

Real Estate Journal

Your Monthly Home & Financing News

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MORTGAGE MATTERS

Many people have a tough time sticking to a budget. That's because they're likely forgetting to do a few key things along the way. [Click here](#) for four reasons a budget is likely to fail, courtesy of mortgage insurer Genworth Canada.

HAPPY HOLIDAYS

May the magic and wonder of the holiday season stay with you throughout the coming year. Best wishes for a new year filled with health, happiness and spectacular success!

HOUSING OUTLOOK

Welcome to the December 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 highlights key findings in a new Canadian mortgage report, as well as delves into whether gas fireplaces can help save you money. 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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Canadians Confident with their Mortgages



Canadian mortgage holders have told the

Canadian Association of Accredited Mortgage Professionals (CAAMP) in its fall 2013 survey that they're comfortable with their mortgage debt levels and consider mortgages to be a form of "good debt."

This level of comfort may be due to the fact that Canadians believe they're in control of their mortgages – taking aggressive actions to pay them down, leveraging their equity to consolidate debt or make new investments, taking advantage of low interest rates and increasingly turning to mortgage brokers rather than major banks for

- Confidence in the market is strong. Less than 10% of Canadians expect that a housing bubble will burst, though the expectation is stronger among younger people
- 80% of homeowners selected at least one of the following emotions when asked about their mortgages: comfortable, confident, content, secure
- More than 80% of Canadian homeowners have at least 25% equity in their homes
- Of the new homes purchased in the past year, 57% were purchased by first-time buyers
- 68% of Canadians feel mortgage debt is "good debt"
- For mortgages repaid in the past two

While housing starts have slowed since their burst from 2010 to 2012, there's still room for future growth, and the Canadian residential market remains solid, according to the Conference Board of Canada **Autumn Metropolitan Housing Outlook** commissioned by mortgage insurer Genworth Canada.

The report notes that this stability is due in part to housing supply continuing to be in line with demographic requirements, which will allow average new and resale prices to continue to grow, albeit moderately, in the foreseeable future.

"The housing market has transitioned back to a more sustainable pace and data suggests that it will remain stable," said Brian Hurley, Chairman and CEO of Genworth Canada. "This means a healthy market with reasonable growth, which will enable Canadians to have more confidence in both homeownership and its relative affordability."

The report confirms Canada's continuing economic recovery, with GDP and employment both forecast to grow in all regions across the country over this year and next. While the Conference Board predicts mortgage rates to rise gradually, employment and personal income gains should allow consumers to adapt to the anticipated increases.

GOING GREEN

Avoid idling vehicles for more than one minute – except, of course, when you need to heat your car up in very cold weather. Instead of letting your car idle while waiting, turn off the ignition. It uses less gas and emits less CO₂ to stop and restart your car than to let it run. In fact,

their mortgage needs.

The [Annual State of the Residential Mortgage Market in Canada](#) report, released late last month, contains some interesting information and statistics pertaining to Canadians' mortgage views and borrowing habits.

Key highlights from the new report include:

- Mortgage brokers are gaining share in the overall mortgage market compared to traditional financial institutions. Among all new mortgages obtained this year, 40% were obtained through a mortgage broker and 42% from a bank. Overall, mortgage broker share increased from 25% to 28% in the past year

decades, actual repayment periods have been 30% shorter than original contracted periods

- This year, 38% of mortgage holders took steps to accelerate their repayments and shorten their amortizations

The report also covers the role housing has played in Canada's recovery from the 2008/2009 recession.

Regardless of when you decide to buy or sell, answers to your questions are just a phone call or email away!



Nothing is nicer on a cold winter night than curling up beside a warm fire. Gas fireplaces, in particular, can offer a clean burning option with the convenient click of a button.

A recent survey of household energy use found that 23% of Canadian single- and semi-detached, and row-housing reported having a gas fireplace. And of those, 22% reported using them every day once the temperatures dip. Depending on the size and location of your fireplace, the added warmth can help ease the heating burden on your furnace, causing it to turn on less frequently.

But will that save you money? Not necessarily, according to research undertaken at the Canadian Centre for Housing Technology (CCHT).

The study tested gas fireplace use and its impact on both furnace use and total gas energy consumption in the CCHT's R2000 certified research house. Researchers

energy consumption overall actually increased by approximately 10-16%. This is because the gas fireplace, which had a measured efficiency of only 76%, was offsetting the operation of the furnace with an efficiency of 94%. The study also found that even when the fireplace was not in use, overall gas energy use was 6% higher compared to the control house because of the gas consumed by the small, but continuously running, pilot light.

While running the furnace fan continuously was expected to distribute heat from the fireplace to other rooms more effectively than when run intermittently, the researchers found that operation of the fan had very little influence on the temperatures in other rooms in either mode. In fact, not only was there no difference in heat distribution, but continuously running the furnace fan actually increased daily electrical energy use from 6 kWh to 11 kWh, which can be significant given that typical Canadian homes use a total of 15 to 30 kWh per day.

Gas fireplaces are a wonderful way to enhance the beauty of your home, providing a warm ambience during our cold Canadian winters. But using your high efficiency furnace as the main method of heating your home will save you energy and money in the long run.

For more information on this and other CMHC research, visit www.cmhc.ca. Research undertaken at the CCHT

idling uses twice as much gas as driving! If every driver in Canada avoided idling for five minutes a day, we could prevent 1.6 million metric tons of CO2 from being emitted.

wanted to find out if operating a gas fireplace would reduce total gas consumption. It also looked at whether running the furnace fan continuously had any benefits on heat distribution to rooms away from the fireplace compared to having the fan automatically turn on only when the furnace was required to provide heating for the house.

can also be found at www.ccht-cctr.gc.ca/eng/projects/index.html.

The results showed that, while the furnace came on less frequently during fireplace use, total gas

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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