



REAL ESTATE NEWS

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CMHC TO INCREASE MORTGAGE INSURANCE PREMIUMS

As a result of its annual review of its insurance products and capital requirements, CMHC is increasing its homeowner mortgage loan insurance premiums for homebuyers with less than a 10% down payment. Effective June 1, 2015, the mortgage loan insurance premiums for homebuyers with less than a 10% down payment will increase by approximately 15%.

For the average Canadian homebuyer who has less than a 10% down payment, the higher premium will result in an increase of approximately \$5 to their monthly mortgage payment. This is not expected to have a material impact on housing markets.

Premiums for homebuyers with a down payment of 10% or more and for CMHC's portfolio insurance and multi-unit insurance products remain unchanged. The changes do not apply to mortgages currently insured by CMHC.

"CMHC completed a detailed review of its mortgage loan insurance premiums and examined the performance of the various sub-segments of its portfolio," said Steven Mennill, Senior Vice-President, Insurance. "The

premium increase for homebuyers with less than a 10% down payment reflects CMHC's target capital requirements which were increased in mid-2014."

CMHC is mandated to operate its mortgage loan insurance business on a commercial basis. The premiums and fees it collects and the investment income it earns cover related claims and other expenses while providing a reasonable rate of return on its capital holding target.

CMHC contributes to the stability of Canada's housing finance system, including housing markets, by providing qualified Canadians in all parts of the country with access to a range of housing finance options in both good and bad economic times.

Effective June 1st, CMHC Purchase (owner occupied 1 – 4 unit) mortgage loan insurance premiums will be:



BUSY SPRING SEASON ARRIVES AMIDST MARCH SNOW BANKS

Members of the Ottawa Real Estate Board (OREB) sold 1,208 residential properties in March 2015 compared with 1,184 in March 2014, an increase of 2.0 percent. There were 853 home sales in February 2015.

"Sales increased month over month, with 356 more properties sold in March over February, a 41.8 percent increase," said OREB's President. "Indications of a fast approaching spring market were noted in February, and these numbers are proof that Ottawa is indeed experiencing an upswing in sales."

The average sale price of residential properties, including condominiums, sold in March in the Ottawa area was \$361,572 an increase of 0.7 percent over March 2014. The average sale price for a condominium-class property was \$251,666, no change over March 2014. The average sale price of a residential-class property was \$387,141 no change over March 2014.

"The average cumulative days on market came in at 83 for the month of March, lower than the average of 99 days in February and 119 days in January indicating that properties are starting to move faster as we enter the second quarter of 2015," said OREB's President. "Year-to-date sales for the first quarter of 2015 are 1.8 percent higher than the first quarter of 2014. Average sales price has also increased, ever so slightly, by 0.8 percent. So far, the 2015 resale market in Ottawa remains steady and strong", he added.

"The hottest segments of our market in March were sales between \$300,000 to \$400,000, followed by the \$200,000 to \$300,000 price range. Residential two-storey homes continue to be the highest sold property class, followed by bungalows and one-level condos."

Loan-to-Value Ratio	Standard Premium (Current)	Standard Premium (Effective June 1 '15)
Up to and including 65%	0.60%	0.60%
Up to and including 75%	0.75%	0.75%
Up to and including 80%	1.25%	1.25%
Up to and including 85%	1.80%	1.80%
Up to and including 90%	2.40%	2.40%
Up to and including 95%	3.15%	3.60%
90.01% to 95% – Non-Traditional Down Payment	3.35%	3.85%



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REAL ESTATE NEWS

A KITCHEN THAT YOU AND FUTURE HOMEBUYERS WILL LOVE



If you expect to sell your home within a few years, living with an outdated kitchen is a conundrum. Do you invest in a remodel or make do? The ideal solution for homeowners in this predicament is to update a kitchen so you can enjoy it now and attract potential buyers later. Given the choice of materials available today, it is possible to make the changes you desire within a reasonable budget.

Cosmetic re-do or complete overhaul?

If the style of your kitchen has a dated look, but you are happy with the functional layout and the condition of the cabinetry, you can update finishes and surfaces to refresh the style. If the working space in your kitchen needs improvement, you may be looking at a complete overhaul.

Make a list of priorities and choose materials according to a budget.

Today, choices abound. You could spend \$200 or \$2,000 on a sink! Let your priorities and your budget dictate your material selections. Shop wisely and where necessary, replace expensive material with lower-cost look-alikes such as a laminate countertop instead of granite.

Update the lighting.

The best way to freshen up a kitchen is to update the lighting. You can show off quality cabinets and increase the light on kitchen working surfaces by scrapping central fluorescent fixtures and replacing them with recessed lighting positioned just out from cabinets. Pendulum fixtures over a kitchen island are also a great update.

Highlight your home with strategic use of lighting.

With the flick of a switch you can transform dingy, drab and boring into soothing, vibrant and dramatic. Strategic use of lighting can highlight the best features of your home and disguise less attractive ones. Consider these three types of lighting to set the tone throughout your home:

- 1.** Ambient or background lighting provides general illumination and should be part of every room. Lamps, wall sconces and valance lights are used to wash walls in softer, more flattering glows, mitigating the harshness of central ceiling lights which are essential to every room. Tone the contrast down by adding dimmers to these light.
- 2.** Task lighting helps you to concentrate areas of light on work surfaces and those areas throughout the home where you need light for specific purposes such as reading or food preparation. Pendant lighting, desk and reading lamps, and under cabinet lighting are some examples. These should be bright enough to prevent eye strain.

- 3.** Accent lighting can accentuate specific features in a room. Paintings, architectural features and ornaments can benefit from being in the spotlight. Candle and firelight also add to the drama, warmth and comfort of a room, serving to bring out great features.

