

To My Valued Clients

With our federal election looming in October, several real estate associations across the country are calling on all four parties to reverse “detrimental policy changes” which have had a negative effect on the real estate market.

According to many industry pundits, whichever party does so stands a good chance of winning, especially in the vote-rich GTA and lower mainland of B.C.

In particular, these associations are lobbying hard for the following changes:

Restore the 30-year amortization option for homeowners with insured mortgages. Several associations are irked that insured borrowers don’t have the same options as uninsured borrowers. They argue that with the 30-year option, many younger families would be able to become homeowners much earlier. A vibrant first-time buyer market has always been key to the overall health of the real estate market. By the way, the largest amortization period for insured mortgages in Canada was 35 years until 2012, when it was slashed to 25 years.

Changes to Canada’s mortgage “stress test” that was introduced on January 1st, 2018. Several associations want the test eliminated for those renewing their existing mortgage with another lender. They argue that the stress test makes it difficult for them to “shop their mortgage around” in order to get a better rate – which defeats the whole purpose of preventing borrowers from potentially defaulting. In effect, the stipulation leads to preventing competition by locking the family into renewing with their current lender, at whatever rate they are offering.

It will be interesting to see which party (if any) decides to make these issues (or other current real estate issues) as part of their party’s platform heading into the campaign.

As usual, your client referrals are both highly valued and greatly appreciated. Until next time, take care!



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Featured Properties



This property was just sold for 117% of the list price! Bright and sunny 4 bedroom, 3 bathroom home. Features a beautiful foyer with hardwood furnishings. Short walk to transit and amenities!



Newly renovated from the ground up. 3 bedroom, 3 bathroom + den home in a quiet hamlet. Features updated kitchen with stainless-steel appliances, and guest bedroom. **Asking \$789,000.**

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John Sample’s

HOME VIEWS

REFERRALS ARE ALWAYS WELCOME!



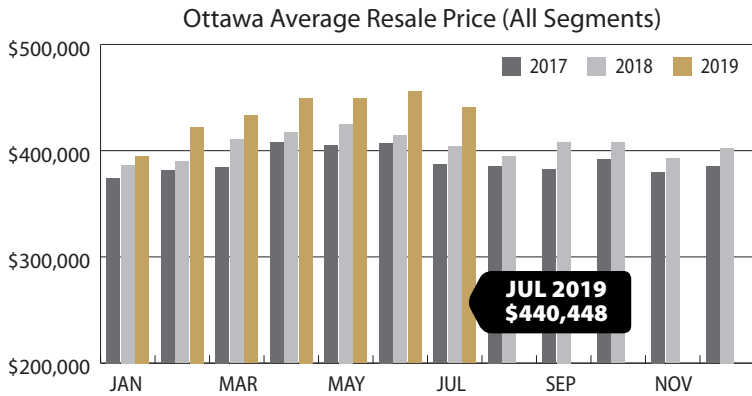
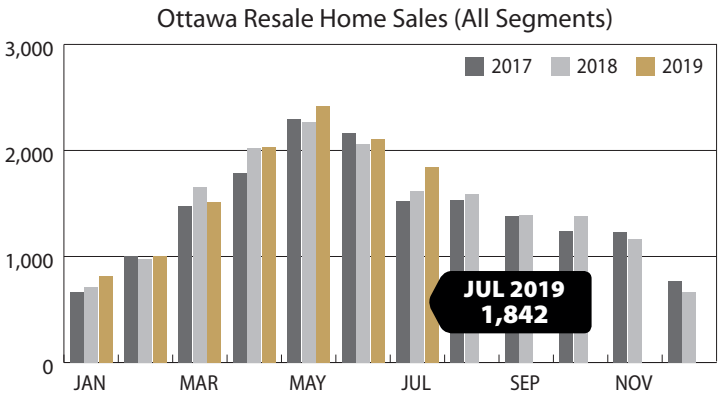
HOT OTTAWA MARKET CONTINUES IN JULY

MARKET HIGHLIGHTS

- July sales of 1,842 units were up by 14.8% versus last year; 5-year average for July sales is 1,579 units
- July sales were the highest for the month in the last 15 years; year-to-date volume growth now stands at 3.8%
- Upsurge in new listings has slightly improved housing inventory; although encouraging demand is still vastly outpacing supply
- Both residential (+10.4%) and condominium (+6.8%) segments recorded strong price advances in July

Resale Home Sales (All Segments)

Jul 2019	1,842	+14.8%	year year	Jul 2018	1,605
Average Resale Price (House Segment)					
Jul 2019	\$487,308	+10.4%	year year	Jul 2018	\$441,444
Average Resale Price (Condo Segment)					
Jul 2019	\$299,665	+6.8%	year year	Jul 2018	\$280,560



for more detailed Ottawa statistics: JOHNSAMPLE.INFO



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PERSONAL
FINANCE



Should you be making
bi-weekly mortgage payments?

