

REAL ESTATE NEWS



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Restoring Hope. Rebuilding Lives.



Royal LePage Donates more than \$47,000 to Unity House Emergency Shelter and the Canadian Red Cross in Support of the Fort McMurray Restoration Initiative

Royal LePage Real Estate Services, in concert with its charitable organization, the Royal LePage Shelter Foundation, is pleased to announce that it is donating over \$47,000 to Unity House, an emergency shelter serving abused women and their children, and the Canadian Red Cross to assist in the restoration of Fort McMurray.

Across the country, Royal LePage professionals banded together to raise funds to aid Fort McMurray residents displaced by the wildfires that roared through the city this May. In addition to individual Realtor® [1] contributions, many brokerages elected to earmark proceeds generated from the Royal LePage Shelter Foundation's flagship event, the National Garage Sale for Shelter, to Unity House. In honour of Royal LePage True North Realty in Fort McMurray, a longstanding and generous supporter of Unity House, the company raised approximately \$32,000 for the emergency shelter.

In addition, Royal LePage corporately is donating \$15,000 to the Canadian Red Cross in Alberta to assist in general rebuilding and restoration efforts in Fort McMurray. In addition to this corporate donation, the sales representatives of Royal LePage Team Realty in Ottawa sent almost \$10,000 to help in the efforts.

"Canadians watched in horror as wildfires raged out of control in Northern Alberta, engulfing Fort McMurray, laying waste to homes and businesses and threatening the lives of many," said Phil Soper, president and chief executive officer, Royal LePage. "As soon as the extent of the tragedy became evident, people from Royal LePage offices across the country began to reach out to me, asking simply, 'what can we do?'. Our brand promise is 'Helping you is what we do' and it was in that spirit that the women and men of Royal LePage came together to

raise funds with the hope that rehabilitation efforts in Fort McMurray will be accelerated, allowing many to close the book on one of the most trying chapters in the region's history."

"Due to the wildfires in the region, this year for the first time in many, we were sadly unable to participate in the National Garage Sale for Shelter, a fundraiser that contributes much needed support to Unity House, our local shelter," said Marian Barry, broker/owner, Royal LePage True North Realty. "My team and I were truly overwhelmed by the staggering amount of support received from our Royal LePage colleagues across the nation, who stepped in to fill, and exceed, this need, raising funds that will go a long way in helping many women and children seeking shelter during this difficult time."

And, in related news, despite the devastating effects of the fires, Fort McMurray's real estate market has been remarkably resilient. Home prices have remained relatively stable throughout the first half of the year, as low inventory levels have been met by a renewed sense of demand. During the second quarter of 2016, the aggregate [2] price of a home within the region slipped a mere 2.09 per cent quarter-over-quarter to \$588,843.

When broken out by housing type, the median price of a single family detached home declined by 1.3 per cent quarter-over-quarter to \$652,077 while the median price of a semi-detached dwelling remained relatively stable, slipping 0.26 per cent to \$473,910. During the same period of time, the median price of a standard condominium actually saw a healthy increase, rising 5.77 per cent to \$220,957.

SUMMER REALES SIZZLE IN A HOT JULY

Members of the Ottawa Real Estate Board (OREB) sold 1,491 residential properties in July 2016 compared with 1,430 in July 2015, an increase of 4.3 percent. There were 1,985 home sales in June 2016.

"Sales continue to outpace 2015 numbers both in monthly and year-to-date comparisons," said OREB's President. "However, we are seeing the typical summer slowdown in July compared to June's record-breaking numbers. Units listed in both residential and condominium property classes have declined throughout the year, which has affected overall inventory levels. The number of active listings at the end of July 2016 is down about 15 percent compared to July 2015."

"We are just over the mid-year mark for 2016 and our year-to-date sales volume is up by 5.3 percent over last year, ringing in at a whopping 3.6 billion dollars," OREB's President went on to explain. "Prices have remained quite steady in comparison to last year, with the increased number of units sold nudging the total sales volume up for the year."

July's sales included 277 in the condominium property class and 1,214 in the residential property class. The average sale price of a residential-class property sold in July in the Ottawa area was \$398,608, an increase of 1.1 percent over July 2015. The average sale price for a condominium-class property was \$259,794, an increase of 1.2 percent over July 2015.

"The hottest segments in our market for July were two-storey and bungalow residential homes in the \$300,000 to \$400,000 price range, followed by one-level and two-storey condos in the \$200,000 to \$300,000 price range," says OREB's President. "In addition to residential and condominium sales, OREB Members have assisted clients with renting over 1,800 properties since the beginning of the year."

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3 ways to pay off your mortgage faster



Things like traffic, work and dirty dishes can seem to go on forever; your mortgage doesn't have to. Even if you have signed on for a long mortgage, with payments scheduled to continue until you're old, there are ways to speed everything up, experts say. It's a matter of knowing your options and paying attention to detail.

"Obviously there's budgeting, where you cut back on some of your spending," says April Dunn, a mortgage broker at Red Door Mortgage Group in Kelowna, B.C. "But that only works if you actually take the funds to pay down the mortgage." If you can't bear to give up that triple skinny latte with an extra shot and some foam, "there are other things you can do." Some of these are simple.

1. BIWEEKLY PAYMENTS

For example, instead of making payments once a month, you can ask your mortgage holder to accept biweekly payments, dividing the monthly amount in half.

Although it sounds like six of one and half a dozen of the other, it means you will actually be making 26 payments every year, paying down more than you would if you made 12 monthly payments.

The reason is that there are 13 four-week payment periods in a year, as opposed to 12 months, allowing two extra biweekly payments.

It can add up to your advantage. For example, you could cut three years off and save more than \$16,000 by making biweekly payments instead of monthly ones on a 25-year mortgage of \$300,000 at 3 per cent.

2. ROUND UP

Another really easy and relatively painless way to make faster payments is to round up your regular payment by a small amount, whether it is monthly or biweekly. For example, if you normally pay \$575 every two weeks, consider bumping it up to \$600.

As with biweekly payments, you probably won't feel the small additional amount in your regular budget and the savings over years will be substantial. Many people like to round up their payments when they get a raise.

3. EXTRA PAYMENTS

A third way to speed up your mortgage payment is to put in extra money when it comes your way, for example through a tax refund, inheritance or work bonus.

It is often common to have a mortgage that allows you to pay down an additional lump sum up to a fixed percentage of the total mortgage, typically on the anniversary of the mortgage. But beware: Mortgage terms can vary widely depending on the lender and your own financial situation.

Mortgages often have clauses that penalize the borrower heavily – into thousands of dollars – if they pay off the entire mortgage before the full term. This may make little difference for those who win the lottery but it can be a burden for homeowners who downsize and are unaware of the penalties for paying off early.

A common type of set mortgage prepayment lets the borrower pay a certain portion, say 15 per cent of the original amount, on the mortgage anniversary. The borrower can pay the same amount each year, which over time becomes a larger percentage of the amount that is left.

It is also important to remember that mortgages are made up of two components – principal and interest. The actual payment you make is a blend of the principal and the interest you owe, so the faster you pay down the principal, the less interest accrues over time and the less you will end up paying in total.

Speeding up mortgage payment doesn't make sense for everyone in every circumstance. In today's low-interest environment, with rates unlikely to rise drastically for a while, a mortgage is among the lowest-cost debt, compared with the cost of, say, car payments or credit-card debt.

Most importantly, stay informed about your mortgage. For most people, it's the biggest debt they will ever have. Be financially literate.