

# mortgagematters

Compliments of Rein Weber

TMG The Mortgage Group



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**Happiness is a choice that  
requires effort at times.**

**- Anonymous**

**All the best,  
Rein**



## Low Interest Rates Continue ... For Now

In the Canadian Real Estate Association's (CREA) 2010 forecast for home sales via the MLS®, there is an indication of how the market might be affected by changes to interest and tax rates.

The good news is that CREA forecasts national activity will reach 527,300 units in 2010, a rise of 13.3 percent from 2009. Continued low interest rates are boosting housing demand in nearly all provinces during the first half of this year, led by British Columbia and Ontario, two provinces where many buyers are also motivated to avoid the HST before it comes into effect July 1, 2010.

During the second half of 2010, CREA expects national activity to ease, as the last of the pent-up demand for housing is exhausted, and interest rates start rising. Looking even further ahead, CREA expects interest rate increases to contribute to a seven percent decline in sales activity for 2011, but doesn't expect the higher rates to put housing out of reach for most buyers.

CREA President, Dale Ripplinger, predicts that, "Although interest rates are expected to rise, they will still be low enough to keep affordability within reach for many homebuyers requiring mortgage financing, and support overall housing demand."

Gregory Klump, CREA's Chief Economist, adds, "Fiscal restraint, a strong Canadian dollar and a subdued inflation outlook point to marginal interest rate increases over the next couple of years, especially if the US economic recovery proves to be weak and protracted."

If you're considering a move, you'll want information on the most up-to-date interest rates and mortgage options, and you'll want to get an update on any new regulations that may have been implemented since you last applied for a mortgage or other financing. Please call for the latest information, today!

CNMB

# Clearing the Air

Your home is supposed to be a respite from the outside world. But, surprisingly, when it comes to air quality, you're often better off outside your home than in it. To improve your home's air quality, consider these tips:



- Buy a good air purifier, which means one with a HEPA (High Efficiency Particulate Absorption) filter. Popular with those who suffer from allergies and respiratory issues, HEPA filters are said to remove over 99 percent of air contaminants such as dust, pollen and pet dander. When choosing an air purifier, look for its CADR (Clean Air Delivery Rate). The higher the CADR number, the more effective the purifier will be.
- Use nature's air purifiers: plants. They ingest airborne pollutants like ammonia, formaldehyde, carbon monoxide and benzene, while expelling fresh oxygen. Any houseplant will help purify your air, though some, like spider plants, ivy, ferns and dracaenas, are particularly effective. To maximize their healthful benefits, allot one plant for every hundred square feet. And remember, the healthier the plant, the more helpful it will be.
- Be discriminating about which consumer products you will – and won't – allow into your home. Everything from the carpet you walk on to the sheets you sleep on to the paint on your walls can contribute to indoor air pollution. Think wood floors, which don't harbor the dust mites carpet does; organic cotton sheets instead of synthetic, chemically treated ones; and low- or no-VOC (Volatile Organic Compound) paint instead of standard paint.
- Eliminate mold and mildew. Spores travel easily through the air, containing irritants and allergens. Most prevalent

in kitchens and bathrooms, mold and mildew can be cleaned up with a non-toxic agent like borax. But be sure to address the causes; the most common are leaks, condensation and poor ventilation. Ensure humidity levels are controlled and ventilation is sufficient.

- Be diligent in your housecleaning. Vacuum drapes and upholstery; floors should be done twice a week, and go over high-traffic areas multiple times. Wash bedding at least once each week, using hot water to kill dust mites and mold spores. Use a microfiber cloth on surfaces and knick-knacks, and on ceiling fans, which kick up allergens every time they're on.
- Use cleaning products that won't contribute to poor indoor air quality. Commercial cleaners are full of chemicals like acetone, ammonia, formaldehyde, naphthalene and turpentine; buy natural cleaners or make your own using ingredients like lemon juice, baking soda and vinegar. Use a vacuum cleaner that has a built-in HEPA filter and strong suction.
- Those living in houses should change their furnace/air conditioning system filters once a month, using quality filters like those with a high Minimum Efficiency Reporting Value. Vacuum out air returns, and experts recommend having the ductwork professionally cleaned every three to five years, and more often with factors like pets.





## AVOID OVERPAYING

Anyone who's in the market for a new home is prepared to spend a lot of money. But, of course, nobody wants to spend *too* much. For tips to help you avoid overpaying for your next home, keep reading.

- Make sure your head is in charge of the decision-making – not your heart. Make a list of all the features you're looking for in your next home, classifying the features by "must haves" and "desirables." And – this is crucial – make the list before you begin the home-hunting process. Bring your list along to each property you view, referring to it frequently.
- Get pre-approved for a mortgage before you start to shop. Knowing how much you can – and can't – afford will help you to keep your home search focused on properties within your budget. You'll also be less likely to overpay if you get your financing sorted out before you begin looking for properties, instead of later, when you might feel pressured from time constraints.
- Have any home you plan to make an offer on professionally inspected. One of the aspects a property's price should reflect is its condition. So, to determine if a price is fair, you need to know exactly what condition the property's in. A home inspection may reveal defects even the seller is unaware of. As well, the inspection results can be useful negotiation tools.
- Ask your real estate sales representative for a Comparative Market Analysis, to give you an idea of the asking and selling prices of similar homes. A good real estate sales representative can help you avoid costly mistakes as you navigate the home-buying process, and negotiate the best deal for you.

