

ROB'S UPDATE

RENTAL/INVESTMENT PROPERTIES

SUMMER/FALL 2019

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Food for thought:

"Finish each day and be done with it. You have done what you could. Some Blunders and absurdities no doubt crept in; forget about them as soon as you can.

Tomorrow is a new day. You shall begin it serenely and with too high a spirit to be encumbered with your old nonsense."

Ralph Waldo Emerson

Courtesy of
ROB DRYSDALE

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TERMINATION OF A TENANCY FOR ILLEGAL ACTIVITIES

The Residential Tenancy Act provides that a landlord may terminate a tenancy for illegal activities that meet one of more following requirements

- Has caused or is likely to cause damage to landlord's property
- Has adversely affected or likely to adversely affect the quiet enjoyment, security, safety or physical wellbeing of another occupant of the residential property
- Has jeopardized or is likely to jeopardize a lawful right or interest of another occupant or the landlord

In considering whether or not the illegal activity is sufficiently serious to warrant terminating the tenancy, consideration would be given to such matters as the extent of interference with the quiet enjoyment of the occupants, extent of damage to the landlord's property, and the jeopardy that would attach to the activity as it affects the landlord or other occupants.

For example, it may be legal to smoke and/or consume an illicit drug. However, unless doing so has a significant impact on other occupants or the landlord's property, the mere consumption of the drug would not meet the test of an illegal activity which would justify termination of the tenancy.

On the other hand, a chemical drug manufacturing operation (e.g. methamphetamine lab), would form the basis for terminating the tenancy if it would jeopardize the landlord's ability to insure their property.

Breaches of criminal statutes, if minor or technical, may not rise to the level of illegal activity under the Legislation. However, more serious breaches of the same statute may rise to that level. For example, a failure to obtain a business license to work at home, so long as this would otherwise contravene the tenancy agreement, would not be an illegal activity warranting termination of the tenancy. On the other hand, running a brothel in the rental unit would be an illegal activity warranting termination of the tenancy.

Emerald Master Medallion Member ---16 Consecutive years in the Top 10% of realtors in the Fraser Valley

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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. **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	3.34%	3.30%
1 YEAR	3.59%	3.29%
2 YEARS	3.74%	3.14%
3 YEARS	3.89%	2.89%
4 YEARS	3.94%	3.14%
5 YEARS	5.34%	2.97%
7 YEARS	5.80%	3.69%
10 YEARS	6.10%	3.85%

Rates are subject to change without notice. *OAC E&OE

Prime Rate is 3.95%.

Variable rate mortgages from as low as Prime minus 1.00%

Bill Outhwaite

Mortgage Consultant

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Thought of the Month:

"Attitude is a choice.
Happiness is a choice.
Optimism is a choice.
Kindness is a choice.
Respect is a choice.
Whatever choice you make
makes you.

Choose wisely."

Roy T. Bennett,

The Light in the Heart

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 994 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 778 565 1397.



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, 214 salespeople work in 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.