

# REAL ESTATE NEWS



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## Record-breaking year for Ottawa resales

Members of the Ottawa Real Estate Board sold 1,484 residential properties in August through the Board's Multiple Listing Service® System, compared with 1,276 in August 2015, an increase of 16.3 per cent. The five-year average for August sales is 1,265.

"To date, this has been a record-breaking year for units sold," says Shane Silva, President of the Ottawa Real Estate Board. "The year started off a little sluggish, but as soon as April hit we were either breaking records, or outpacing the year before considerably. Not only are we up 16.3 per cent over last year, this has also been the best August on record ever for OREB Members, blowing the average for August sales out of the water. This is atypical of August when units sold normally start to decline approaching the fall."

"Units listed in both residential and condominium property classes continue to decline, as well as active listings at end of the month," says Silva. "These numbers suggest that buyers have less options when looking to purchase, with the potential of entering into a seller's market soon." August's sales included 295 in the condominium property class, and 1,189 in the residential property class. The condominium property class includes any property, regardless of style (i.e. detached, semi-detached, apartment, townhouse, etc.), which is registered as a condominium, as well as properties which are co-operatives, life leases, and timeshares. The residential property class includes all other residential properties.

"Average sale prices have been keeping steady all year," says Silva. "This past month, however, there were six more properties sold in the \$1 million plus range over last year, a possible explanation for the bump in average sales price for both condo and residential properties."

The average sale price of a residential-class property sold in August in the Ottawa area was \$389,786 an increase of 2.5 per cent over August 2015. The average sale price for

a condominium-class property was \$272,166, an increase of 11.1 per cent over August 2015. The Board cautions that average sale price information can be useful in establishing trends over time but should not be used as an indicator that specific properties have increased or decreased in value. The average sale price is calculated based on the total dollar volume of all properties sold.



"The hottest segments in our market for August continued to be 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 Silva. "In addition to residential and condominium sales, OREB Members have assisted clients with renting almost 2,200 properties since the beginning of the year."



# Credit Questions



Your credit history is based on information sent to the two major credit reporting agencies in Canada Equifax and TransUnion from companies who have extended credit to you.

Your credit score is used by lenders to help them establish whether or not you're a credit risk and to mitigate losses due to bad debt. The credit reporting agencies use a statistical formula that translates your information into a 3 digit score between 300 and 900. Higher scores are considered better scores. The higher the score, the more favourably lenders look upon you as a credit risk.

### Factors That Can Impact Your Credit Score Include:

- Length of time you have had active credit
- Payment History
- Current Debts
- Recent Inquiries
- Types of Credit facilities you are using
- Bankruptcy or collection items

### What Kind Of Information Does Your Credit Report Contain?

Your credit report contains information about your past and present personal and financial situation.

**Personal information:** This is information such as your name, address, social insurance number, telephone number, date of birth, and your current and previous employer(s).

**Credit information:** This is information related to any credit you may already have, such as a credit or retail card, a line of credit, a loan or a mortgage.

**Banking information:** This is information about the accounts you have, including any NSF cheques you may have written.

**Public records:** This is any information on the public record such as a bankruptcy or a credit-related court judgment against you in a lawsuit. Secured loans, which are backed by an asset (your property for example), may

also appear in your credit report.

**Collection information:** This shows whether you ever had a debt that you could not pay which was referred to a collection agency for payment.

**Consumer statement:** This is any statement you may have made to explain a particular situation, such as a dispute with a financial institution or a fraud warning.

**Credit report inquiries:** This is a list of all of the people who have inquired about your credit: yourself, a lender or any other authorized organization.

### If You Do Not Have A Credit Score

It's important to begin building a credit history as early as possible. You can begin to build one by applying for — and responsibly using — a credit card. Your financial institution or mortgage professional can help.

### How To Improve Your Credit Score

Demonstrating your ability to manage credit is key to maintaining a good credit score. There are a number of things you can do to improve your credit score. These include:

- Always pay your bills in full and on time. If you cannot pay the full amount, try to pay at least the required minimum shown on your monthly statement.
- Pay off your debts (such as loans, credit cards, lines of credit, etc.) as quickly as possible.
- Never go over the limit on your credit cards, and try to keep your balances well below the limits.
- Reduce the number of credit card or loan applications you make.
- Once your credit score has improved, work with your mortgage professional to obtain a mortgage that works for you.