## YOUR "NOT-TO-DO" LIST!

Sometimes it's a home's condition or location that turns buyers away. But, on occasion, it's the very sellers themselves who put buyers off. Don't sabotage your own home sale: Here's a list of things NOT to do!

- **Linger during showings and open houses.** Though unintentionally, your presence might distract buyers and make them feel like they're intruding. As such, they're more likely to rush through your home without getting a good look at it. The best solution is for you not to be home, if you can help it.
- **Make your home hard to show.** Insisting buyers make appointments, requiring 24-hour notice, canceling appointments, deciding against a lockbox or not giving your real estate sales representative keys – these decisions make your property harder to see. And if buyers can't see your home, they won't buy it.
- **Refuse to negotiate.** Refusing to negotiate can give buyers the impression that you're not serious about selling your home. And if you're not serious about selling, buyers may worry that they're wasting their time, and move on to make an offer where the owners are willing to play ball.
- **Take offense.** Whether it's due to a negative comment a buyer makes about your décor or an offer you feel is too low, don't get offended. When you let your emotions get the better of you, you risk saying or doing something you'll regret – sending buyers running.
- **Say anything that might offend buyers.** Though that's a broad statement, because it's difficult to know what buyers will take offense to, you should let your real estate sales representative do the talking.

# Give Yourself Credit!

You know that loan approvals depend on good credit, so what steps can you take to improve your credit, before you even apply for a loan?

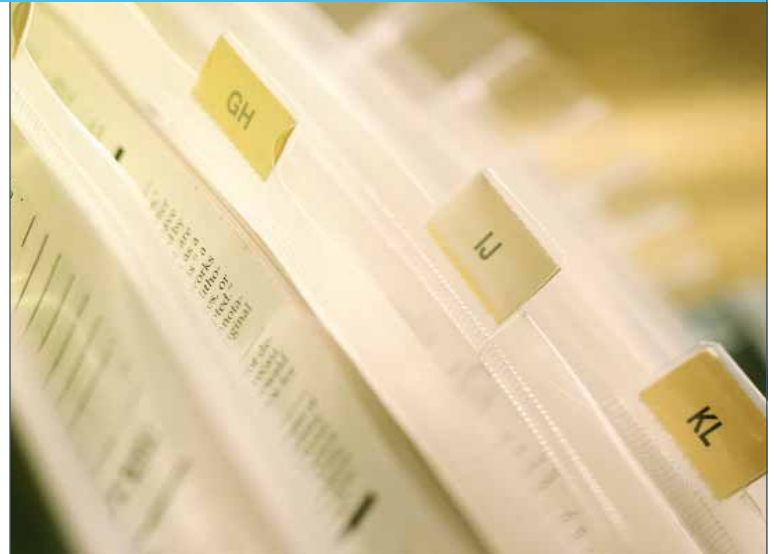
First of all, be aware of what's on your credit report. You can request a copy by contacting one of Canada's two major credit-reporting agencies: Equifax Canada, or TransUnion Canada. If you only want to see your credit report, not your credit score, you can request this information by mail, for free. If you'd like to see your credit report and score, promptly, you can pay a fee and request this information online.

Once you receive your credit information, check it carefully. Any erroneous items need to be investigated in writing, and then resolved in full before you apply for a new mortgage or other type of financing.

Anyone with a poor credit rating should start working on establishing payment reliability as soon as possible. Start by paying down and closing off a credit card or two, and, if possible, try to pay down any large loans, such as a car loan.

When you're in the process of applying for a home loan, it's critical that you avoid making any major credit card purchases, to avoid clouding your debt-to-income ratio. The debt-to-income calculation is based on your current debts, and the percentage of that debt to the amount of money you have coming in. A major credit card purchase would be a detriment to this ratio.

For questions about credit, or for more loan information, please feel free to call at any time.



## Terminology Tip

**Home Appraisal** — Performed in order to estimate a property's market value, a home appraisal takes into account factors such as the property's condition and location, as well as the selling prices of similar homes. Not to be confused with a Comparative Market Analysis, which is performed for sellers by real estate sales representatives, a home appraisal is commissioned by lenders for their own protection, to ensure the loan amount doesn't exceed the property's value before they approve a mortgage loan.

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**Rein Weber, AMP**  
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*My commitment is to deliver the highest level of service to earn the deepest level of trust. I want you to be so satisfied with my services you feel compelled to refer your friends, family, neighbours and co-workers to me. Not by obligation, but because you truly believe they will benefit from my services.*

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