased 0.4% compared to NOV 2017, and 14.2% compared to DEC 2016.
- Townhomes: At \$513,100, the Benchmark price for a townhouse in the Valley increased 1.5% compared to NOV 2017, and 23% compared to DEC 2016.
- Apartments: At \$388,600, the Benchmark price for an apartment in the Valley increased 3.2% compared to November 2017, and increased 40.5 per cent compared to December 2016.

## CANADIAN ECONOMY AND INTEREST RATES

On January 1, the Office of the Superintendent of Financial Institutions' (OSFI) new stress test will require all uninsured mortgage borrowers to qualify against the Bank of Canada's five-year benchmark rate, or at their contract mortgage rate plus an additional two per cent. The tightening of the lending rules comes a year after a stress test was implemented for insured mortgages in October 2016.

Now extending to all mortgages, the stricter qualification process aims to ensure borrowers will be able to withstand higher interest rates. Home buyers with a down payment of 20% or more will now be subject to stricter qualifying criteria (also known as a "stress test") that would determine whether a homebuyer would be able to afford their principal and interest payments should interest rates increase. This stress test will use either the 5-year benchmark rate published by the Bank of Canada or the customer's mortgage interest rate plus 2%, whichever is the higher. Today 5 year fixed rate 3.09% you will need to qualify at today's benchmark rate of 4.99% . As a result you will qualify for approximately 20% less of a mortgage amount.

Give me a call anytime to discuss your mortgage needs.

Courtesy of Bill Outhwaite, Dominion Lending 778-896-9085



Term	Bank Rates	My Rate
6 MONTHS	3.14%	3.10%
1 YEAR	3.04%	2.89%
2 YEARS	3.04%	2.54%
3 YEARS	3.44%	2.99%
4 YEARS	3.89%	2.99%
5 YEARS	4.99%	2.94%
7 YEARS	5.03%	3.69%
10 YEARS	6.10%	3.74%
VARIABLE	2.21%	2.07%

Bill Outhwaite  
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## Thought of the Month:

"Beginning today, treat everyone you meet as if they were going to be dead by midnight. Extend to them all the care, kindness and understanding you can muster, and do it with no thought of any reward. Your life will never be the same again."

Og Mandi

## 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. If you don't live in the Fraser Valley, I work with hardworking experienced Realtors in most areas. Please call 604 220 1991.



## EXPERIENCE - TO SERVE YOU BEST

**Rob Drysdale** - For more than 30 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

RE/MAX LITTLE OAK REALTY is established over 40 years ago. Currently, 211 salespeople work in all 5 offices located throughout Fraser Valley: **Abbotsford, Burnaby, Fort Langley, Mission and Surrey.** RE/MAX Little Oak Realty is one of the most accomplished real estate companies in Fraser Valley Real Estate Market.