

# ROB'S UPDATE

## RENTAL/INVESTMENT PROPERTIES

SUMMER/FALL 2018

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#### Food for thought...

"The real test is not whether you avoid this failure, because you won't. It's whether you let it harden or shame you into inaction, or whether you learn from it; whether you choose to persevere."  
- Barack Obama

**Courtesy of  
ROB DRYSDALE**

*Personal Real Estate Corporation*

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### MORE CHANGES TO THE RESIDENTIAL TENANCY ACT AND RULES

Effective May 17, 2018: Landlords must give four months' notice to end tenancy for demolition, renovation or repair, or conversion, and tenants have 30 days to dispute the notice.

1. Compensation is being increased to 12 months' rent if a landlord (or purchaser) ends a tenancy under section 49 (landlord use) and they don't (within a reasonable period) take steps to accomplish the purpose for ending the tenancy or use the rental unit for that stated purpose for at least 6 months.
2. Tenants have a right of first refusal to enter into a new tenancy agreement at a rent determined by the landlord if the landlord ends their tenancy to renovate or repair the rental unit.
3. A landlord must compensate a tenant 12 months' rent payable under the tenancy agreement if the tenant exercises a right of first refusal and the landlord does not give the tenant notice and a tenancy agreement to sign.
4. If a landlord is ending a tenancy on behalf of a purchaser, the notice must contain the purchaser's name and address.

Premier John Horgan has appointed a Rental Housing Task Force that will advise on how to improve security and fairness for renters and landlords throughout the province.

Rental Housing Task Force will work throughout the summer to better understand what further changes may be needed to modernize B.C.'s tenancy laws, including:

- Consulting the public, landlords, tenants and stakeholders on their views and experiences with current tenancy laws and processes within the rental industry;
- Identifying options to improve security and fairness for both renters and landlords, while addressing the challenges of affordability;
- A review of the existing laws and how they apply to different housing models; and
- A review of innovative approaches in other jurisdictions

The task force will report findings and make recommendations in the Fall of 2018.

***Emerald Master Medallion Member - 15 Consecutive years  
in the Top 10% of realtors in the Fraser Valley.***

**[www.RobDrysdale.ca](http://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](mailto:rob@robdrysdale.ca). **If you do not want to receive the newsletter or to be contacted by phone please email or call me direct at 604-220-1991.**

\*Disclaimer: Not intended to solicit properties already listed

# 2018 MID YEAR MARKET STATISTICS

**INVENTORY CONTINUES TO CLIMB IN FRASER VALLEY AS SALES SIMMER:** The Fraser Valley housing market kicked-off summer with a further increase to overall inventory and a downturn in sales across all major residential property types. The Fraser Valley Real Estate Board processed 1,452 sales of all property types on its Multiple Listing Service® (MLS®) in June, a decrease of 43.5% compared to the 2,571 sales in June of last year, and a 17.4% decrease compared to the 1,758 sales in May 2018. Of the 1,452 sales processed last month 364 were townhouses and 392 were apartments, together representing 52% of all transactions in June. Active inventory for the Fraser Valley finished at 7,141 listings last month, increasing 6% month-over-month and 30.1% year-over-year. Demand is shifting back towards typical levels for our region, and market activity is reflecting that. This has given our inventory a much-needed chance to recover and move the Valley towards a more balanced real estate landscape. The Board received 3,140 new listings in June, a 20.8% decrease from May 2018's 3,965 new listings, and a 15.3% decrease compared to June 2017. For the Fraser Valley region the average number of days to sell an apartment in June was 21, and 19 for townhomes. Single family detached homes remained on the market for an average of 26 days before selling.

## HPI Benchmark Price Activity

- **Single Family Detached:** At \$1,018,900, the Benchmark price for a *single family detached* home in the Valley decreased 0.2% compared to May 2018, and increased 9% compared to June 2017.
- **Townhomes:** At \$558,000, the Benchmark price for a townhome in the Fraser Valley increased 0.5% compared to May 2018, and increased 19.5% compared to June 2017.
- **Apartments:** At \$453,500, the Benchmark price for apartments/condos in the Fraser Valley increased 0.1% compared to May 2018, and increased 39.4% compared to June 2017.

**Buying or Selling? For experience and results call Rob at 604-220-1991**

## FOR RENTAL PROPERTIES, CASH (FLOW) IS KING

Ask pretty much anybody about mortgages and the first, sometimes only thing they want to talk about is the interest rate. In my business as a Mortgage Professional, my job is to educate clients that while interest rate is definitely a cornerstone of your mortgage decision, it is not the only factor to consider when agreeing to sign a mortgage commitment. In many cases, the lowest interest rate does not represent an ideal fit, especially when the actual mortgage isn't aligned with customer's stage of life, priorities, or long-term outlook.

Rental properties are a prime example of mortgage situations where basing a decision solely on the rate is often short-sighted and in some cases detrimental to the long-term viability of one's investment.

Rental properties can be a lucrative way to diversify investments, build passive income and long term net worth. They can also be costly, rigid and very problematic if you don't choose the right property, area, tenants and MORTGAGE PRODUCT. Like any investment you are going to do your research before buying - RIGHT? And you are going to take your time and screen potential tenants vs taking the first Kijiji reply from @fraudster.com offering a cash deposit higher than you have specified - RIGHT?

I'll leave that part up to you. Where I come in is ensuring that the mortgage product you are using allows you the most flexibility on your payments and overall investment. The best way to ensure that your rental investment does not become a sucking vampire on your personal bank account is to minimize the cash outlays you are obligated to make.

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



**DOMINION LENDING  
CENTRES**

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2 Years	3.44%	3.24%
3 Years	3.59%	3.39%
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5 Years	5.59%	3.29%
7 Years	5.80%	3.94%
10 Years	6.10%	3.99%

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

## Thought of the Month:

“Gratitude can transform common days into thanksgivings, turn routine jobs into joy, and change ordinary opportunities into blessings.”

- William Arthur Ward

## 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 604-220-1991.**



## 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 was established over 40 years ago. Currently, 211 agents work in the 5 offices located throughout the Fraser Valley: Abbotsford, Burnaby, Fort Langley, Mission, and Surrey.

RE/MAX Little Oak is one of the most accomplished Real Estate companies in the Fraser Valley Real Estate Market.