

Real Estate Journal

Your Monthly Home & Financing News

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DID YOU KNOW...

Three out of five homeowners are saddled with mortgages. But in many ways it's harder being a renter. Statistics Canada finds that a significantly larger percentage of renters are overextended than homeowners in this country. That's one of the more noteworthy findings in its most recent [National Household Survey](#) data released last month.

MORTGAGE MATTERS

Welcome to the October 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 tips on setting the right sale price for your home, as well as examines the airtightness of your house. 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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Setting Your Sale Price

It's essential that you price your home as accurately as possible in any market to help ensure it sells at a reasonable price within your desired timeframe.

Sellers can often be reluctant to price their homes in line with the marketplace as they feel they may be giving away too much of their home equity. The reality is, however, that pricing your home correctly from the start will benefit any seller in the long run.

Here are some of the reasons why pricing your home at the current market value is extremely important:

- Real estate agents may skip over showing an over-priced home as they may believe the seller has little motivation to actually sell the property. Buyers' agents are always keen on getting their clients through the doors of a well-priced home first in order to give their clients first crack at getting the home of their dreams.
- The longer a listing stagnates on the market, the more likely it will sell for less than had it been priced right in the first place.

The key to pricing your home to sell for the most amount of money in the shortest period of time is to work with a local real estate professional. We know how to do an accurate market comparison and arrive at an asking price that will offer some

Preparing for a mortgage will increase your chances for approval. Don't buy or lease big-ticket items or increase debt for 6-12 months prior. Purchasing things such as a new car, furniture or major appliances worsens debt-to-income ratios, which can make you ineligible for the best available loan terms.

FIRST-TIME HOMEBUYERS' ADVICE

One of the biggest mistakes first-time homebuyers can make is to purchase a house that stretches you to the max of your cash flow. It's best to purchase a property you can comfortably afford and ensure you avoid becoming "house poor".

GOING GREEN

Use Energy Efficient Light Bulbs

Compact fluorescent (CFL) bulbs use as little as 1/4 the amount of electricity used by traditional incandescent bulbs, but create the same amount of light. Although CFL bulbs are slightly more expensive, they save money in the long run because of their low electricity use and longer life. Because they contain small amounts of mercury, used CFL bulbs should be recycled. Light emitting diodes (LEDs) are even more efficient than CFLs.

- Potential buyers may not look at your home if they believe it's out of their price range.
- Buyers comparison shop when considering a home purchase. When a buyer compares an overpriced home versus one that is priced at market value, it will likely convince them to place an offer on the well-priced property instead of yours.
- Properties that have been on the market for extended periods often come under scrutiny from buyers who question why the properties have yet to sell. Perception is a key factor in how a seller's home is viewed by the average homebuyer.

room for negotiation, but not scare off potential buyers.

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



In Canada, space heating can account for up to 60% of most homeowners' energy bills. This is especially true with older homes, which can often be drafty, lightly insulated and may still have older, less energy-efficient windows, doors and heating systems. This can add up to substantially higher home heating costs.

One of the best ways to cut down on your bills and keep your house warm in the winter and cool in the summer is by making sure your home is well sealed. Canada Mortgage and Housing Corporation (CMHC) offers the following tips on how to improve the airtightness of your home, in order to help you save money, reduce your environmental footprint and make your house more comfortable to live in.

Air sealing not only cuts heat losses and gains, but it also improves comfort by reducing drafts, helps improve the performance of the insulation in your walls and attic by stopping cold winter wind from washing through it, and it can help prevent moisture build-up in your walls and attic.

Finding air leaks can often be a challenge.

you can also find out how much you've reduced the air leakage of your home.

Some of the more common air-leakage points can include: ceiling pot light fixtures installed through ceilings into attic spaces, electrical boxes in ceilings and exterior walls; inside to outside wiring, plumbing and duct penetrations; bathroom exhaust fans installed in attic ceilings; older windows and doors; the joint between windows and the surrounding walls; and floor-wall joints.

Once you have located the leaks, you can use a variety of different approaches to seal them. For instance, leaky windows and doors can be sealed with gaskets or new weather stripping. Gaps around wiring, pipes and ducts can be sealed with caulking or spray foam. Electrical boxes can be sealed with special gaskets that fit behind the box plate covers. Joints between walls and floors and around the top of your foundation may be sealed with caulking or spray foam depending on the size of the gap. To find out the right options for your home, be sure to consult a contractor with expertise in air leakage control.

If you're replacing your exterior siding, it's a good time to add an exterior air barrier (and more insulation) that wraps your house in a draft-proof

Sometimes they're detectable by feeling for cold drafts in suspect locations. Other times, you may be able to see daylight shining in through unwanted openings. Blackened insulation is often another sign. For a more thorough assessment, consider hiring a qualified residential energy service provider to perform a "blower door" test of your house. During this test, your house is forced to leak, making it easier to find air leakage locations with smoke emitting devices or a special thermographic scanner.

A blower door test can also tell you the size of the hole all the leakage areas would add up to if they were all centralized in one location. This is helpful when you want to know how leaky your house is relative to other houses. If a blower door test is done before and after air sealing,

cover from the basement to the attic.

While air sealing is always a good idea, you may have to add mechanical ventilation in the form of a bathroom fan, range hood or, better yet, a heat recovery ventilation system, to help maintain healthy indoor conditions.

Air sealing can also adversely affect the ability of some fuel-fired furnaces, boilers and hot water tanks to safely vent combustion products, so an additional source of outdoor air may be needed. Consult a qualified mechanical contractor for guidance on ventilation system options and combustion air needs for your home before you start.

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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