

# REAL ESTATE NEWS



ADAM MILLS  
WHERE OTTAWA IS HOME  
WWW.OTTAWA.IS.HOME.COM

SALES REPRESENTATIVE  
OFFICE 613.692.3567  
DIRECT 613.304.0390  
ADAMMILLS@ROYALLEPAGE.CA



## BILL TO ASSIST SENIORS WITH HOME RENOVATIONS PASSED INTO LAW

On October 3, the Ontario Legislature passed the law that will assist seniors in making their homes more accessible.

Bill 2, Healthy Homes Renovation Tax Credit Act, 2012, will create a permanent, refundable Personal Income Tax credit to assist seniors with the cost of permanent home modifications that improve accessibility.

The credit would be worth up to \$1,500 each year, calculated as 15 per cent of up to \$10,000 in eligible home renovation expenses. It could be claimed by senior homeowners and tenants, and people who share a home with a senior relative. Seniors at all income levels can qualify.

Eligible expenses include renovations to permit a first-floor occupancy or secondary suites for seniors, grab bars, handrails, wheelchair ramps, installation of walk-in bathtubs and showers, lowering counters and making light switches, etc.

To view all eligible expenses and learn how to claim the credit, visit the Ontario government website.

As a vocal advocate for tax rebate for Ontario homeowners, OREA supported the legislation and spoke in its support in front of the Standing Committee on Finance and Economic Affairs. Follow the link to see full presentation.

In addition to helping Ontario seniors remaining homeowners longer, the new tax rebate will help create jobs essential to the health of Ontario's housing market and encourage the use of professional contractors and deter underground economic activity.



## OTTAWA MARKET PICKS UP AS THE LEAVES FALL

Members of the Ottawa Real Estate Board (OREB) sold 1,073 residential properties in October 2012 compared with 1,059 in October 2011, an increase of 1.3 percent. There were 993 sales in September 2012.

"Compared to the five-year average, Ottawa is right on track, indicating that **we are not experiencing a real estate downturn in Ottawa, but a slow, steady incline in units sold and average sale price,**" said Ottawa Real Estate Board President. "Ottawa continues to be great place to buy and/or sell a home."

"Although the Ottawa market is characterized as stable and steady, there can be pockets of our market where fluctuations, such as larger increases in price, exist." This is why it is important for buyers and sellers to talk to their Ottawa area REALTOR® for more information about the housing market outlook where they live, or want to live", he added.

The average sale price of residential properties, including condominiums, sold in October in the Ottawa area was \$346,492, an increase of 2.5 percent over October 2011.

Call today for real estate advice and information!

## REAL ESTATE NEWS

# GAS HEATING BILLS TO STAY LOW THIS WINTER

Consumers who heat with natural gas can expect the good times to keep on rolling, at least for this winter.

Average Ontario homeowners saw their annual natural gas bill drop to \$942 this year, a 32 per cent decline from 2008, according to industry statistics.

The price of the basic gas commodity has dropped much more — 70 per cent in the same period. But bills didn't drop that much because the price we pay also includes transporting and storing the gas, which account for 67 per cent of the bill. These components have been largely stable but have assumed a larger portion of a household bill as the commodity price of gas has declined.

Last year, homeowners were helped by an unusually mild winter that broke records in some places and reduced average demand. This year, the private forecaster, AccuWeather is predicting a cold, snowy heating season. Environment Canada and The Weather Network are holding off on their predictions until next month.

Even so, barring a really deep freeze, natural gas prices are expected to stay near the lows they have tracked for the past few years. This is giving Canadians who use natural gas, slightly more than half of all households, a price break compared to users of oil and electricity.

The reason is a large supply of natural gas in Canada and the U.S., says Patricia Mohr, Scotiabank's commodity market specialist.

"Any price increase over the winter months is probably going to be fairly modest," Mohr said.

The price of gas has been tumbling because two technologies, hydraulic fracturing and horizontal drilling, have allowed producers to tap into huge pools of the fuel trapped in shale rock formations. These drilling innovations have created huge new supplies of gas that have driven down the price. After peaking at about \$10 per million British thermal units (mmBTU) in 2008, the commodity is now just above \$3.

John Kiemele, vice-president of Oshawa-based En-pro International Inc. says prices are up a bit as we head into the run-up to winter, but if the weather doesn't turn cold, "you will see prices start to tail off." One question for consumers is whether it's time to lock in at today's rock-bottom prices. Kiemele doesn't see any reason to do that.

"I certainly wouldn't be caught up in the hype," he said. "I don't expect to see rates go up and up and up." Still, nothing lasts forever and on the horizon several factors are at work to move gas higher. Today's low price means less incentive to drill for new supplies, which eventually puts an end to the current surplus. That would cause prices to rise. Low prices also convince many electric utilities to switch from coal to natural gas. This could also soak up gas surpluses. And there are also proposals for numerous liquefied natural gas terminals in Canada and the United States to take advantage of foreign, particularly Asian, markets. If they materialize, these exports could also raise Canadian natural gas prices.

Lanny Penhill, a senior energy analyst at Edward Jones investments, sees these factor affecting prices in two to three years.

"We basically swim in excess gas until we absorb it all," Penhill said. But once liquefied natural gas export plants are in place, "we can flow off our excess to the international markets and as the excess flows away, what you get is a balanced domestic market," he added.

En-Pro's Kiemele is not convinced higher prices are coming any time soon.

"They're finding shale gas all over the world. So for us to think that we're going to put gas in liquid form and ship it to China and get a lot of money for it (is questionable)."

So for now, Ontario consumers can expect the benefits on their heating bills.

