

Real Estate Journal

Your Monthly Home & Financing News

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MORTGAGE MATTERS

The lowest possible rate is how many define a good mortgage. But that's like judging the "best car" by the one with the lowest monthly payment. Anyone who's had to cough up a mortgage penalty or deal with refinance limitations can vouch for one thing: Mortgage restrictions can easily outweigh small (eg, 0.10 to 0.15 percentage point) differences in interest rates. It's tough to predict your refinance needs three or four years out. Statistics show that well over half of Canadians with a mortgage renegotiate before their term is up. And

Welcome to the November 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 benefits of home shopping in the off season, as well as explains why it's important to choose your mortgage term wisely. 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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Benefit from Off-Season Home Shopping



If you've been thinking about buying a new home but don't think that the cooler months make for an ideal time, you may actually benefit from changing your perspective. Though spring and summer are typically the most active real estate buying and selling seasons, house hunting in winter has its own benefits. Knowing what they are and how to use them to your advantage can put you on the path to homeownership sooner rather than later.

One of the best reasons to buy a house in winter is that there is usually less competition out there. Because many people believe that buying a home

Touring a home during the winter allows you to see things that you may not have been exposed to if you had come in the summer months. For instance, drafts may be a sign that windows need replacing or that there are air leaks that may need to be sealed. If the house feels warm without the thermostat being set too high, it may be an indication that the home has good insulation.

If you decide to brave the cold and hunt for a home during winter, there are a few things you should keep in mind. First, don't feel like you're going to inconvenience someone by viewing their home during the holidays, evenings or weekends. Sellers want to sell just as much as buyers want to buy. Also, don't be overcome by holiday decorations, which can make a house look cramped or have the opposite effect of making

the average five-year borrower changes their mortgage every three-and-a-half years.

That's why it often pays to trade a slightly lower rate for more flexibility, unless you know you won't change your mortgage during its term. A cheap rate can certainly save hundreds of dollars up front. Just be sure it doesn't cost thousands after closing. [Click here](#) for The Ultimate Mortgage Checklist courtesy of the *Globe and Mail*.

GOING GREEN

Reduce Heating Costs:

Your furnace or boiler is a large energy user. Consider:

- If health permits, keeping your thermostat at 20°C or below
- Lowering your thermostat at night and when no one's home
- Checking the furnace filter once a month during the heating season (change or clean when dirty)
- Having a professional tune-up of your heating system at least every other year
- Replacing your older furnace with a higher efficiency model

in cooler months is a bad idea, they stay home waiting for spring to come instead of house hunting. After all, moving at this time can be inconvenient and messy if you have to deal with inclement weather. Additionally, families will be less likely to move in the months of September through June if their children are in school.

It's the perfect time to start looking for a home during months when there are fewer house hunters. With fewer buyers in the market, homes move more slowly and sellers are more willing to negotiate on their asking price. They often need to move from the property in the near future, and you can use that to your advantage to get a favourable deal on a house that may otherwise be out of your price range during the peak selling seasons.

the house more emotionally appealing than it otherwise would be.

Just like any holiday shopping sale, knowledgeable shoppers know where to find great opportunities. The same holds true for real estate. There are still homes for sale in winter and bargains to be found, so don't let the seasons rule your search for a home.

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



Choosing the mortgage term that's right for you can be a challenging proposition for even the savviest of homebuyers, as terms typically range from six months up to 10 years.

By understanding mortgage terms and what they mean in dollars and sense, you can save the most money and choose the term that is best suited to your specific needs.

The first consideration when comparing various mortgage terms is to understand that a longer term generally means a higher corresponding interest rate. And, a shorter term generally means a lower corresponding interest rate. While this generalization may lead you to believe that a shorter term is always the preferred option, this isn't always the case. Sometimes there are other factors – either in the financial markets or in your own life – that you'll also have to take into consideration when selecting the length of your mortgage term.

With mortgage rates starting to rise, for instance, a longer term may be worth considering now. And if paying your mortgage each month places you

payments should interest rates increase further.

By the end of a five- or 10-year mortgage term, most buyers are in a better financial situation, have a lower outstanding principal balance and, should interest rates have risen throughout the course of your term, you'll be able to afford higher mortgage payments.

If you're shopping for a mortgage for an investment property, you'll likely want to consider choosing a longer mortgage term – depending, of course, on your overall plan. This will allow you to know that the mortgage payments on the property will be steady for a long time and enable you to more accurately project your future income from the property.

On the other hand, if you know you will not be staying in the same home for the next five or 10 years, opting for a shorter term can save you significant fees when it comes to early payout penalties.

Choosing the right mortgage term is a unique decision for each individual. By understanding your personal financial situation and your tolerance for risk, your mortgage broker or lender can help select the mortgage term that will work

close to the financial edge of your comfort zone, best for your situation.
you may want to opt for a longer mortgage term,
such as five or 10 years, so that you can ensure
that you'll be able to afford your mortgage

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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