



REAL ESTATE NEWS

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ROYAL LEPAGE'S NEW MOBILE APP BREAKS INDUSTRY BARRIERS WITH DRAW-AND-SEARCH FEATURE

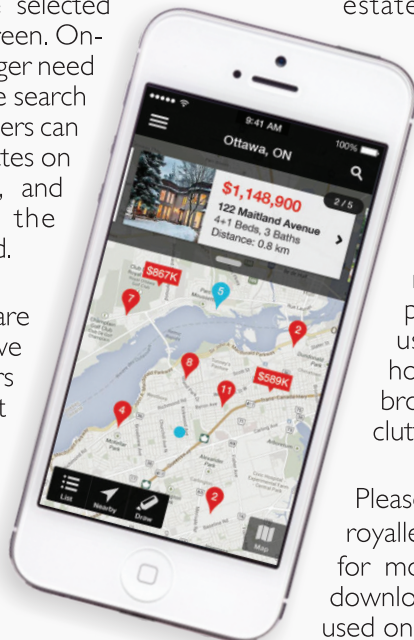
Royal LePage, in partnership with award-winning mobile agency Plastic Mobile, recently announced the launch of the Royal LePage mobile app for Canadian house hunters. Available for iPhone, the new app is simplifying the property search process down to the swipe of a finger.

The app's innovative Draw-and-Search feature allows users to easily zero in on a specific geographic area of interest on a map, by simply drawing the area of choice with their finger. Upon doing so, property listings within the selected region will pop up on the screen. On-the-go house hunters no longer need to log in or fill in forms to see search results. And with one tap, users can save their search to get updates on new homes, open houses, and current listings within the geographic area they selected.

"At Royal LePage, we are constantly looking at how we can better serve homebuyers in their search for the perfect home through new digital services," said Carolyn Cheng, SVP, Strategic Business Services, Royal LePage. "With our new app's draw feature, the very first in Canada, we are making the home buying search as easy and personalized as possible, while ensuring our clients don't miss crucial updates as listings and opportunities change by the moment."

The new app is the latest in Royal LePage's suite of digital real estate solutions for Canadians. Last year, Royal LePage launched a new mobile website featuring Google's renowned map-based technologies as well as its new and innovative cloud-based services, which allowed users to search for homes, using not only standard criteria, but also local landmarks.

"As Royal LePage's mobile agency, we identify the best practices across all industries worldwide and apply them to real estate, ensuring that Royal LePage's clients always have the best and latest features at their fingertips," said Melody Adhami, President and COO, Plastic Mobile. "The Draw-and-Search feature of Royal LePage's new app is designed to provide the most intuitive user experience so that homebuyers don't have to browse through all of the clutter to find what they need."



Please visit:
royallepage.ca/realestate/iphone
for more information, and/or to download the app which can be used on iPhone, iPad, iPad mini and iPod Touch.



OTTAWA RESALE MARKET REMAINS STABLE IN FEBRUARY

Members of the Ottawa Real Estate Board (OREB) sold 870 residential properties in February 2014 compared with 903 in February 2013, a decrease of 3.7 percent. There were 589 home sales in January 2014.

"February sales are down slightly year-over-year, despite the less than favourable weather, and possible distraction of the Olympics" said OREB's President. "Typical of a burgeoning spring market, Ottawa's resales gained momentum in February. Looking at this month's sales, in comparison to last month's sales, the market has picked up as we approach the busiest time of the year – 282 more homes were sold in February, over January", he added.

The average sale price of residential properties, including condominiums, sold in February in the Ottawa area was \$353,407, an increase of two percent over February 2013. The average sale price for a condominium-class property was \$257,752, a decrease of 2.3 percent over February 2013. The average sale price of a residential-class property was \$381,407, an increase of 2.1 percent over February 2013.

"The hottest segments of our market in February are sales between \$175,000 to \$225,000 and \$275,000 to \$400,000. This could be indicative of first-time homebuyers being active buyers," explains OREB's President. "With an increased inventory of listings going into March, we could see this momentum transfer to other market segments as first-time sellers re-enter the market as buyers and help contribute to continued market stability."

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REAL ESTATE NEWS

CMHC TO INCREASE MORTGAGE INSURANCE PREMIUMS

CMHC recently announced that, following the annual review of its insurance products and capital requirements, the corporation will increase its mortgage loan insurance premiums for homeowner and 1 – 4 unit rental properties effective May 1, 2014.

The increase applies to mortgage loan insurance premiums for owner occupied, self-employed and 1-to-4 unit rental properties, including low-ratio refinance premiums. This does not apply to mortgages currently insured by CMHC.

CMHC's capital management framework is consistent with international practices and Canadian guidelines for mortgage insurers. Increased capital targets are consistent with Canadian and international industry trends and makes the financial system more stable and resilient.

"The higher premiums reflect CMHC's higher capital targets" said Steven Mennill, CMHC's Vice-President, Insurance Operations. "CMHC's capital holdings reduce Canadian taxpayers' exposure to the housing market and contribute to the long term stability of the financial system."

For the average Canadian homebuyer requiring CMHC insured financing, 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 the housing market. Effective May 1st, CMHC Purchase (owner occupied 1 – 4 unit) mortgage insurance premiums will increase by approximately 15%, on average, for all loan-to-value ranges.



LOAN TO VALUE RATIO	STANDARD PREMIUM (CURRENT)	STANDARD PREMIUM (MAY 1, 2014)
Up to & including 85%	1.75%	1.80%
Up to & including 90%	2.00%	2.40%
Up to & including 95%	2.75%	3.15%
90.01% to 95% - Non-Traditional downpayment	2.90%	3.35%



reviews its premiums on an annual basis and, going forward, plans to announce decisions on premiums in the first quarter of each year. The homeowner premium increase follows changes CMHC made to its portfolio insurance product earlier this year.

BACKGROUNDER

- Mortgage loan insurance helps protect lenders against mortgage default and enables consumers to purchase homes with a minimum down payment of 5% with interest rates comparable to those with a 20% down payment. Mortgage loan insurance is typically required by lenders when homebuyers make a down payment of less than 20% of the purchase price.
- CMHC mortgage loan insurance premium is calculated as a percentage of the loan based on the loan-to-value ratio. The premium can be paid in a single lump sum but more frequently is added to the mortgage principal and amortized over the life of the mortgage as part of regular mortgage payments.