Real Estate News

Molly & Claude TEAM

Royal LePage Team Realty
Independently Owned and Operated, Brokerage

mollyhoyle@royallepage.ca

claude@claudejobin.com

Sales Representative

O: 613.725.1171

Sales Representative

Royal LePage Opens the Door to Safety for Women and Children Fleeing Domestic Violence

Royal LePage recently announced another step forward in its efforts to help abused women and their children find help.

The Royal LePage Shelter Foundation has been named a national partner in .

Funds will be provided to underwrite the costs of the new website.

"Royal LePage has long been known as a leader in real estate industry technological innovation. We felt it was important to apply the same focus to our Royal LePage Shelter Foundation, as another way to show our commitment to helping women and children who have experienced domestic violence," said Phil Soper, President & CEO of Royal LePage. "The Sheltersafe.ca website is the only one of its kind in Canada and is accessible on all platforms including the web, on smartphones and tablets. In this way, the needs of women living in remote, rural and urban areas will be served."

Every day, shelter workers provide assistance to women by helping them develop personalized safety plans. Shelters also provide support to employers, friends and relatives of women who are being abused. Sheltersafe.ca quickly points concerned individuals to someone who can provide assistance.

"The key to bringing safety to women who have experienced abuse is for them to know that support is available at a local women's shelter," said Shanan Spencer-Brown, Executive Director of the Royal LePage Shelter Foundation. "Sheltersafe.ca will make it easier for them to find this help."

Facts about domestic violence:

· Every night, 4,600 Canadian women and their 3,600 children stay at a shelter to escape domestic violence.

· There are 450 shelters from coast to coast providing a safety net for women and their children. Each year 100,000 women and their children seek refuge in a shelter.

· The majority of children in shelters are younger than age five.

· Every six days, on average, a woman in Canada is murdered by a current or former partner.

Busy spring market continues in June

Members of the Ottawa Real Estate Board (OREB) sold 1,694 residential properties in June 2015 compared with 1,657 in June 2014, an increase of 2.2 percent. There were 1,926 home sales in May 2015.

"The Ottawa market is performing very well month-over-month and year-to-date compared to last year," said OREB's President. "Year-to-date sales for the first half of 2015 are up 4.9 percent over the first half of 2014, and average sale price continues to be steady for the first half of the year."

June's sales included 274 in the condominium property class, and 1,420 in the residential property class. The condominium property class includes any property, regardless of style (i.e. detached, semi-detached, apartment, stacked etc.), which is registered as a condominium. The residential property class includes all other residential properties.

"Inventory levels at the end of the month remain healthy and on par with May levels, with average cumulative days on market keeping steady at 74 days," said OREB's President. "Properties continue to move consistently, and we look forward to this continuing into the second half of the year", he added.

The average sale price of a residential-class property sold in June in the Ottawa area was $404,254, an increase of 4.1 percent over June 2014. The average sale price for a condominium-class property was $271,415, an increase of 5.1 percent over June 2014.

The number of residential units sold in June increased in every price range from $350,000 and above, and the $300,000 to $400,000 price range continues to have the highest concentration of properties sold," said OREB's President. "In addition to residential and condominium sales, OREB members assisted clients with renting 330 properties in June; 1,485 since the beginning of the year."

Call today for real estate advice and information!

Will you die with a mortgage? 10 reasons why more people will.

Reverse mortgage

Just hearing those words creates a visceral response among some who see it as a sinister product that drains fragile old people of their home equity.

Reverse mortgage let seniors pull cash out of their homes with almost no qualifications - up to 50 per cent of their property value. The downsides include rates that are up to 2.5 percentage points higher than standard mortgages, fees and penalties for early repayment and smaller inheritances for the borrower's heirs.

Whether reverse mortgages are good or bad depends on whom you ask. But either way, one thing seems clear: reverse mortgages are here to stay, and they're becoming a go-to solution for a growing number of older Canadians.

In fact, the catalysts for growth are so evident that I'll go out on a little limb and make a prediction. Within a decade, one in ten senior homeowners will sign up for a reverse mortgage, and yes, many will take them to the grave.

Here are 10 reasons why:

1. Falling returns – Actuaries project that stocks, a staple in most retirement portfolios, could return roughly 1.45 per cent less than they have in the past, on an inflation-adjusted annual basis. And long-term bonds won't return any better, especially if rising rates drag down bond prices and seniors have to liquidate their portfolios to fund retirement.

2. Sporadic saving – Returns aside, people simply aren't saving consistently. Less than four in ten saved for retirement in 2014. Half of Canadians think they'll run out of money within ten years of retiring and/or outlive their savings. A stunning 47 per cent of 55– to 64-year-olds say they don't have a penny saved for retirement.

3. Rates have fallen – You can now get a reverse mortgage for as low as prime + 1.25 per cent for a variable rate or 4.99 per cent for a five-year fixed. These rates could drop further if funding costs fall and/or HomEquity Bank – the leading provider – ever gets nationwide competition.

4. Industry acceptance – Mortgage brokers and financial advisers will increasingly push reverse mortgages for two reasons. For one, they may be paid more as HomEquity ramps up its adviser compensation program. And two, reverse mortgages are no longer a last-resort solution in some cases. Drawing on home equity instead of liquidating retirement investments can help certain seniors save taxes, preserve old-age benefits, maximize CPP benefits, and diversify and extend the life of their investment portfolio.

5. Under-employment – Job quality is deteriorating which could make retirement savings' shortfalls more common. It's no surprise that more people expect to work past retirement age.

6. Lots of equity – More homeowners than ever (24 per cent) are relying on their home(s) as their main source of retirement income. Fortunately for seniors, home values have surged 430 per cent in the last 30 years, knock on wood.

7. More homeowners – Canada's home-ownership rate has leapt from 61 per cent in 1984 to over 70 per cent today. In turn, more people are qualifying for a reverse mortgage.

8. Longer lifespans – In 15 years, seniors will make up 23 per cent of the population, versus 15.6 per cent today. Not only that, but we're living longer (to age 81.7 on average, and counting).

9. Bigger mortgages – Mortgage and credit line debt surged 62 per cent and 132 per cent, respectively from 1999 to 2012. If you haven't experienced it, mortgage payments on a fixed income can be, shall we say, stressful.

10. Financial hot water – More older Canadians are having to bail out their sinking financial ship. As just one example, 21 per cent of Credit Counselling Society clients are now age 55 or older. That compares to just 5 per cent 19 years ago.

Assuming that most of these trends won't reverse anytime soon, reverse mortgages will become a vital fallback for hundreds of thousands of Canadians in decades to come. And after 29 years in existence, they may even become a mainstream financial-planning tool. There are usually better alternatives than reverse mortgages, like proper planning, downsizing, landing a renter, getting a home equity line of credit and so on. But needs cannot always be planned. A Monitor Deloitte survey last year found 845,000 - or 17.6 per cent - of Canada's 4.8 million homeowners age 55 plus had a serious financial need and were looking for options. The above options won't work for many of those folks. That's why one in ten senior homeowners may rely on a reverse mortgage within a decade.

Reprinted from Globe and Mail article published April 8, 2015.
Written by Robert McLister, mortgage planner.