RENTAL/INVESTMENT — PROPERTIES —



WINTER/SPRING 2016

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Food for thought...

"We look forward to the time when the Power of Love will replace the Love of Power. Then will our world know the blessings of peace."

...William Ewart Gladstone

Courtesy of ROB DRYSDALE



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TENANCY TIPS

SUGGESTED CLAUSES FOR YOUR RENTAL AGREEMENT ADDENDUM

Here are two clauses that might be worth incorporating into your rental agreements:

- The Tenant must carry adequate insurance coverage for their possessions and liability insurance (\$2 million coverage) as the Tenant may be held liable for accidental injury, accidental damage, or accidental breakage arising from their abusive, willful or negligent act or omission, or that of their guest, in their use of the Landlord's services and property. The Tenant is required to provide the Landlord with proof of insurance coverage on the move in date at the start of the tenancy and on an ongoing basis during the term of the tenancy.
- The Tenant will use the residential premises and facilities prudently and carefully. The Tenant will be responsible for the cost of repairing any willful or negligent damage you, or your guests, may have caused on or in the residential premises, including unusual or abusive wear and tear, cleaning of carpets, unplugging of sinks, toilets, or other plumbing connecting to the residential premises, including costs of making good any water damage. The Tenant will promptly report to the Landlord any damage, unsafe condition, or fault or deficiency in services, including leaking water.

F.Y.I. Allowable rental increase for 2016 is 2.9% (cannot be rounded up).

Just a reminder to inspect the premises monthly - Protect your investment.

Correction: Last issue's cleaning tip should have read "Make a loose paste with cream of tartar and white vinegar. Then scrub with steel wool. Perfect for your oven racks and stove element."

<u>I was again in the top 5% of Realtors in the Fraser Valley</u> (Emerald Master Medallion Club) so thanks to those of you that have supported me in the past. I look forward to being of assistance with all your Real Estate needs in the future.

www.RobDrysdale.ca

Check out my website. On the site you will find the last seventeen 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 Realtor.ca and you can also 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 604-575-5262.

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2015 YEAR END MARKET STATISTICS

Fraser Valley real estate experienced its strongest year in a decade in 2015. This was the second highest year for property sales in Fraser Valley's history, just shy of the region's previous sales high in 2005.

The Board's Multiple Listing Service® (MLS®) processed 21,095 sales in 2015, 33 per cent more than the 15,840 sales in 2014, and 0.9 per cent fewer than the 21,282 sales in 2005. The total dollar volume of MLS® sales was a record setting \$12.1 billion, four billion more than was sold in 2014.

Last year shows that consumers recognize the long-term value of property ownership in the Fraser Valley, particularly valuing the single family home, which they recognize is becoming a limited commodity. Sales of single family detached increased across all of our communities, in some instances more than doubling 2014's sales.

Sales during December were the highest for that month in Fraser Valley's history. The Board processed 1,543 sales, an increase of 44 per cent compared to December of 2014. December's total inventory in the Fraser Valley was 4,280 active listings; 33 per cent fewer than were available in December 2014.

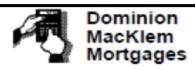
The MLS® Home Price Index benchmark price of a detached home in December 2015 was \$672,400, an increase of 17.3% compared to December 2014 when it was \$573,100. The MLS® HPI benchmark price of townhouses increased 9.6% going from \$293,500 in December 2014 to \$321,800 last month. The benchmark price of apartments was \$204,900, an increase of 7.3% compared to \$191,100 in December 2014.

The market remains buoyant, and with very low inventory currently there is tremendous opportunity for sellers. There's a lot of choice out there, you just need to know where to look.

Buying or Selling: For experience and results call Rob at 604-575-5262.

WHERE ARE MORTGAGE RATES HEADING? We have finally seen a bump in interest rates. The 5 year government bond rate hit a low of 0.6% in mid September and is now at 0.86% and pushing towards 1%. The lenders have reacted to that and the low rates of 2.59% are disappearing while some of the major banks have moved their fixed 5 year rate to as much as 2.99%, however, there are still some lenders at 2.67% on high ratio mortgages. The banks have also been reducing their discount on variable rate mortgages. Where there was prime –.80%, they are now floating between –.30% to –.40%. Reading the economic data is like looking down the road. The farther down the road you look the less clear it becomes. With the current low price of oil and commodities and the huge impact they have on the Canadian GDP it does not bode well for the Canadian economy. The Bank of Canada has stated that it is willing to drop the bank rate to 0% if necessary. This, combined with the current economic data, tells us interest rates will remain low for some time to come.

To discuss options and rates call Bill Outhwaite of Dominion Lenders 778-969-9085



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<u>Term</u>	Bank Rates	My Rate
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2 Years	2.84%	2.24%
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5 Years	4.64%	2.69%
7 Years	5.30%	3.44%
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Bill Outhwaite Mortgage Consultant 778-896-9085 www.BillOuthwaite.com

Thought of the Month:

"The next time you're faced with something that's unexpected, unwanted, and uncertain, consider that it just may be a gift."

...Stacey Kramer

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.





Rob Drysdale

For more than 25 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 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 6 offices and over 415 salespeople is a major force in the Fraser Valley Real Estate Market.