

# Real Estate Journal

Your Monthly Home & Financing News

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## DID YOU KNOW...

The Home Buyers' Plan (HBP) is a program for first-time homebuyers that allows you to withdraw funds from your RRSPs to buy or build a home. You can withdraw up to \$25,000 tax-free (\$50,000 for a couple). Your RRSP contributions must remain in the RRSP for at least 90 days before you can withdraw them under the HBP. Generally, you have to repay all withdrawals to your RRSPs within a period of no more than 15 years. You'll have to repay an amount to your RRSPs each year until your HBP balance is zero. If you don't repay the amount due for a year, it will have to be included in your income for that year.

Welcome to the January 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 shows why mortgage portability may be important to you, as well as offers tips on how to best keep heat in 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!

## In This Issue

1  
The Importance  
of Portability

2  
Keeping Heat  
in Your Home

3  
About  
Royal LePage



## The Importance of Portability

**S**elling your current home and moving into a new one can be stressful enough, let alone worrying about your current mortgage and whether you're able to carry it over to your new home.

Porting enables you to move to another property without having to lose your existing interest rate, mortgage balance and term. And, better yet, the ability to port also saves you money by avoiding early discharge penalties.

It's important to note, however, that not all mortgages are portable. When it comes to

property and buy a new one, some conditions that may apply include:

- Some lenders allow you to port your mortgage, but your sale and purchase have to happen on the same day. Other lenders offer a week to do this, some a month, and others up to three months.
- Some lenders don't allow a changed term or force you into a longer term as part of agreeing to port your mortgage.
- Some lenders will, in fact, reimburse your entire penalty whether you're a fixed or variable borrower if you simply get a new mortgage with the same lender – replacing the one being discharged. Additionally, some lenders will even allow you to move into a brand new term of your choice and

[Click here](#) for more information from Canada Revenue Agency.

## MORTGAGE MATTERS

When a mortgage term expires, the lender will usually approach the borrower about a new term, typically sending the borrower a letter outlining the various terms and rates available from the lender. Most borrowers pick another five-year fixed term and move along with their lives. Banks are well aware of this practice and, therefore, don't often offer their best rates in the renewal letter, hoping uneducated borrowers don't bother to shop around.



Wishing you a healthy, happy and successful 2014 filled with cherished memories!

## GOING GREEN

### *Reuse Scrap Paper*

Print on two sides, or let your kids/ neighbours' kids colour on the back side of used paper.

### *Install a Programmable Thermostat*

This is one of the cheapest and easiest ways to be more energy efficient and save money. A programmable thermostat allows homeowners to set lower household temperatures at night, and during the day when people aren't at home. According to Natural Resources Canada, for every degree you turn down your thermostat overnight, you

fixed-rate mortgage products, you usually have a portability option. Lenders often use a "blended" system where your current mortgage rate stays the same on the mortgage amount ported over to the new property and the new balance is calculated using the current interest rate.

With variable-rate mortgages, on the other hand, porting is usually not available. As such, upon breaking your existing mortgage, a three-month interest penalty will be charged. This charge may or may not be reimbursed with your new mortgage.

### **Porting Conditions**

While porting typically ensures no penalty will be charged when you sell your existing

start fresh.

- There are instances where it's better to pay a penalty at the time of selling and get into a new term at a brand new rate that could save back your penalty over the course of the new term.

While this may sound like a complicated subject, your mortgage professional or lender will be able to explain all of your available options.

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



**M**any Canadians are doing everything

they can to cut down on the amount of energy used around the house. One of the best ways to do this, while also reducing your environmental footprint and lowering your monthly utility bills, is by ensuring your attic is well insulated.

Adding insulation to an attic is a lot like putting on a hat when it's cold outside. Insulation helps keep the heat inside the home where it belongs, so you can stay warm and cozy without spending a fortune. Insulating and air sealing an attic can also help prevent icicles from forming at the roof edge.

To help save money while keeping your home warm in the winter and cool in the summer, Canada Mortgage and Housing Corporation (CMHC) offers the following tips on how to super-insulate your attic:

- Create an air barrier by having all gaps and holes that pass through the ceiling into the attic sealed. A good air sealing job will help prevent warm, moist, house

new insulation does not block the ventilation spaces needed to permit air to move freely from the eaves into the attic. Insulation dams or guards can be installed to ensure this ventilation space does not become blocked by the new insulation.

- In restricted spaces, such as the eaves where the roof passes over the exterior walls, spray foam insulation may provide a better air seal and insulation level than can otherwise be achieved with batt-type or blown-in insulation. Spray foam insulation can also help prevent "wind washing" of the insulation in this area, which can reduce its insulating value and create cold spots along the ceiling-wall intersection below the attic.
- To stop heat from escaping through the attic hatch, insulate the hatch with RSI-5.3 (R-30) or similar high-R-value solid board insulation. Add compressible weatherstripping and a couple of latches to the hatch to ensure an airtight seal.
- If you think you will need access to different parts of your attic, have planks installed through the roof truss members above the insulation layer to provide a

can save 2% on your heating bill. Most people can comfortably reduce their heat by three degrees at night.

air from escaping into the attic. This is a very important first step to any attic insulation project. Ceiling electrical boxes, exhaust fans, pot lights, wiring and duct penetrations, attic hatches, vent pipes and chimneys are locations that should be inspected and properly sealed.

- If you don't need frequent access to your attic and if space permits, consider having at least a 71-centimetre (28-inch) layer of blown-in or batt-type insulation added over top of existing insulation. Make sure the

surface to crawl over.

- In some cases, due to the condition of the roof, limited space, or a desire to change the appearance of the house, it may be possible to install a new roof over top of the existing roof. This can provide an opportunity to add more insulation than would otherwise be possible.

For more information on how to insulate your attic, visit CMHC's website: [www.cmhc.ca](http://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

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.