

# Real Estate Journal

Your Monthly Home & Financing News

May 2014



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## DID YOU KNOW...

Canada Mortgage and Housing Corporation (CMHC) is cutting the types of mortgage insurance it offers, meaning the era of tighter rules for homebuyers hasn't come to an end. The Crown corporation announced late last month it will stop insuring mortgages on second homes, effective May 30th. Anyone who has an insured mortgage will no longer be able to act as a co-borrower on another mortgage that CMHC insures. In addition, it will stop offering mortgage insurance to self-employed people who don't have standard documents to prove their income. CMHC said it does not expect the new rules to have a big

Welcome to the May 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 offers three tips to keep in mind while home hunting this spring, as well as relays why your credit score matters. 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

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## Three Top Spring Home-Buying Tips

If you're thinking of buying your first home or upgrading to a new one, the inventory of homes on the market come Spring is definitely plentiful – providing for a great selection of homes to serve your unique needs.

Still, there are also generally more people out looking at homes in the Spring as well. And while some homebuyers feel anxious about securing their dream home as soon as possible, it's

will help determine the types of homes you should be viewing. It's rarely possible, however, to find a perfect home for your needs, tastes and budget. While it's important to weigh your priorities before you start your home search, it's equally important to be flexible and willing to change your mind once you see what your true options are – viewing properties can shift your priorities. And remember that if you can only find places that require too many compromises, it's okay to keep looking – new homes come on the market daily!

impact on the housing market, but hinted more changes are on the way. So far, Canada's two private mortgage insurers – Genworth Financial and Canada Guaranty – have not announced plans for similar changes. [Click here](#) to read more from the *Globe and Mail*. [Click here](#) to read CMHC's press release.



## MORTGAGE MATTERS

You want some of these record low rates on the market but you're locked into a mortgage. Just break it, right? Not so fast, there's a key question you need to ask before you commit to break a mortgage: how much will it cost me? Actually, it's a question you should be asking before you sign up in the first place. [Click here](#) for the full *Financial Post* article.

## GOING GREEN

### **Recycle Clothing:**

Ensuring gently used clothing finds a new home instead of ending up as landfill helps decrease your carbon footprint. When you clean out your closet, take items to a thrift store, a charity that accepts donations, or list them on

important to take the time to be patient and make sure the home is a good fit for you and your family.

After all, home-buying is likely the largest investment you'll ever make, and doing your due diligence when determining which house to buy ensures that fewer surprises arise after your moving day.

Following are three top considerations to keep in mind when looking for your new home this Spring:

1. **Get preapproved for a mortgage.** Not only will this step help you compete against other buyers who have not been preapproved, but it will also ensure you only look at home's within your price range – saving you the trouble of falling in love with a home you can't afford. Your mortgage broker or lender will be able to get you preapproved before you start browsing homes.
2. **Think about what you need.** Jotting down specifics regarding what you "need" in a home – as opposed to what you "want" –

3. **Look past the staging.** Many sellers enlist staging professionals to help sell their homes faster and at a higher price. While this often makes listings more visually appealing to buyers, some major flaws may be covered up through staging. And while minor cosmetic issues can often be overcome with a simple fix such as a coat of paint, larger, more costly issues can arise with a home if you don't notice poor conditions before you buy. Some things to look for include: leaks around plumbing fixtures and ceilings (thanks to upper floor bathrooms); stains on walls or ceilings; evidence of mould; poor workmanship on flooring, moulding, windows and doors; or aging and worn seals around windows and doors.

As always, if you have any questions or concerns about buying or selling a home, or you'd like some useful tips, information and answers to your questions are just a phone call or email away!



**Y**our credit score is a number that illustrates

your financial health at a specific point in time. It's also an indicator of how consistently you pay off your bills and debts.

Your credit score is one of the factors lenders consider when qualifying you for a mortgage. A good credit score, for example, can help improve your chances of being approved.

To find out your credit score, contact Canada's two credit-reporting agencies: [Equifax Canada](#) and [TransUnion Canada](#). These agencies

### **Tips for improving your score**

There are several ways to improve your credit score, including:

- Always pay your bills in full and on time
- Pay off your debts as quickly as possible
- Never go over the limit on your credit cards
- Try to reduce the number of credit card or loan applications you make

Ensuring your credit score is in good shape better enables negotiations with lenders to obtain the best mortgage possible to meet your unique

sites such as [www.freecycle.org](http://www.freecycle.org).

can provide you with an online copy of your credit score as well as a credit report – a detailed summary of your credit history, employment history and personal financial information.

If you find any errors in your report, notify the credit-reporting agency and the organization responsible for the inaccuracy immediately.

needs.

To find out more about credit scores and reports, you can also visit the [Financial Consumer Agency of Canada](#) website and download or request a free copy of their guide, [Understanding Your Credit Report and Credit Score](#). This guide provides practical, straightforward information on how to obtain and understand your credit report and score, as well as how to build and maintain a good credit history.

## 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.