The majority of borrowers pay off their mortgage in monthly installments. However, it's not unusual to hear of borrowers who insist that paying bi-weekly is the way to go. Are these people on to something? Most banks offer borrowers the option of paying bi-weekly, but what are the benefits of going down that route? Could it pay off your loan faster? Will you pay less interest over time? Is it something that everyone should be doing? Here's everything you need to know about bi-weekly mortgage payments - and why you should probably make the switch.

How do bi-weekly payments work?

If you opt to make bi-weekly payments, then you would be making 26 payments per year instead of 12 payments per year under a monthly payment schedule.

Since some months have five weeks instead of four, you will find yourself making three payments in one month (i.e. the first, third and fifth Friday of the month). Because of this, there will be a total of 26 payments in a year, which means you will essentially be paying one extra month towards your principal every year.

How much will the payments be?

It depends on how much you owe. Typically, each payment will be half of your monthly mortgage payment. For example, if you were originally paying \$1,000 a month, you would be paying \$500 every other week under a bi-weekly payment schedule.

What are the benefits?

Since you are paying more towards your principal per year than you normally would under a monthly payment schedule, you will see significant savings since you are reducing your principal faster and paying less interest over time.

For example, if you have a \$200,000 mortgage for 25 years and an annual interest rate of five percent, you would pay roughly \$148,000 in interest if you pay monthly. When you switch to a bi-weekly payment schedule, you would only pay roughly \$124,000 in interest and you'll pay off your mortgage in 22 years instead of 25 years. Switching to bi-weekly payments means you would save almost \$24,000 in interest. Plus, you'll get this giant debt load off your shoulders three years sooner.

But is it for everyone?

While making bi-weekly payments is a great way to save money, the downside is that you'll need to be more diligent with your cash flow since you'll now have to ensure that funds are available every other week as opposed to every month.


Paying off the mortgage early is a main goal for many, but there are some scenarios where it may not be all that advantageous:

- Households that have not set aside enough money for emergency funds or retirement may want to put their money towards those savings first.
- Individuals who have to pay off higher-rate debts like credit cards may want to make that a priority before they put more money towards their savings.
- If the mortgage is for a rental property and the rental income is enough to cover the mortgage payments, then paying bi-weekly may not be necessary.

Whatever your financial situation, make sure to discuss your options with your mortgage specialist.

This information should not be relied on as legal advice, financial advice or a definitive statement of the law in any jurisdiction. For such advice, please consult your own legal counsel or financial representative.

HOUSE
SMART



TOP 10 FLOORPLAN MISTAKES
YOU SHOULD AVOID

Whether you're renovating your house or searching for your next home, a floorplan with a good flow should be one of your top priorities. An awkward or poorly designed layout could take away from your everyday enjoyment—and it could also be wasting precious space, which is something nobody wants. When you're paying good money for a house, every square footage needs to count, so here are the floorplan layouts you should try to avoid.

1. Lack of entryway

When you walk in through your front door, you shouldn't already be standing in the family room. A good floor plan should include an ample amount of space in the entryway so that people can take off their shoes and hang up their coats.

2. Staircases that are complicated to get to

The passage to the stairway should be pretty straightforward. You shouldn't have to walk through multiple rooms or get to the other end of the house just to reach the stairs. The ideal location for a staircase should be near the front entrance.

3. Kitchens that are far away from the family area

Kitchens and family rooms are some of the most high-traffic rooms, with residents frequently travelling back and forth between those two spaces. To ensure maximum fluidity, these rooms should be right beside each other. This is especially important for people who entertain or parents who want to keep a close eye on their children when they're busy in the kitchen.

4. Bathrooms that open directly into a public room

You have to admit, it's a little uncomfortable watching TV or eating dinner when the bathroom is right beside you. A good floorplan should not have bathrooms open directly into a public room. They should instead be strategically placed in more private corridors.

5. Front doorways that are uncovered

The front entrance should be covered so that visitors will be protected from bad weather as they wait for you to answer the door. It'll also ensure that your front steps are not covered in sleet, which is dangerous, or snow, which could get inside your home each time you open the door.

6. Rooms so small the furniture doesn't fit

When a basic couch or bed doesn't fit in the space it's meant to be, then you've got yourself a poorly designed floorplan.

7. Insufficient storage

A good floor plan should take into consideration the necessity of adequate storage. Storage areas, whether it's a linen closet or extra cabinets, should not be an afterthought but instead integrated into the overall layout.

8. Diagonal walls

Walls that are angular or diagonal may look cool and creative, but they're a pain to furnish and design around. Floor plans with clean, straight lines are much easier to work with.

9. Garages that are not close to the kitchen

Many people enter their house through their garage. And do you know what they often carry in? Bags and bags of groceries. That's why the placement of the garage is so crucial. When there's direct access to the kitchen from the garage, it just makes for more seamless living.

10. Bedrooms connected by one door

Adjoining bedrooms may be a nice feature in a hotel, but it makes it very inconvenient for everyday living when you have to access a bedroom by walking through another bedroom. Some parents may want this feature when they have a newborn, but it can reduce everyone's sense of privacy when the child grows up.