

RENTAL/INVESTMENT — PROPERTIES —

ROB'S UPDATE

WINTER/SPRING 2008

In this issue

- ◆ Market Statistics
2007 Year End
- ◆ Dorothy Day
- ◆ Property Insurance
- ◆ Buying with no
Down Payment
- ◆ Douglas Adams

Food for thought . . .

"I have long since come to believe that people never mean half of what they say and that it is best to disregard their talk and judge only their actions."

. . . Dorothy Day

**Courtesy of
ROB DRYSDALE**



**Homelife Benchmark
Realty Corp**

#101 – 15385 No. 10 Highway
Surrey, B.C. V3S 0X9

Phone: 604-575-5262

Fax: 604-575-2214

e-mail:
rob@robdrysdale.ca

PURCHASE Rental Property

with no money down!

Believe it or not, CMHC (Canadian Mortgage and Housing Corp.) will now insure mortgages so investors can buy up to four units of rental property with little or no money down. Investors can purchase one or two units with 100% financing and the third or fourth units with 90% financing. The insurance premium is high: 7.25% on the 100% deals with 4.75% on the 90% financing.

Refinancing can be done up to a 95% loan to value ratio. Line of Credit/Interest Only and extended amortization periods (up to 40 years) are also available. For extended amortization periods add 0.20% surcharge for every 5 years past the standard 25 year period.

This new product changed the way financial institutions calculate the rate used to qualify borrowers. It makes it easier to buy rental properties by reducing the amount of income needed to purchase the property. CHMC says, "By purchasing these properties the borrower will help increase the rental housing available and maintain the stock of affordable housing."

It will be interesting to see the usefulness and effect of these changes for the investor. For more details and a mailout of the CHMC fact sheets on this program please feel free to give me a call or e-mail.

www.robdrysdale.ca

My new website is up and running. On the site you will find the last nine 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 mls.ca and with much more information. 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.

RENTAL/INVESTMENT — PROPERTIES —

↑ ROB'S UPDATE

WINTER/SPRING 2008

2007 YEAR END MARKET STATISTICS

The Fraser Valley real estate market finished with residential sales on the Multiple Listing Service (MLS) surpassing 2006's volume with average home prices showing double digit increases. The year 2007 set a new record for annual sales dollar value reaching over 7.9 billion, an 8% increase over the previous year. There was a total of 16,547 sales of detached homes, town houses and apartments, a 1% gain over last year.

The average price of a single-family detached home in the Fraser Valley rose 11.4% to \$520,317. The averaging can be somewhat deceiving, influenced by new and higher end house sales. Perhaps a better reflection of the market is the City of Surrey with an average sales price of \$523,191, **an increase of 5.6%** over the sales price average at the end of 2006. The majority of the price increases took place during the first 9 months of 2007. The median sales price in Surrey (the sale price at the mid-point of all sales) was \$500,000.

As an active realtor, one of the top 5% in the Fraser Valley, I am seeing a levelling off of prices. Most prognosticators are suggesting a moderate increase in 2008, likely a return to a more balanced market sometime this year. With the spring market just around the corner more will be revealed.

Buying or Selling:

For experience, enthusiasm and results, call Rob at 604-575-5262.

VACANT HOUSES AND INSURANCE

Many insurance companies will not insure a home that is vacant — the old 30 day "grace" period may not apply in certain cases. This could especially be the situation if your tenants leave unexpectedly and you have no one else moving in. One broker I spoke to suggested a vacant house policy at a cost of \$250.00 a month (3 month minimum) covering only fire and vandalism. Be safe and speak to your insurance broker about this concern.

In the meantime make the house look inhabited. Leave blinds or curtains open in their usual position. Put indoor lights on a timer so that they go on and off at appropriate times. Arrange to have the lawn mowed and mail and newspapers picked up or held by the post office.

EXPERIENCE — TO SERVE YOU BEST



Rob Drysdale

For more than 23 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

Best residential rates as of January 10, 2008

Term	Best Rates	Posted Rates
1 Year Closed	5.71%	7.40%
2 Year Closed	5.80%	7.55%
3 Year Closed	5.84%	7.55%
4 Year Closed	5.95%	7.55%
5 Year Closed	5.89%	7.54%
7 Year Closed	6.05%	7.85%
10 Year Closed	6.15%	8.15%

Prime Rate 6.00%

Payment/\$1,000 \$5.44 5 yr/40 yr amort.
O.A.C. – subject to change without notice

Conditions apply.
For more information, please call.

Bill Outhwaite
Mortgage Consultant

778-896-9085

Website: www.billouthwaite.com

Thought of the Month:

"I may not have gone where I intended to go, but I think I have ended up where I needed to be."

... Douglas Adams

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 580 salespeople is a major force in the Fraser Valley Real Estate market.