



## Get out your ID if you're selling or buying

As of June 23 2008, real estate agents are now required to ask clients for identification.

Following the attack on the World Trade Centre, the Government of Canada introduced the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)* late in 2001. This legislation introduced new regulations that required targeted "high-risk" industries, including real estate, to implement new record keeping requirements.

The new requirements agents must comply with will be to record all funds received, and to verify and record the identification of clients with respect to each purchase and sale.



## CMHC 100% Financing Gone

On July 9, the Department of Finance announced that it will no longer offer 100% financing or 40 year amortizations. You will however be able to obtain mortgage loan insurance for amortizations of up to 35 years and up to 95% of the value of the property.

If you were thinking of 100% financing or a 40 year amortization, you may have to take another look at your options. October 15, 2008 is when these changes are to take effect.

Mortgages obtained before October 15 will not be affected. These new rules pertain only to new, government-backed insured mortgages.

## Save Water = Save Money

Canadians are the second highest water consumers in the world. We use an average of 1,600 cubic meters per person, each year. Reducing our water consumption not only benefits the environment, but your wallet too through lower utility bills.

To conserve water, consider these tips:

- ▶ Install a properly functioning 6-litre Low-Flush toilet and low-flow shower head in the bathroom
- ▶ Save excess water when running the tap to use for watering plants
- ▶ Wash full loads of laundry only
- ▶ Grow water-efficient plants and grasses
- ▶ Use drip irrigation systems, sprinkler timers and rain gauges to promote deep growth and healthier vegetation
- ▶ Shower with a friend 😊

## Is the market slowing?

Could Prime Minister Harper be calling an election knowing our economy is slowing down? If the economy slows better to be re-elected now; he might not receive the same results in a slower economy. I am curious what are your thoughts?

Well if our economy continues to slow down will property prices fall? CMHC has successfully predicted this slow down and they are optimistic prices will not fall. I am not so sure, I think some sectors will and already are experiencing decreases.

I recently had an opportunity to list a condo. This property had been on the market with another firm for the proceeding six months. Place was vacant—ouch that's a lot of mortgage payments. Competition is from three

other complexes close by; sales are ranging from \$115,000-\$124,000 pending condition, location and time. I suggested \$112,500 no offers for one week. Our plan was to market for the "multiple" offer scenario. Place showed decent, clean etc. Ten showings, no offers; going into that day we raised the price to \$114,900 to protect our client from a "loan" offer. A condo in one of the other complexes had just firmed up at \$112,000. No offers, nothing, zip, zero, zilch, ouch.

Three weeks later we received our first "low" offer, thankfully after communicating with all the other realtors that showed the place we were able to receive two more offers and the place sold for \$100 over asking for \$115,000, closing three weeks. Two years ago we would of received multiple offers the first week, today people are taking longer to decide and yes updates (or lack thereof) are a concern.

Prices have softened in that market not because of the economy, I think it has more to do with the basement bedroom window size been enforced through the fire department on behalf of the city of London by-laws. As investors become more educated I believe the value of basement bedrooms will overall continue to affect the price of homes and condo's when the windows do not meet code. Yes REALTORS® can be held liable if they do not deal with this issue up front.

If you are thinking of selling this coming spring it might be prudent for you to consider selling your property this fall. Please call me to discuss your individual plans. I have been selling these types of properties for over 20 years and my goal is to help you receive the most money possible with the fewest problems possible.

## Condo Corner - How to criminal-proof your condo

Is your building a target for criminal activity? Building security isn't just the responsibility of the board or building managers, residents need to do their part too.

When a robbery occurs it is the duty of the condo board or building manager to inform all residents of such occurrences. Concealing knowledge of a break-and-enter just puts the building at risk for a repeat intrusion. Letters should be sent to all owners informing them of each and every occurrence of intrusion.

Residents should report any flaws discovered in the building's security. Have you noticed any doors that don't latch properly, door closers that need replacing, or (the most vulnerable security risk) people letting strangers into the building?

A building is only as secure as its weakest owner. Someone who is letting strangers into the building can be just as destructive as criminals themselves. They inadvertently breach all security measures, possibly costing the building and its residents thousands of dollars in stolen vehicles and merchandise, damaged property and, personal safety.

If your building has been targeted by criminals and you are unsure why, consider calling a security professional to evaluate the building for security weaknesses. Your security professional could help set up a three-stage program to discourage illicit activity in your building.

Stage one might include "target-hardening" the perimeter of building to ensure the utmost protection against a physical attack. Target-hardening is a term used to describe the reassurance a break-in won't happen. This may include adding stronger locks or securing the existing ones with protective covers.

Windows can be made stronger by applying security film to the surface. Security film is made from polycarbonate sheet, which is known for its holding strength when applied to a window. This product comes in this transparent sheet that are applied similar to the way wallpaper is hung. The polycarbonate will adhere to the window within 48 hours, creating a strong bond. If an intruder were to strike a window with security film, the glass would crack but hold together.

Stage two could involve upgrading the security to the parking area by installing locks that allow access strictly to key holders. It's always a good idea to contact your local fire department before adding locks to doors that currently are non-locking. You won't want to endanger the safety of residents by installing a lock on a designated fire door.

Stage three is securing in-swinging locking doors with interlocking bars, which consist of two metal strips. One strip is applied to the door and the other applied to the frame. When the door is closed, one strip interlocks with the other, creating a seal between the door and frame. This would prevent a burglar from prying the door open.

If you are worried about the costs of implementing a three-stage program like this, it would be divided up among the residents thus making increased security affordable. Most importantly, it would help transform your building into an undesirable target for criminal activity.



## Put Your Money Where Your House Is



According to a Renovation and Home Purchase Survey conducted by the Canada Mortgage and Housing Corporation (CMHC), spending for home renovation has jumped by \$2 billion in 2007.

CMHC polled an estimated 1.5 million households in 10 major Canadian cities. 37% of the households completed renovations last year. Total spending was close to \$19.7 billion, up from \$17.7 billion in 2006. A bulk of that spending was in Toronto, at close to \$7.1 billion.

According to Altus Clayton Economic Consulting, renovation spending has increased annually at an average of \$7.2% per year (after inflation) for the past five years.

The key driving force behind the renovation boom is the equally strong resale housing market. Homeowners are either fixing to sell or renovating their new homes to suit their taste.

Clayton cites a number of other factors contributing to the growth in the renovation market, including lower interest rates, the increasing rate of homeownership and the fact that the housing stock is getting bigger and older.

In terms of trends, CMHC found that the most popular renovation is a room renovation, most likely the kitchen and/or bathroom.

## Buying or Selling?

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