

# Real Estate Journal

Your Monthly Home & Financing News

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## DID YOU KNOW...

There are two types of debt: secured and unsecured. When you borrow money to buy a house, the bank can take back the house to recoup their money if you don't pay the debt. That means the debt is secured – it's being balanced against something that you want to keep, and gives the bank some measure of security that they're going to be able to recover the money they've loaned you. Unsecured debt, on the other hand, means the bank can't reclaim the thing you're buying with the borrowed money. (Credit card debt is unsecured, and so are student loans.) [Click here](#) to look at the impact

Welcome to the October issue of the *Real Estate Journal*, which is designed to help you make a more informed decision the next time you're buying or selling a property!

This month's edition helps prepare you for homeownership, as well as takes a look at the benefits of tankless water heaters. Please feel free to ask questions or offer feedback regarding anything outlined below via phone or email.

Thanks again for your continued support and referrals!

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## Preparing for Homeownership

**F**rom an interest rate standpoint, now is a perfect time to become a homeowner. But transitioning from renter to homeowner is one of the biggest decisions you'll make throughout your lifetime. It can also be a stressful experience if you don't plan ahead by building a budget and saving prior to embarking upon homeownership.

Budgeting provides you with the opportunity to re-evaluate your needs and wants. If you can set your budget solidly in place before you head out home or mortgage shopping, you'll be far more prepared to purchase your first home.

Following are three top tips to help you prepare for the purchase of your first home:

1. **Set up a savings account.** You can deposit a predetermined amount into this account each pay period that you will not touch unless it's absolutely necessary. This

of four key consumer loans, a mix of secured and unsecured debt, on your credit score – and, ultimately, your mortgage worthiness, courtesy of *Forbes*.

## MORTGAGE MATTERS

It's a great idea to purchase a home when rates are low, but pay your mortgage as if the rate was as high as you can afford. This means that you'll be better prepared when rates increase.



**HAPPY THANKSGIVING**  
Wishing you a wonderful Thanksgiving with family and friends!

## GOING GREEN

### **Rechargeable Battery Tips:**

There are many things you can do to maximize the life of your rechargeable batteries. Follow the charging guidelines provided by the manufacturer. Each product has specific battery charging times prior to their initial use. This will enable you to obtain maximum battery capacity. Never return a fully-charged battery to the charger for an extra boost – it actually shortens the life of the battery. Don't leave your rechargeable battery in the charger when not charging. Continuous charging will shorten battery life. When they no

Budgeting is a core ingredient that helps alleviate the stress associated with money issues that can sometimes arise if you purchase a home without knowing all of the associated costs – including down payment, closing expenses, ongoing maintenance, taxes and utilities.

The trouble is, many first-time homeowners fail to carefully think about their finances, plan a budget or set savings aside. And in this society of instant gratification, money problems can quickly escalate.

The key is to create a realistic budget based on your goals. Track your spending and make your dollars go further by sticking to your budget once it's in place. Budgeting offers a step-by-step formula for figuring out how to best save your hard-earned money to invest in homeownership.

Start by listing your household income, then your household expenses, and review your spending habits. All of this can be done on a pad of paper or on a computer spreadsheet.

Keeping receipts for everything that you purchase will enable you to accurately keep track of where your money is going each month so that you can review and make necessary changes to your plan on an ongoing basis.

Examine all areas of your life from entertainment to the type of food you buy, where you buy your food and clothes, and how and where you travel. Also look at your spending personality and make necessary adjustments. Are you a saver, a splurger, a spontaneous shopper or a hoarder? Become smarter with your money and avoid impulse buying.

If you find you're spending a lot of money in one area, such as entertainment for instance, set aside a reasonable amount each month and prepare to stop spending money in this area once your budget has been exhausted.

will enable you to put money aside for a down payment and cover closing costs, as well as address ongoing homeownership expenses such as maintenance, taxes and utilities.

1. **Save up for big-ticket items.** As you accumulate money in your savings account, you'll be able to also save for specific purchases to help furnish your home – avoiding the buy now, pay later mentality, which can have a negative impact on your credit when you're seeking mortgage financing.
2. **Surround yourself with a team of professionals.** When you're getting ready to make your first home purchase, work with your trusted real estate professional and find a licensed mortgage agent/broker. Experts are invaluable to you as you set out on the road to homeownership because we help first-time buyers through the home purchase and financing processes every day. Experts can answer all of your questions and set your mind at ease. Mortgage agents, for instance, have access to multiple lenders, and can help you get preapproved for a mortgage so you know exactly what you can afford to spend on a home before you head out house hunting, while it's our expertise that can match your needs with a house you can afford. Both parties will negotiate on your behalf to ensure you get the best bang for your buck. And, best of all, these services are typically free. We can also refer you to other reputable professionals you may need for your home purchase, including a real estate lawyer and home appraiser.

