

# Real Estate Journal

Your Monthly Home & Financing News

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#### DID YOU KNOW...

Only 23% of Canadians know their credit score, and just 26% knew their credit rating at the time they applied for a mortgage, reports a recent Equifax survey. A good credit score can be a major negotiating tool in getting lower interest rate mortgages from financial institutions. The study also found that 10% of Canadians surveyed say it's okay to inflate your income when applying for a mortgage. And 9% say they have lied on credit card or mortgage applications. The numbers came as a shock to Equifax officials, given that the July survey of 1,500 Canadians was really aimed at gauging their concerns about protection of personal data.

Welcome to the September issue of my monthly newsletter which is designed to help keep you in the know regarding Real Estate and Mortgage related matters!

This month's edition addresses the imbalance of time we spend discussing real estate (in most cities) as compared to income taxes, as well as a look at the age old real estate related topic of 'Location, location, location.' Please let me know if you have any questions or feedback regarding anything outlined below.

Thanks again for your continued support and referrals!

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## Time To Talk Taxes

**I**n Canada, and certainly in the large urban centres, there are few topics that get more press than real estate these days. It seems that few conversations are

Housing costs alone stood at 22.1% of household costs, yet taxes took a 42.5% share.

While taxes are important, as of course they fund many critical public services that we rely on, there is still some question as

## HOMEOWNER TIPS

### Fall Lawn Care:

What you do for your lawn during the fall will have a great impact on what your lawn will look like next spring. There are four simple steps you can take to help ensure your lawn will be healthy, green and the envy of the neighbourhood next year:

1. Aerate. This means to puncture your lawn with small holes throughout to allow the fertilizer, sunlight, water and important nutrients that grass needs to grow deep within the ground;
2. Fertilize. Basically this means feed your lawn before it goes to sleep for the winter;
3. Overseed. This is when you spread new grass seed all over your existing lawn with a spreader; and
4. Mow. In November, mow your lawn one more time as short as you can without scalping your lawn. This will help all the other steps above work better.

capable of lasting more than a single digit number of minutes before some aspect of the topic arises.

Much of the talk is about how action should be taken to rein in rising prices — and to be fair, even those who currently own property are part of this group, as many are parents who would one day like to see their adult children living in homes of their own.

According to a new study by the Fraser Institute, the average Canadian family spent more on taxes in 2016 than any other one thing.

The study cites average family earnings in 2016 as \$83,105. Housing costs, which considered both rents and mortgage payments, combined with food and clothing, totaled \$31,069.

Total taxes came to \$35,283.

# Location, Location, Location

**T**he trues costs of commuting are

often overlooked during the home-buying process. Few homebuyers fleeing city-living for the suburbs ever make the advance effort of spending a dark winter's week purposely engaging in what will be their new commute during peak travel times. Instead it is usually a Sunday afternoon drive that leads them to their new home. And when the reality of the daily commute from Monday to Friday takes effect, it can be quite painful to adjust to.

Having done a bit of research at [www.caa.ca](http://www.caa.ca) around the cost of commuting, a fair figure to use is 45 cents per kilometre. With the average

to the return on investment of our tax dollars.

Perhaps there is a certain sense of futility we feel when it comes to changing taxation in any way, and perhaps that is why there are few rallies to reduce taxes, or to encourage more efficient use of tax dollars, as compared to rallies for action on affordable housing.

The level of futility seems to be growing when it comes to real estate though. And no doubt it is always a concern when governments do take specific actions in a free market society, as often those actions have unintended consequences.

In any event, it would be interesting if, instead of discussing real estate, an equal amount of time, energy, and media attention focused on where our tax dollars go, and why the government requires so many of them.



Ten hours per week spent commuting is ten hours not invested in...

- Socializing
- Finding a mate (if this is a goal)
- Having children (if this is a goal)
- Raising children
- Relaxing (absence of children)

Ten hours per week goes a long way. Some might be inclined to work those extra two hours, which even at a reasonable \$20 per hour is an extra \$10,400 per year gross income. Less the expenses of commuting: \$7920 (\$36 x 220 working days). The extra earnings, combined with the added savings, may well make staying closer to your workplace the more affordable option.

Perhaps, after deeper reflection, spending the hours focused on career or on the social side of life, rather than commuting is the

commute at 40 km for many Canadians, this is a \$36 daily cost, excluding parking. Aside from the financial cost, there is the social and emotional cost of spending an average of one hour per day alone in a car to consider.

Admittedly there are public transport options that save money, although this is often in exchange for even more time sacrificed due to less than perfect public transit solutions in many suburban areas. Also a consideration is the inflexibility with transit of fitting errands, especially child related errands, into the commute.

sensible plan. If we apply this math to a double-income household, and were the wage closer to \$25 per hour for those extra two hours per day, the purchasing power increases that much more. Food for thought during today's hour-long commute.

## 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.

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