

# ROB'S UPDATE

## RENTAL/INVESTMENT PROPERTIES

WINTER/SPRING 2022

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### Food for thought...

"Sometimes one creates a dynamic impression by saying something, and sometimes one creates as significant an impression by remaining silent."

- Dalai Lama

**Courtesy of  
ROB DRYSDALE**

*Personal Real Estate Corporation*

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### Additional Rent Increases for Capital Expenditures

Should a landlord make repairs or improvements to a rental unit or building and want to apply a modest rent increase to pay for them, they must now apply to the RTB for approval. This fulfils a recommendation of the Rental Housing Task Force, along with capping rent to inflation to keep rent more affordable while ensuring rental homes are maintained and improved.

Tenants can participate in the hearing and submit evidence if they believe that the costs are ineligible. The improvements must be capital expenditures involving major systems or components that are integral to the residential property, such as roof repairs or new windows.

If successful, the RTB's decision will set out the eligible rent increase based on a formula, which factors in the amount of eligible capital expenditures and the number of dwelling units, amortized over a 10-year period. The additional rent increase will be capped at a maximum of 3% per year (plus the annual rent increase) for a maximum of three years.

### MAXIMUM ALLOWABLE RENT INCREASE FOR 2022:

Effective January 1, 2022, the maximum allowable rent increase will be 1.5%. Rental property owners must use a government-approved Notice of Rent Increase form to provide tenants with three months notice of a rent increase.

Don't hesitate to reach out to me if you're thinking of Selling or Buying. I also has an extensive network of mortgage advisors, home inspectors, handymen, painters, etc. If it concerns your home, I have the right person for you!

**Rob Drysdale 604-220-1991**

*Emerald Master Medallion Member - 19 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 twenty 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

# 2021 YEAR END MARKET STATISTICS

## Record-Shattering December Caps Unexpected Year in Fraser Valley Real Estate

SURREY, BC – Fueled by the consumer response to the COVID-19 pandemic along with historically low interest rates, total property sales in the Fraser Valley in 2021 shattered the previous annual record last set in 2016.

The FVREB processed 27,692 sales on its Multiple Listing Service® (MLS®) in 2021, an increase of 39% compared to 19,926 sales in 2020; and 15.5% higher than 2016's 23,974 sales.

Year-over-year, sales of detached homes soared by 31.8% in 2021 compared to 2020; townhome sales increased by 33.7% and sales of apartments increased by 68.9%. With the rapid escalation of prices in 2021, many buyers made decisions based on economic factors, resulting in an explosion of condo sales in our region.

In 2021, the FVREB received 35,269 new listings - the second highest on record (second only to 2008 at 35,651): and 12.4% more than in 2020.

In the month of December, the Board's MLS® processed 1,808 sales, second only to December 2020's record-setting 2,086 sales. New listings in December were 1,278. By month's end, active inventory finished at 1,957 units, 60% below the 10-year average, and the lowest in 41 years.

### HPI Benchmark Price Activity

- **Single Family Detached:** At \$1,500,000, the Benchmark price for an FVREB single-family detached home increased 3.6 per cent compared to November 2021 and increased 39 per cent compared to December 2020.
- **Townhomes:** At \$765,800, the Benchmark price for an FVREB townhome increased 3.5 per cent compared to November 2021 and increased 32.9 per cent compared to December 2020.
- **Apartments:** At \$549,200, the Benchmark price for an FVREB apartment/condo increased 3.5 per cent compared to November 2021 and increased 25.3 per cent compared to December 2020.

**Detached House and Duplex values are at their highest ever.**  
**If you are considering selling your investment property now may be the time. Call me for a current Market Evaluation.**

*For experience and results call Rob at 604-220-1991*

**Capital Gains Tax to Increase in 2022?** There has been a lot of "chatter" that due to the huge deficit the Federal Government is running they may increase the portion of Capital Gains that is taxable. One must remember that starting in 1972, 50% of capital gains, (whether on publicly traded shares or other capital property) was subject to tax. On June 18, 1987 Finance Minister Michael Wilson announced that the rate would increase to 66 2/3% in 1988 and to 75% in 1990. The 75% inclusion rate continued through the 1990s until February 27, 2000, when it was reduced to 66 2/3%. In the 2000 fall economic statement, the inclusion rate was further reduced to 50%, and that rate has continued to the present day. The Federal Government may also consider that an increase in the taxable portion of capital gains is another way to slow down the dramatic increasing of property values. With property prices at an all time high and a possible increase of capital gains tax, it may be time to sell and consider investing elsewhere in British Columbia or like one of my investors in Calgary. Feel free to call me anytime to discuss viable options.



### EXPERIENCE - TO SERVE YOU BEST

**Rob Drysdale** For more than 33 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.



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**Bill Outhwaite**

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

### Thought of the Month:

"We are each made for goodness, love and compassion. Our lives are transformed as much as the world is when we live with these truths."

- Desmond Tutu

### 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.**