

Real Estate Journal

Your Monthly Home & Financing News

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DID YOU KNOW...

The majority of wealthier Canadians mortgage their homes by choice. 67% of high net worth Canadians (those with \$500,000 or more in investable assets) with a mortgage have the cash to pay off their home – in full – but don't, according to a survey for Investors Group. Their reasons for holding on to their mortgage vary, including tax planning and income-generating rental properties. In Canada, mortgage interest on rental properties is tax deductible. [Click here](#) for the full *MoneySense* article.

MORTGAGE MATTERS

Rewind seven months and

Welcome to the August 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 suggests things to keep in mind when considering a vacation property purchase, as well as offers some lawn and garden water conservation tips. 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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Looking at Vacation Properties?

Whether you're planning to buy a waterfront retreat or a country getaway, a seasonal or year-round property, it would be our pleasure to walk you through the steps to acquiring your second home.

We can even help you with your planning and budgeting – including what to expect in terms of annual property taxes and upkeep – so you can have a good idea of how much you can spend,

3. **Identify the Property's Purpose:** Decide if you will be using the property only in the summer or if it will be a four seasons' getaway. Also think about whether you'd be willing to rent the property when it's not being used.
4. **Narrow it Down:** Now it's time to settle on a location, property and structure type. One major benefit of using a real estate professional is that we can also offer suggestions on locations and details to help with your choices. Another point to keep in mind is the benefit of finding a property that is fairly close to a few

economists were predicting that five-year fixed mortgage rates would creep up a bit this year. But they've done nothing but fall so far. So what happened? Five-year fixed mortgage rates tend to roughly track the yields on five-year government of Canada bonds, because those influence the cost of the funds that the banks obtain to lend out. Yields on five-year government of Canada bonds have fallen. They ended last year at 1.95%, and within the past few weeks fell below 1.5%. Economists are still expecting five-year fixed mortgage rates to rise – they just don't know exactly when. TD Chief Economist Craig Alexander now expects five-year bond yields to creep back up to about 1.95 – where they were at the end of 2013 – by the end of this year. He then sees them rising by about 90 basis points next year, largely during the second half of the year. [Click here](#) for the full *Globe and Mail* article.

GOING GREEN

Reduce Shower Time:

Every minute you knock off of your daily shower is ultimately saving you money and conserving energy. Each time you turn on your shower, you're cranking up the water heater, which requires a lot of energy to heat up. So, instead of taking a 20-minute shower, try trimming it down to 15 or even 10, and encourage your family members to follow suit. If you're having a hard time getting out of the shower, you could even set up a waterproof timer to let you know when your desired time is up.

as well as ideal locations where you'd like your vacation home to be situated, before you head out property shopping.

Most financial institutions offer financing programs for vacation properties. Depending on the type of property you purchase, you may be eligible to obtain financing for up to 95% of its value – meaning you only have to make a 5% down payment.

Following are some tips to help you with your vacation property research:

1. **Start Your Research:** The very first step to finding your ideal vacation home involves searching the Internet, looking at maps and checking the classifieds. Jot down ideas and information about the size, price range, location, features and layout you're looking for in a notebook or computer file and save these for future reference.
2. **Go for a Drive:** Continue the initial groundwork by going for an exploratory drive and identifying the areas that feel right for you. How far are you willing to drive? What kind of amenities do you want to have close at hand? What locations truly appeal to you? You don't need to make any major decisions at this point, but it's a great idea to begin organizing your search criteria.

conveniences, such as a small town and/or grocery store – unless you really like roughing it.

5. **Establish Price Point and Timelines:** We can work together to establish your price point and the timeline during which you're hoping to purchase your vacation home. If a turn-key cottage with a gorgeous boat house is attracting you, but the price seems a bit steep, think about a 'fixer-upper'.
6. **Start Your Viewings:** Once you've established your main guidelines and requirements, we can sift through the area's listings and present you with some property options. We can also set up appointments to view properties with you, which means no waiting or rescheduling.
7. **Go For It!** The time has come to make your move. If you require assistance with financing and legal requirements, we can refer you to some trusted professionals. We'll also work closely with you to draw up an offer that protects you and your investment.

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



Lawn & Garden Water-Saving Tips

In the summer months, municipal water use doubles. This is the season when Canadians are outdoors watering lawns and gardens, filling swimming pools and washing cars. Summer peak demand places stress on municipal water systems and increases costs for taxpayers and water users. As water supplies diminish during periods of low rainfall, some municipalities must declare restrictions on lawn and garden watering.

- Water slowly to avoid run-off and ensure the soil absorbs the water.
- Regularly check your hose or irrigation equipment for leaks or blockages.
- Collect rainwater from your roof in a rain barrel or other large container and keep it covered with an insect screen. Direct the down spout of your eavestroughs into the rain barrel.
- Choose an efficient irrigation system. A soaker hose placed at the base of plants on the ground applies water to the soil

Be aware of "phantom load":

Most household appliances are equipped with an on/off switch, but some of these appliances may still be consuming electricity while in the "off" position. This phenomenon is known as "phantom load" and can consume a significant amount of electricity. While it may not make sense to unplug every appliance while not in use, you can save energy and money by unplugging things you do not use often.

By applying some handy tips, your lawn and garden can cope with drought conditions and you can minimize water wastage.

General tips

Much of the summer peak demand is attributed to lawn and garden watering. Often, water is applied inefficiently, resulting in significant waste due to over watering, evaporation or run-off.

Here are some general watering tips to help avoid wasting water:

- Before watering, always take into account the amount of water Mother Nature has supplied to your lawn or garden in the preceding week. Leave a measuring container in the yard to help monitor the amount of rainfall (empty it once per week). Also bear in mind any watering restrictions that may apply in your municipality.
- Water in the early morning, before 9AM, to reduce evaporation and scorching of leaves from the sun. Water on calm days to prevent wind drift and evaporation.
- Set up your sprinkler or hose to avoid watering hard surfaces such as driveways and patios. If you're not careful, it's water and money down the drain.

where it's needed – rather than to the leaves – and reduces evaporation. Drip or trickle irrigation systems are highly efficient because they deliver water slowly and directly to the roots under the soil surface. This promotes deeper roots, which improve a plant's drought resiliency. If you use a sprinkler, choose one with a timer and that sprays close to the ground.

Other outdoor activities

Lawn and garden watering is not the only outdoor activity contributing to summer peak demand. You can lower your water bill and relieve the burden on municipal water supplies by doing the following:

- Use a broom instead of water to remove debris from paved surfaces such as driveways.
- Use a bucket and sponge to wash and rinse your car, instead of a hose.
- Cover swimming pools when they're not in use to reduce evaporation.

For information on any other aspect of owning, maintaining or buying a home, visit www.cmhc.ca or call 1-800-668-2642.

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

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