

# ROB'S UPDATE

## \* RENTAL/INVESTMENT PROPERTIES -

WINTER/SPRING 2017

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#### Food for thought...

"Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek." - Barack Obama

Courtesy of  
**ROB DRYSDALE**

*Emerald Master Medallion*



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### TIPS ON TENANCY

**The Allowable Rental Increase for 2017 is 3.7%.**

As always the rental increase can only be levied once a year and the tenants must be given three months notice. If you are considering selling the property, it is highly recommended you raise the rent. I know when there are long term tenants some landlords find it difficult but when you go to sell a property that the rental usage will be continued, a higher income does make it more desirable.

#### **Regarding Electrical Work in your Investment Property.**

If you or a relative or a friend does electrical repairs without being qualified, this is in violation of building codes and municipal bylaws. If your tenant or their family or guests are injured as a result of bad repairs don by an unqualified person, you could be legally liable. Also, the insurance company that insures your rental unit and property usually requires that repairs are done by qualified people - so be careful in dealing with repairs that may affect the life and safety of your tenants. Do not leave yourself at risk of a lawsuit.

#### **Assessing Your Assessment.**

This year of a lot of property owners will be surprised at the increase of assessment value especially since the assessed value is determined based on similar properties as of July 1, 2016 and in many areas detached homes have dropped in value quite a bit in the last 6 months. If you are planning on protesting your assessment, feel free to call me and I will see if I can be of assistance.

*I am once again in the top 5% of Realtors in the Fraser Valley (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 of your Real Estate needs in the future.*

**[www.RobDrysedale.ca](http://www.RobDrysedale.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@robdrysedale.ca](mailto:rob@robdrysedale.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.**

# 2016 YEAR END MARKET STATISTICS

**RECORD SETTING YEAR FOR THE FRASER VALLEY:** Fraser Valley real estate experienced the strongest year in its history in 2016, with record-setting numbers seen in both total MLS® transactions and overall dollar volume sold. The Board's Multiple Listing Service® (MLS®) processed 23,974 sales in 2016, 13.6 per cent more than the 21,095 sales in 2015, and 12.6 per cent more than the previous record of 21,282 sales in 2005.

The total dollar volume of MLS® sales was a record setting \$16.2 billion, four billion more than the previous record set in 2015. Of the total transactions for the year, 5,369 were townhouses sold and 5,069 were apartments, the highest each category has reached in the Board's history. Charles Wiebe, President of the Fraser Valley Real Estate Board, attributes this year's extraordinary market activity to a strong provincial economy and the diverse inventory available to consumers entering the valley. "Our region boasts a vast range of homes available at all price points, which made it a very enticing option for buyers of all types last year."

For inventory, a total of 34,768 new listings were received by the Board's MLS® system during 2016, the second highest in the Board's history. In December the board processed 966 sales, a decrease of 37.4 per cent compared to December of 2015, but level with the ten-year average for the month. December's total inventory in the Fraser Valley was 3,930 active listings; 29.8 per cent fewer than were available in November 2016 and 8 per cent fewer than December 2015. The Fraser Valley market was consistently strong throughout 2016, and at times tremendously active. I had many listings that drew 10-14 offers.

However, in August the sales of detached homes began to slow and through the remainder of the year prices of single family homes decreased. At year's end, we saw sales returning to more typical levels and low overall inventory. "Moving into 2017 and the spring market, would-be sellers are in great position to take advantage of strong pricing and, depending on the area, a limited selection for buyers. Talk to Rob who can help you kick off the New Year with incredible opportunities and give you an Up To Date Market Evaluation.

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

## Mortgage and Tax Rule Changes 2016

**Feb 2016** - Minimum down payment rules for owner occupied homes changed to: Up to \$500K - 5%, Up to \$1M - 5% for the first \$500K and 10% up to \$1M, \$1M and greater requires 20% down (no mortgage insurance available). Exemption for BC Property Transfer Tax on New builds regardless if one is a 1st time home buyer or not with a purchase price of \$750K or less.

**Aug 2016** - The introduction of the foreign investor tax stating that an ADDITIONAL 15% Property Transfer Tax is applied for all non residents or corporations that are not incorporated in Canada purchasing property in the Lower Mainland (Abbotsford and East excluded).

**Oct 17, 2016** - INSURED mortgages with less than 20% down now have to qualify at Bank of Canada benchmark rate 4.64% instead of the 5 year fixed rate of 2.69%. As a result of the higher qualifying rate, you will qualify for 25% less of a mortgage.

**Nov 30, 2016** - MONOLINE LENDERS In addition, Portfolio Insured Mortgages (monoline lenders Street Capital as an example) greater than 20% have new conditions with regulations requiring qualification at the Bank of Canada 5 year posted rate, maximum amortization of 25 years, max purchase price of \$1 million and must be owner occupied.

**BOTTOM LINE** Homeowners will experience the following: 1) Options for mortgages will decrease as certain lenders guidelines will no longer meet federal criteria. Of particular note to investors, there are no more high ratio mortgages for rental or investment properties. You will need a minimum down payment of 20% and many lenders will require a minimum down payment of 25%. Some lenders are increasing the rate by .15% for all rental and investment properties as well as when they are refinanced. 2) **Capital Gains** New rules will make it mandatory for anyone who claims an exemption on capital gains tax when selling their home to report the sale on their tax returns. Families will be allowed to claim an exemption on only one principal residence a year and the home's owner must live in the property. **Bill Outhwaite, Dominion Lending**



**Dominion  
MacKlem  
Mortgages**

Your Recipe For Smooth Stress  
Free Financing  
Effective January 2017

Term	Bank Rates	My Rate
6 Months	3.14%	3.10%
1 Year	3.04%	2.29%
2 Years	2.84%	2.14%
3 Years	3.44%	2.34%
4 Years	3.89%	2.49%
5 Years	4.64%	2.69%
7 Years	5.30%	3.09%
10 Years	6.10%	3.69%

Variable Rate mortgages from as low  
as Prime minus 0.50%

Conditions apply.  
Please call for more information.

**Bill Outhwaite**  
Mortgage Consultant  
778-896-9085  
[www.BillOuthwaite.com](http://www.BillOuthwaite.com)

## Thought of the Month:

"There is no better than adversity. Every defeat, every heart-break, every loss, contains its own seed, its own lesson on how to improve your performance the next time."

...Malcolm X

## 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 604-575-5262**

## 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

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.