

ROB'S UPDATE

RENTAL/INVESTMENT PROPERTIES

SUMMER/FALL 2020

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Food for thought...

"Watch your thoughts; they become words. Watch your words; they become actions. Watch your actions; they become habits. Watch your habits; they become character. Watch your character; it becomes your destiny."
- Lao-Tze

Courtesy of
ROB DRYSDALE

Personal Real Estate Corporation

604-220-1991

www.RobDrysdale.ca
rob@robdrysdale.ca

RE/MAX Little Oak Realty
#101 - 15955 Fraser Hwy
Surrey, BC



RENTAL PROPERTY SALES IN A PANDEMIC

The impact on real estate sales was substantial for April & May but now that restrictions have been reduced sales have soared due to the pent up demand. As the statistics shows MLS® sales are up 32% for June 2020 compared to June 2019. The impact on value has been minor. Speaking to my mortgage broker, the banks and other lenders are being strict on those applying for a mortgage. Applicants that have been off work and relying on the CERB will not have an easy time and CMHC guidelines for the buyers with less than 20% down has reduced the amount of mortgage a purchaser can qualify for.

During the Pandemic the sales of rental properties were heavily impacted by the Provincial Government's outright ban on evictions. As most of you know that ban ended on June 22, 2020 for some of the restrictions. Most importantly, tenants can now be given notice upon a subject free sale when the purchaser is going to move in. However, certain situations still apply. Here is a brief summary of the most recent changes:

Landlords cannot give notice to end tenancy for the following circumstances that were incurred during the state of emergency: Unpaid rent or utilities; repeated late payment of rent or utilities; non-payment of a monetary order for unpaid rent and/or utilities.

Landlords CAN give notice to end tenancy for: cause (with some restrictions noted above); landlord or purchaser use; end of employment as caretaker; end of employment if the rental unit is being rented as a condition of employment; demolition, renovation, and conversion of a rental unit (or closure of a manufactured home park); failure to qualify for a rental unit in subsidized housing; the rental unit must be vacated to comply with an order of a municipal, provincial or federal authority.

Landlords can apply to end a tenancy if it would be unreasonable, or unfair to the landlord or other occupants of the residential property, to wait for the one month notice period to end and the tenant or a person permitted on the residential property by the tenant has: significantly interfered with or unreasonably disturbed another occupant or the landlord of the residential property; seriously jeopardized the health or safety or a lawful right or interest of the landlord or another occupant; put the landlord's property at significant risk; caused extraordinary damage to the residential property; engaged in illegal activity (there are a number of parameters in regards to such activity).

I have found that these days most single family rental houses, condos & townhomes are being bought by purchasers wanting to move in, so this change allows rental units to be sold with notice to the tenant to move out under the usual guidelines of a minimum of 60 days notice (once all subjects are removed and at least one day before the rent is due) with one month rent free or one month of the rent as a cash back.

If you would like more details on this situation or a market evaluation of your rental property please feel free to give me a call.

*Emerald Master Medallion Member - 17 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 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. **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

2020 MID YEAR MARKET STATISTICS

PROPERTY SALES IN THE FRASER VALLEY MORE THAN DOUBLE IN ONE MONTH AS BUYERS RETURN TO THE MARKET:

The Fraser Valley real estate market saw a resurgence in activity in June as the industry and consumers continue to successfully adapt to doing business during a pandemic. The Fraser Valley Real Estate Board (FVREB) processed a total of 1,718 sales on its Multiple Listing Service® (MLS®) in June, an increase of 113% compared to sales in May and an increase of 32% compared to the 1,306 sales during June of last year. Last month's sales were 6.4% below the ten-year average for June.

We're cautiously optimistic. June's numbers clearly indicate that the market is functioning in this challenging new environment and we're returning to more typical activity levels which is due to a combination of factors. Obviously, very low interest rates, pent-up demand from the previous three months when the market was on hold, and the new CMHD rules that came into effect July 1st making it harder to qualify for mortgage insurance. Also, consumers have said that they respect and appreciate the safety protocols and use of technology that has been implemented and they're getting more comfortable with the new buying and selling process.

The FVREB received 3,456 new listings in June, a 57% increase compared to May's intake of 2,207 new listings and a 23% increase compared to June of last year. June finished with 7,063 active listings, an increase of 9% compared to May's inventory and a decrease of 17% year-over-year.

We can't predict how our market will continue to respond during COVID, but what we do know is that historically, over 80% of Fraser Valley buyers move within our region and half purchase within their own community. People buy and sell for lifestyle reasons and currently, even during this uncertain time, conditions are favourable. The market is balanced, inventory is growing, and prices remain stable.

HPI Benchmark Price Activity

- **Single Family Detached:** At \$994,500, the Benchmark price for a single family detached home in the Valley increased 0.4% compared to May, and increased 3.6% compared to June 2019.
- **Townhomes:** At \$559,600, the Benchmark price for a townhome in the Fraser Valley increased 0.8% compared to May, and increased 1.9% compared to June 2019.
- **Apartments:** At \$435,300, the Benchmark price for apartments/condos in the Fraser Valley increased 0.4% compared to May, and increased 3.3% compared to June 2019.

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

SHOWING PROTOCOL

As realtors we are following the guidelines from the government in regards to proper protocol for showings. We work hard to ensure the buyers are legitimate by asking them and/or their realtor if they have been qualified at a bank or mortgage broker. Also that they have driven by the property and they like the neighbourhood and have viewed all the information and photos that are available online. When it comes to a showing, masks and gloves are required at all my listings and there is a hand sanitizer station as well. In order to reduce contact by the buyers and their realtor(s), I make sure all the lights are on and closet doors are open and ask the realtors and buyers to refrain from touching items in the home. I have a supply of all the PPE in case someone arrives without. I believe it is important to do our part as it is how we get through this together.

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.



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5 Years	4.84%	2.24%
7 Years	5.80%	2.99%
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Bill Outhwaite

Dominion Macklem Mortgage Consultant
778-896-9085
www.BillOuthwaite.com

Thought of the Month:

"I've missed more than 9000 shots in my career. I've lost almost 300 games. 26 times I've been trusted to take the game winning shot and missed. I've failed over and over and over again in my life. And that is why I succeed."

- Michael Jordan

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.**