

Real Estate Journal

Your Monthly Home & Financing News

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DID YOU KNOW...

It's common to hear tip-based stories about clever ways to cut your spending, but many of them come with a lifestyle change to which you may not be ready to commit, such as: growing your own vegetables, cutting your own hair and nixing the occasional latte that makes you feel more human during a difficult workweek. But there are a bunch of painless changes you can make that can help you save more. If you've ever looked at your bank statement and thought "I could do better," then this is for you. [Click here](#) to read the full *Huffington Post* article.

MORTGAGE MATTERS

We're benefiting from one

Welcome to the February 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 discusses ways to become mortgage-free faster, as well as talks about heat recovery ventilation for your home. 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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Becoming Mortgage-Free Faster

Regardless of how long you've had your

mortgage or how large or small the current balance is, there are a variety of ways to make prepayments work for you to pay down your mortgage faster and, therefore, pay less interest throughout the life of your mortgage.

After all, each extra payment amount will reduce your principal balance, which, in turn, reduces the amount of interest you'll have to pay on your borrowed mortgage amount.

Most lenders allow you to make a lump-sum

some form of extra payments, even if it's a few thousand dollars each year. That will still save you thousands of dollars in interest payments throughout the life of your mortgage.

Another prepayment option involves taking advantage of flexible payments. Most lenders allow you to increase your regular payment up to a set maximum, such as 15%, while others allow you to double up your payments.

If, for instance, you have a \$1,000 per month mortgage payment and increase it by 15% to \$1,150, you could shave off as much as five-and-a-half years on a \$200,000 mortgage.

Even rounding up your mortgage payments a

of the best mortgage environments in history. Take a look at the interest rates on mortgages these days. Now look at what you're paying on your credit cards and other debts. You can actually power down your debt load faster by pulling together your credit cards, car loans or any other high-interest debt and rolling everything into a new or existing mortgage. This can be a great money-saving strategy, and well worth discussing with your mortgage broker or lender.

HAPPY VALENTINE'S DAY
May this
Valentine's Day
warm your heart!

GOING GREEN

Dishwasher Efficiency:

Fill your dishwasher before running it. Using the dishwasher can actually be more efficient than washing by hand, but only if you wait until it's full before turning it on.

Get Your Kids Involved!

Energy efficiency can be practiced at home and school, as well as during recreational activities – in fact, practically anywhere and anytime in our day-to-day activities. This may be as simple as turning off the lights when leaving a room, or bicycling/walking to school or a friend's house instead of asking for a ride. Encouraging energy efficiency reduces the use of fossil fuels, which reduces emissions of harmful pollutants into the Earth's atmosphere. Kids are more in-the-know than ever before about greener living. Have a chat with them about ways they can

payment of anywhere between 10% and 25% of the value of your mortgage per year. The lump-sum payment is based on either the original amount you borrowed or the amount currently outstanding. Since mortgages decrease with each payment, it's best to negotiate a lump-sum payment option based on the original amount you borrow. That way, if you come into an inheritance, a bonus or save some extra money, you can pay down the largest amount possible.

Another factor to consider is when you can make a lump-sum payment. Some mortgages allow prepayments throughout the year, while others permit them only on the anniversary date. Still others allow you to make prepayments on the day you make your regular payment.

If you can't pay the maximum prepayment amount, it's still worth your while to at least make

few dollars each payment can help make your balance decline sooner. If you round up your mortgage payment from, say, \$766 to an even figure such as \$800, you can feel confident in knowing that every extra bit goes toward your principal.

You can also pay off your mortgage faster by moving to a different payment schedule. Instead of making monthly payments, make them biweekly or even weekly. Using an accelerated mortgage payment plan – where you make payments every two weeks as opposed to twice a month – you actually make one extra payment each calendar year. By paying more and paying faster, you reduce your principal earlier, which lowers the amount of interest you pay.



Sustainable Housing: Lungs for Your Home

Stale air, lingering odours and high

humidity can happen in the best of homes and, sometimes, simply opening a window can bring relief. When it's mild outside and there's a breeze, opening a window can be beneficial. But in Canada's hot and cold climate, this is not always practical or possible.

Leaving a window open in mid-winter will add to your space heating costs, cause uncomfortable drafts and the window may freeze open. You also can't filter the dust out of the air nor can you recover any of the heat that flows out an open window. Sometimes leaving a window open is a security or noise concern. Finally, you can't control how much air enters through an open window or where it goes once it's in your house.

Heat Recovery Ventilation

Fortunately, there is another way of bringing fresh air into your home that is energy efficient, secure and highly effective – a heat recovery ventilator (HRV). HRVs are suitcase-sized appliances that typically have one fan to bring in

multi-speed settings to deal with varying ventilation needs. Automatic controls are available as well to modulate the operation of the HRV as needed.

HRVs are built into energy efficient new houses to reduce air leaks, and heating and cooling costs, and keep your home more comfortable. Cutting down on uncontrolled air leakage also helps protect your roof, walls and basement from moisture damage. The better sealed a house is, however, the more it needs controlled, energy efficient, mechanical ventilation to provide the indoor-outdoor air exchange required to maintain healthy indoor air quality. By eliminating random air leaks in existing houses and adding heat recovery ventilation, you reduce your heating bills while maintaining as good, or better, indoor air quality.

Installation

Although you can buy an HRV at some home improvement stores, it may be preferable to have it designed and installed by a qualified contractor certified by the Heating, Refrigeration, Air Conditioning Institute of Canada or other training organizations in accordance with current building codes and standards. It's very important to measure and balance the supply and exhaust airflows to ensure the HRV does not potentially create

help reduce energy around your home.

outdoor air and another fan to push out the stale air. Heat is transferred from the outgoing air to the incoming air by passing the two air streams through a heat-exchange core, helping to reduce heating costs. As the two air streams are kept separated, only the heat is transferred to the incoming air. In a sense, an HRV can act as the lungs for your home.

In houses with baseboard or radiant heating, the fresh air from the HRV is delivered directly to the bedrooms and the main living areas through a dedicated duct system. At the same time, the HRV draws stale air from the kitchen and bathrooms and sends it outside.

In houses with furnaces, it's not uncommon to find HRVs connected to the furnace ductwork system. The furnace then operates continuously to circulate the fresh air around the house, while bathroom fans and kitchen range hoods provide back-up ventilation as needed. HRVs have

dangerous house depressurization or pressurization problems. This should be carried out when the HRV is first installed and should be checked regularly afterwards by a qualified contractor in accordance with the manufacturer's instructions. Look for units with lower energy usage and high energy efficiency in the heating season, preferably choosing from those with an ENERGY STAR® rating.

To learn more about other sustainable technologies and practices that can improve the performance of your home as well as information on owning or buying a home, call Canada Mortgage and Housing Corporation (CMHC) at 1-800-668-2642 or visit www.cmhc.ca.

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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