



2007... an interesting year!

The CDN dollar is hovering around the U.S dollar, Yeah I think! Gas is \$1.05- \$1.10, ouch. Africa/Asia/Middle East still in turmoil, interest rates are creeping a little higher, Hops are in short supply (Beer drinkers beware), Corn prices have doubled, and housing prices...keep appreciating with record sales. If you predicted & acted on any of this...congratulations!

2008 change is inevitable...

The official prediction is the real estate market will move towards a balanced market and prices will continue to appreciate but at a slower pace than last year. Why is Prime Minister Harper warning us 2008 will not be a prosperous year? What is he not telling us? The U.S. is struggling trying to stay out of a recession, some say they will make it and some say they won't. Regardless, they are experiencing a slow down and we are too.



Alberta is considering rent controls. That hurts both the landlord and the tenant! The media has not been that positive lately and to a large extent they help control and steer the attitude of the masses. Positive news-positive growth, negative news.... All industries go through upswings and down swings. We have been fortunate real estate has had an amazing upswing. Can it continue? History says not likely. Remember the upswing in the 80's followed by the downswing in the 90's? And the swings in the 70's, 60's, 50's and so on? The reasons for the swings are always different yet they consistently happen.

Selling in 88-89 was more profitable than selling between 90-95. Could it be 88-89 again?

I can't help you invest in stocks or bonds or corn or potash but I can help you with your real estate.

Tom Dampsy
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Stats and Stuff

London enjoys a vacancy rate of 3%, and an unemployment rate of 6.5%.

Over 9,000 sales were reported last year through *London & St. Thomas association of REALTORS*

London prices:
Condo's \$145,000
Detached \$215,000
Therefore median average = \$202,000

Compared to other areas's averages we are still a bargain!

Calgary was \$415,000;
Durham Region was \$265,000;
Edmonton was \$340,000;
Hamilton-Burlington and District was \$270,000;
Kitchener-Waterloo was \$255,000;
Ottawa was \$275,000;
St. Catharines & District was \$220,000;
Toronto was \$380,000; and
Greater Vancouver was \$570,000.

Source LSTAR

Taxes; watch your market value assessment. Valuation date is Jan. 2005. What was your property worth then? If you do not agree with the 2005 value you should appeal. Don't pay more tax than you have to. Next year the valuation date changes to Jan. 2008.

This issue:

- 2008 projections
- Cap rates & value
- Where did all the renters go
- Tips on energy savings
- Tom Dampsy contact info.
- Condominium prices
- Industry Outlook
- London & Area

Investment Corner

Cap Rate is a common approach used to determine the value of an income producing property.

divide net income by purchase price x 100= Cap Rate

Example:

$$\frac{25,000 \text{ (Net Income)}}{300,000 \text{ (Purchase Price)}} \times 100 = 8.3 \text{ (Cap Rate)}$$

Surprisingly most properties sell within a fairly close cap rate range. Once we find the Cap Rates for properties in your area we reverse the math.

Net income divided by cap rate = market value

$$\frac{25,000 \text{ (Net Income)}}{0.083 \text{ (Cap Rate)}} \times 300,000 \text{ (Purchase Price/Market Value)}$$

*Seller wants low cap
Buyer wants high cap*

* Not intended to solicit Buyers or Sellers presently under contract

Where are the renters?



28% of Canadians rent, which is down from 34%. Where are they going? They are buying houses! Low interest rates & 100% financing has made home ownership easier and more affordable than ever before.



CMHC is predicting interest rates to continue to increase. For every 1 / 2 % rise in rates 5 % of buyers can no longer afford to buy. Fewer buyers...fewer sales...and the result is that properties will stay on the market longer and buyers will be pickier.



Lower your Energy Expenses

- ① Turn your thermostat down at night and while you are at work. Programmable thermostats will do the job for you.
- ② Seal & insulate air leaks, up to 40% of a homes heat is lost through air leaks.
- ③ Wrap heat ducts and water pipes with insulation.
- ④ Use compact fluorescent light bulbs; now available in different shades.
- ⑤ As you replace appliances, consider the cost of operation (along with the other features you want). Energy Savings can be significant. A dollar in your pocket is better than a dollar in theirs. ☺

Would you prefer receiving this newsletter via email?

tom@charitylinkrealty.ca

subject line: Bricks and Mortar

our next edition will be emailed

Buying or Selling?

call Tom Dampsy

Broker of Record

519- 642-0619

877- 832-6779



Condo Watch

Quick look at condominium complexes in Downtown & North London

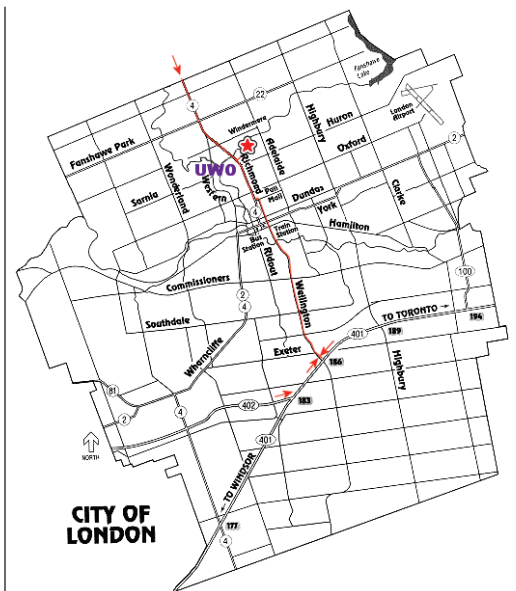
Prices stated according to the London & St. Thomas Real Estate Board. Prices vary depending on various factors, time, condition and location.

For a more in-depth evaluation please contact Tom Dampsy.

Condo Watch	Sale Range		2007 high
	bed	low	
1600 Adelaide St.	1	95,500	105,000
	2	112,000	124,900
323-363 Colborne St.	1	127,000	150,000
	2	139,500	189,900
389 Dundas/380 King	1	108,000	123,500
	2	127,500	180,000
	3	137,100	143,000
600 Grenfell	1	75,500	83,500
	2	89,000	99,500
Jacksway	2	124,000	140,500
	3	135,000	140,000
1200 + Limberlost	3	119,900	129,000
1460 Limberlost	3	109,000	125,500
Picton	2	199,000	204,000
695 Richmond	1	131,500	147,500
	2	160,000	178,500
	3		262,000
1510 Richmond	2	155,000	170,000
1570 Richmond	3 +	180,000	215,000
549 Ridout	2	154,000	161,400
500 Talbot	1		142,000
	2	181,000	190,000
600 Talbot	2	156,500	169,000

Condition, time, competition and location all influence price...

Info compiled through LSTAR and believed to be correct



London & Area...

Industrial / Automotive Industry is struggling.

Although we occasionally hear of factory closings or layoffs, all is not lost. London has a sound economy.

It is not so much one company or the other, it's the ripple effect...all the people and companies that are affected from these closures and lay-offs.

The good news... With several major plants under construction London and Area is still experiencing positive job growth. The Free Press reports 1,800 more jobs created overall. January 12, 2008

Our economy should remain healthy.

Resale Homes receives a tax break from the government.

The McGuinty government is giving all first-time homebuyers a break on land transfer tax by expanding the program to include purchases of **RESALE Homes**.

more info. call 800-263-7965 (Ontario Government)

Buying call Tom Dampsy today.

* Not intended to solicit Buyers or Sellers presently under contract