

ROB'S UPDATE

RENTAL/INVESTMENT PROPERTIES

WINTER/SPRING 2019

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Food for thought:

"The good news is that the moment you decide that what you know is more important than what you have been thought to believe, you will have shifted gears in your quest for abundance. Success comes from within, not from without"

Elie Wiesel

Courtesy of
ROB DRYSDALE

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LEGAL CANNABIS AND YOUR RENTAL PROPERTY

While the new legislation (Bill 30) legalizes the possession and personal cultivation of marijuana this does not necessarily provide the right to smoke and grow cannabis in a rental unit. The Residential Tenancy Act includes a new section (Section 21.1). This new section addresses both smoking and growing in the following ways:

Smoking

- A tenancy agreement that already includes a non-smoking clause will automatically also prohibit the smoking of marijuana.
- Any tenancy agreement that either does not have a non-smoking clause or that permits smoking will be considered to also permit smoking of marijuana.

This change is retroactive to all tenancies entered into before the Cannabis Control Date, which is the date this legislation becomes law.

If a landlord would like to restrict smoking of cannabis in the future, any agreement entered into after the Cannabis Control Date must include a prohibition that specifically mentions cannabis or is a broad prohibition (i.e. smoking and vaping of all combustible materials).

Growing

- There will be a retro-active prohibition on growing /cultivating in all rental units across BC for all tenancy agreements signed before the Cannabis Control Date.

If a landlord would like to restrict the production of cannabis in rental homes, the tenancy agreements signed after the Cannabis Control Date must include terms that specifically prohibit the growing of cannabis.

It is the Landlord's responsibility to make sure the prohibitions are clear in the tenancy agreement.

As a Realtor, I can't stress enough how important it is to prohibit marijuana growing in your rental agreements. If it is not in the agreement a tenant can now legally grow up to 4 plants and such an action could cause a dramatic reduction in the value of your property.

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

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. **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.**

2018 END OF THE YEAR END MARKET STATISTICS

SURREY, BC - The Board's Multiple Listing Service® (MLS®) processed 15,586 sales in 2018, a 30.2 per cent decrease compared to 2017's 22,338 sales and the lowest total sales for the Fraser Valley since 2013. The total dollar volume of MLS® transactions for the year was \$11.8 billion, dropping from \$15.7 billion sold during the year prior.

Of the total transactions that took place in 2018, 3,866 were townhouses and 4,296 were apartments. Each of those property types saw a significant decrease in sales compared to 2017, with total townhouse sales dropping 25.6 per cent year-over-year and apartments dropping 30.5 per cent.

"In terms of demand, this is around what we're used to seeing for our region," said John Barbisan, President of the Board. "There is still a great deal of interest for Fraser Valley real estate, but with prices moving slowly and more inventory becoming available, many consumers are taking a deliberate approach now that they can afford to."

For inventory, a total of 32,058 new listings were received by the Board's MLS® system in 2018. This was the fourth highest total for new inventory in the Board's history.

In December the Board processed a total of 800 sales, the lowest for the month since 2012. Inventory in December finished at 5,454 active units, with a total of 978 new listings entering the market throughout the month.

"With buyers shifting into the driver's seat and able to navigate the market more comfortably, it has become key for sellers to price effectively and leverage their home's appeal to stand out and find success."

HPI Benchmark Price Activity

- **Single Family Detached:** At \$965,300, the Benchmark price for a single family detached home in the Fraser Valley decreased 1.1 per cent compared to November 2018 and decreased 1.5 per cent compared to December 2017.
- **Townhomes:** At \$531,900, the Benchmark price for a townhome in the Fraser Valley in the Fraser Valley decreased 0.2 per cent compared to November 2018 and increased 3.7 per cent compared to December 2017.
- **Apartments:** At \$418,300, the Benchmark price for apartments/condos in the Fraser Valley decreased 1 per cent compared to November 2018 and increased 7.6 per cent compared to December 2017.

HOME EQUITY LINE OF CREDIT (HELOC)

Owning an investment property, the HELOC is far and away my favourite product for investment properties.

First and foremost - CASH-FLOW, HELOC's allow you the option of making interest only payments monthly. The monthly payments on a standard \$200K mortgage using current 5 yr fixed rate of 3.59% for example are \$938. Interest only payments would be about \$650. That is a cash flow difference of \$288. Think of a vacancy - they happen. That is \$288 of your own money that you don't have to pull out of personal savings to cover while your investment income is stalled.

Having the ability to scale back or minimize your cash outlays can be the difference between good or bad when it comes to extended vacancy, renewal or unforeseen expense such as a repair or insurance claim. This very feature allows you to take the time needed to properly screen potential tenants when you have vacancy and not rush into leasing.

HELOC's also offer a number of additional features:

Fully open - imagine somebody comes along offering you top dollar for your investment property. A HELOC is fully open meaning it can be paid off immediately without restriction or early payout charges.

Revolving - the cash you are making has allowed you to pay down the HELOC. You can use the available space on your HELOC towards the purchase of another property.

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

**DOMINION
MACKLEM
MORTGAGES**

Term	Bank Rates	My Rate
6 MONTHS	3.34%	3.30%
1 YEAR	3.59%	3.49%
2 YEARS	3.74%	3.54%
3 YEARS	3.89%	3.44%
4 YEARS	3.94%	3.64%
5 YEARS	5.59%	3.59%
7 YEARS	5.80%	4.04%
10 YEARS	6.10%	4.44%

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
778-896-9085 · www.BillOuthwaite.com

Thought of the Month:

"Thankfulness is the beginning of gratitude.

Gratitude is the completion of thankfulness.

Thankfulness may consist merely of words.

Gratitude is shown in acts."

Henri Frederic Amiel

MARKET EVALUATION

Whether you are considering selling your rental property or 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.

**TO SELL PLEASE CALL ROB AT
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.