As always, if you have any questions about homeownership, your answers are just a phone call or email away!

longer hold a charge and it's time to replace your batteries, be sure to recycle your old ones. [Find a collection site](#) near you.

### GOING GREEN AT THE OFFICE

Three tips to help reduce your energy consumption (and your energy spending!) in the workplace:

1. Keep it natural. Turn off lights when you leave a room. Take advantage of natural light in your workspace. Turn off lights at the end of the day.
2. Be unprepared for that 3am meeting. Items that are plugged-in still use energy, even at 3am. Unplugging unnecessary appliances, electronics and computers means that you will not be wasting energy during the workday and you will eliminate the silly use of energy while there is absolutely no one in the building.
3. Go on a Power (S)trip. There is no need for your workplace to be "on" 24 hours a day. Plug all electronics into a power strip and turn off the power strip at the end of the day.



## Energy Efficiency: Tankless Water Heaters

**O**ther than space heating, most Canadians

use more energy to heat water than for almost any other household activity. Finding ways to reduce hot water energy use can, therefore, be an important part of an overall plan to reduce household energy costs.

In many Canadian homes, water is heated in storage tanks. When there is no hot water being used, the tanks still consume energy just to maintain the water in the tank at a ready-to-use temperature. Tankless water heaters (also known as "on-demand" or "instantaneous" water heaters) use high inputs of gas or electricity to instantaneously heat water, rather than storing hot water for long periods in traditional hot water tanks. Because they don't need to keep the water warm even when it's not in use, high-efficiency tankless water heaters can reduce the amount of energy you use to heat your water by as much as 40% or more, helping you cut down on your monthly utility bills. In addition to saving energy, tankless water heaters can also lower greenhouse gas (GHG) emissions and reduce the consumption of non-renewable resources.

If you're thinking of going tankless, Canada Mortgage and Housing Corporation (CMHC) offers the following information to help you make an informed decision:

- Tankless water heaters can be hung on a wall and are usually more compact than traditional hot water storage tanks. This allows them to take up considerably less floor space in your home. You still need to make sure you have enough space available to safely hang your tank, as well as for service and maintenance purposes. If you're buying a fuel-fired model, you'll also need to make sure that you have the space available to safely run the venting

- Proper sizing is another important consideration when it comes to choosing a tankless heater. To make sure your heater can supply all the hot water your family needs, purchase a unit that has a heating capacity large enough for your entire household. If you purchase an undersized unit or if your hot water needs increase, try using timers or set the delay function on your appliances to avoid overlapping demands.
- If your home uses natural gas or propane, you may need larger gas pipes to accommodate the higher gas flows required by the heater.
- In addition, when using a tankless water heater, you may need to let the water flow longer in your taps or shower before it becomes hot. To help cut down on your waiting time, make sure you purchase the right size heater for your home, and try to locate your new tankless heater as close as possible to the bathroom, kitchen or other areas where you expect to use the most hot water.
- Be sure to consult with a qualified professional contractor to assess your hot water needs and provide guidance on what type of water heater would be most appropriate for your particular circumstances.

For more information about tankless water heaters or any other aspect of owning or buying a home, contact CMHC: [www.cmhc.ca](http://www.cmhc.ca); 1-800-668-2642.

system outdoors to an acceptable location.

# About



Royal LePage is Canada's oldest and largest Canadian owned real estate company. Founded in 1913 by Albert LePage when he was just 26 years old, Royal LePage is now Canada's largest real estate company with more than 14,000 agents in more than 600 locations across the country. And we firmly believe that you can only become the oldest and largest company by being the best.

Over the years, we've learned a lot about real estate – and how to provide the best possible service for our clients. Since the mid-1990s, Royal LePage has more than tripled the size of its sales force and almost doubled its market share.

Throughout our successes, we remain dedicated to helping you through the real estate process. Our commitment to innovation and customer service is as strong as ever.

We offer all of our REALTORS® – from those serving tiny communities to those in major urban centres – strong support from our national pool of knowledge, skill and technical expertise. We regularly invest time, money and resources to develop and provide the knowledge and tools they need to best market your home, including:

- Up-to-date information about local market conditions
- Quarterly housing reports
- Creative brochures and newspaper ads to showcase your home
- Ongoing negotiation, marketing and technical training

This communication is not intended to cause or induce breach of an existing agency agreement.

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\*\*Not intended to solicit Buyers/Sellers currently under contract.