



MORTGAGE *Update*

August 2013

In This Issue

How to “nail” an affordable home renovation

Strong home sales in Vancouver, Toronto suggest market stabilizing

What is a portable mortgage?

How to 'nail' an affordable home renovation

Anyone who has lived in the same house for a number of years inevitably gets the reno itch. While a gut job is expensive, home renovations are still an affordable way to upgrade without moving.



“It's natural that after a certain point, homeowners start to notice the flaws in their homes,” said Farhaneh Haque, director of mortgage advice at TD Canada Trust. “It could be that the layout is no longer practical, the bathrooms are outdated or the exterior needs some curb appeal. Each of these areas can increase the property value of a house while making it more suitable to the homeowner's needs.”

Before picking up the hammer and hardwood, Haque recommends homebuyers plan for the cost of a home renovation:

- **Consider upgrades that save money:** Green options, like installing insulated glass windows, may cost more initially, but they can make sense financially in the long-run when future energy bill savings are considered.
- **Research and budget for the unexpected:** The reality is that a home renovation often costs more than planned. Before starting any work, consult with more than one contractor to help accurately assess costs of materials and labour. It's also a good idea to build a buffer into the budget for any unexpected expenses.
- **Explore financing options:** A home equity line of credit (HELOC) allows homeowners to use the equity they've already built in their homes to finance upgrades at a competitive interest rate. Consider using a HELOC to pay different tradespeople as the work progresses to avoid paying interest on credit that hasn't been used. With ongoing access to credit, it can be tempting to go overboard, so remember to stick to the budget.

Source: www.newscanada.com



Like us on
Facebook

To keep up to date on:

- Economic news important to *your* mortgage
- Get a heads up when interest rates are changing
- Current interest rates

Contact us today at:

(604) 313-3199

info@gibbardgroup.com

www.gibbardgroup.com

Please follow us on:



Win a trip for 4 to Disneyland!

At Gibbard Group Financial we want to thank you for your support. If you have any friends, family members, or co-workers needing a mortgage and you refer them to Karen Gibbard's team, you will automatically be entered to win a trip for four to Disneyland.

The more people you refer, the better your chances of winning!

If you are thinking about doing some renovations on your home but not sure where you will get the money from, give us a call today. We would be more than happy to do a FREE mortgage evaluation to outline all the options available to you.

Give us a call today (604) 313-3199

What is a portable mortgage?

A portable mortgage gives you the option to take your mortgage to another property. So even if mortgage rates have risen by the time you move on, you'll still be paying today's low mortgage rate on your next home. On top of that, you avoid any prepayment penalty when you sell your current home.

A portable mortgage gives you the option, but that doesn't mean you have to use it.

You want to "port" your mortgage if:

- You have a good mortgage rate with a number of years remaining on your term and/or
- You want to avoid paying a prepayment penalty on your existing mortgage

You're better off getting a new mortgage if:

- You want to take a product that is not offered by your current lender
- You qualify for mortgage terms that are much better than the porting mortgage (but remember to account for the prepayment penalty)

Source: <http://www.rew.ca/news/>

Strong home sales in Vancouver, Toronto suggest market stabilizing

OTTAWA — Homes were selling at a brisk pace in Vancouver and Toronto last month, while the national average price continued to rise, suggesting Canada's real estate industry has returned to "average levels" after a decline that began last summer.

The Canadian Real Estate Association's report on activity for July showed resales edging up 0.2% from June on a seasonally adjusted basis and up 9.4% from July 2012, when tighter rules put the brakes on lenders and buyers.

Despite the recent uptick, the total of 284,865 homes that traded hands in the first seven months of 2013, is 4.6% fewer than the corresponding period last year.

"Canadian home sales have staged a bit of a recovery in recent months after having declined in the wake of tightened mortgage rules and lending guidelines last year, but the numbers for July suggest that national activity is levelling off at what might best be described as average levels," said



Gregory Klump, the real estate association's chief economist.

The national average home price was \$382,373, 8.4% higher than a year ago, although Klump said that was mostly because sales were concentrated in expensive major markets.

Excluding sales in Toronto and Vancouver, the national average price would have gone up only half as much and sales volume would have been down from June, the CREA report notes.

Vancouver had a 12% increase in sales in July relative to June and a 39.9% increase from the same month last year, while Toronto's sales were up 4.8% month-month and up 12.9% year-year.

Bank of Montreal chief economist Doug Porter added that the numbers may also have been inflated by the fact there were five Mondays and Tuesdays during July, traditionally two big days for closing real estate deals.

To read the full article, please click here

Source: <http://business.financialpost.com/2013/08/15/cmhc-housingforecast/>

We have the experience to get your mortgage approved quickly and hassle free.

Mortgages are our only business. All day. Everyday

Best Mortgage Rates

Term	Our Rates
1 year fixed	2.79%
2 year fixed	2.69%
3 year fixed	2.94%
4 year fixed	3.19%
5 year fixed	3.34%
7 year fixed	3.79%
10 year fixed	3.99%
Variable Rate	Prime – 0.40%

Rates subject to chance without notice. OAC