



Real Estate Journal

Your Monthly Home & Financing News

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DID YOU KNOW...

Burglary Prevention

Whether you're home or away on vacation, a few simple precautions can make your home less attractive to burglars. These include: Ensuring your outdoor lighting illuminates all entrances to your home; Cutting back shrubbery discourages burglars from hiding near windows and doors; Keeping windows and doors locked at all times; Making certain your garage door is closed and locked; Installing a peephole

Welcome to the March 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 ways to successfully prepare yourself for homeownership, as well as offers some helpful mortgage fraud prevention 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!

In This Issue



Preparing for Homeownership

From an interest rate standpoint, now is a perfect time to become a homeowner. But transitioning from renter to homeowner is one of the biggest decisions you'll make throughout your lifetime. It can also be a stressful experience if you don't plan ahead by building a budget and saving prior to embarking upon homeownership.

Budgeting is a core ingredient that helps alleviate the stress associated with money issues that can sometimes arise if you

Budgeting provides you with the opportunity to re-evaluate your needs and wants. If you can set your budget solidly in place before you head out home or mortgage shopping, you'll be far more prepared to purchase your first home.

Following are three top tips to help you prepare for the purchase of your first home:

1. **Set up a savings account.** You can deposit a predetermined amount into this account each pay period that you will not touch unless it's absolutely necessary. This will enable you to put money aside for a down payment and cover closing costs, as

in your front door; Securing windows and sliding glass doors with auxiliary locks (special door pins, available at home improvement stores, can prevent your sliding doors from being lifted from their tracks during a burglary attempt); Installing deadbolt locks on all exterior doors; and Never hiding or storing keys or tools outside.

Professional Mortgage Assistance

When you're buying your first house or your fifth, negotiating for your mortgage can seem like the least fun and most complicated part of the process. But making one of life's biggest purchasing decisions doesn't mean you're destined to pay the bank's listed rate. Why not enlist the free services of an independent mortgage broker who will work on your behalf with multiple lenders to ensure you receive the best mortgage product and rate catered to your unique needs.

MORTGAGE MATTERS

Now's the perfect time of year for a free mortgage check up. With Spring on its way and interest rates still hovering near historic lows, it's an ideal time to revisit your mortgage and ensure it still meets your needs. Perhaps you've been thinking about refinancing to consolidate debt, purchasing a rental or vacation property, or you simply want to take a vacation. Whatever your needs, your mortgage agent or lender can evaluate your situation and help you determine what's right for you.

purchase a home without knowing all of the associated costs – including down payment, closing expenses, ongoing maintenance, taxes and utilities.

The trouble is, many first-time homeowners fail to carefully think about their finances, plan a budget or set savings aside. And in this society of instant gratification, money problems can quickly escalate.

The key is to create a realistic budget based on your goals. Track your spending and make your dollars go further by sticking to your budget once it's in place. Budgeting offers a step-by-step formula for figuring out how to best save your hard-earned money to invest in homeownership.

Start by listing your household income, then your household expenses, and review your spending habits. All of this can be done on a pad of paper or on a computer spreadsheet.

Keeping receipts for everything that you purchase will enable you to accurately keep track of where your money is going each month so that you can review and make necessary changes to your plan on an ongoing basis.

Examine all areas of your life from entertainment to the type of food you buy, where you buy your food and clothes, and how and where you travel. Also look at your spending personality and make necessary adjustments. Are you a saver, a splurger, a spontaneous shopper or a hoarder? Become smarter with your money and avoid impulse buying.

If you find you're spending a lot of money in one area, such as entertainment for instance, set aside a reasonable amount each month and prepare to stop spending money in this area once your budget has been exhausted.



Valuable Fraud Prevention Tips

In recognition of March as Fraud Prevention Month, Canada Mortgage and

well as address ongoing homeownership expenses such as maintenance, taxes and utilities.

2. **Save up for big-ticket items.** As you accumulate money in your savings account, you'll be able to also save for specific purchases to help furnish your home – avoiding the buy now, pay later mentality, which can have a negative impact on your credit when you're seeking mortgage financing.
3. **Surround yourself with a team of professionals.** When you're getting ready to make your first home purchase, work with your trusted real estate professional and find a licensed mortgage agent/broker. Experts are invaluable to you as you set out on the road to homeownership because we help first-time buyers through the home purchase and financing processes every day. Experts can answer all of your questions and set your mind at ease. Mortgage agents, for instance, have access to multiple lenders, and can help you get preapproved for a mortgage so you know exactly what you can afford to spend on a home before you head out house hunting, while it's our expertise that can match your needs with a house you can afford. Both parties will negotiate on your behalf to ensure you get the best bang for your buck. And, best of all, these services are typically free. We can also refer you to other reputable professionals you may need for your home purchase, including a real estate lawyer and home appraiser.

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

Another common form of fraud is when a con artist convinces someone with good credit to act as a "straw buyer." A straw buyer is someone who agrees to put his or her name on a mortgage application on behalf of another person. In return for their participation, straw

GOING GREEN

Spring Tune Up:

Did you know that you have an advantage if you get your furnace tuned up in the Spring rather than in the Fall? When a furnace sits idle all Summer long, combustion residue that settles in the heat exchanger absorbs humidity from the basement and becomes nearly impossible to remove in its entirety. Have your furnace tuned up in the Spring, before it goes on hiatus for the Summer months. Any residue will still be dry, not affected by humidity, and easily and effectively vacuumed from the heat exchanger, helping you achieve maximum efficiency for your furnace.

Housing Corporation (CMHC) has compiled several helpful tips to protect borrowers against becoming victims of mortgage fraud.

Misrepresentation of information

Mortgage fraud occurs when someone deliberately misrepresents information in order to obtain mortgage financing that would not have been granted if the truth had been known. This can include:

- Misstating one's position or inflating one's income or length of service at their job
- Misstating employment status (ie, salaried/full-time versus contract, part-time, hourly, commission-based or self-employed)
- Misrepresenting the amount and/or source of the down payment
- Purchasing a rental property and misrepresenting it as owner-occupied
- Not disclosing existing mortgage and/or debt obligations
- Misrepresenting property details or omitting information in order to inflate the property value
- Adding co-borrowers who won't be residing in the home and don't intend to take responsibility for the mortgage

buyers may be offered cash or promised high returns when the property is sold. Often, straw buyers are deceived into believing that they'll not be held responsible for the mortgage payments.

Consequences of misrepresentation

Borrowers who misrepresent information and straw buyers who allow a property to be purchased in their name are committing mortgage fraud and will be responsible for any financial shortfall in the event of default. They may also be held criminally responsible for their misrepresentation.

Reporting fraud

If you suspect that you or someone you know has been the victim of mortgage fraud, contact your local police department or The Canadian Anti-Fraud Centre: www.antifraudcentre-centreantifraude.ca; 1-888-495-8501; info@antifraudcentre.ca.

To find out more about mortgage fraud, visit the fraud prevention section of the Canadian Association of Accredited Mortgage Professionals (CAAMP) website: <http://mortgageconsumer.org/protect-yourself-from-real-estate-fraud>.

About

ROYAL LEPAGE

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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