



REAL ESTATE NEWS



ADAM MILLS
WHERE OTTAWA IS HOME



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ROYAL LEPAGE INTRODUCES TRAVEL TIME SEARCH ON ROYALLEPAGE.CA



Consumers can now search by commute time for bike, car, transit or on foot.

Consumers can now calculate commute times as part of their considerations when deciding where to buy a home. New functionality on Royal LePage's national website, royalpage.ca, provides user-friendly, front-and-centre details on how long it takes to travel between a desired neighbourhood and work, or other frequently-visited places.

Here, the map displays the area within a 30 minute walk of "The Forks", Winnipeg, MB.

Visitors to the site can use the "By Travel Time" tab prominently displayed on the homepage to enter a starting point, which can be a landmark, neighbourhood or specific address. For example, the landmark CN Tower in Toronto could be entered, or a neighbourhood such as Yaletown in Vancouver, or a specific address, such as a school. Once the starting location is set, a desired commute duration is entered, along with a mode of transportation, to begin the search. The result is a map, overlaid with property listings.

"We know that for many homebuyers, one of the biggest considerations is commute times," says Carolyn Cheng, Chief Operation Officer of Royal LePage. "The travel between home and work or a frequently-visited spot really matters to people, and this functionality answers that need with ease of use and prominent positioning on our national website."

The new feature adds another layer of functionality to help consumers with the many decisions they will make in the process of buying a home.



SALES STAY CONSISTENTLY HOT THROUGH MAY HEAT WAVE

Members of the Ottawa Real Estate Board (OREB) sold 1,921 residential properties in May 2016 compared with 1,926 in May 2015. The five-year average for May sales is 1,864. There were 1,714 home sales in April 2016.

"As the weather warmed, the Ottawa resale market continued its steady pace upwards, continuing an above average trend for the month of May," said OREB's President. "Units sold are up 207 since April, increasing in both the residential and condominium property class."

May's sales included 307 in the condominium property class, and 1,614 in the residential property class. The average sale price of a residential-class property sold in May in the Ottawa area was \$406,063 an increase of 0.6 percent over May 2015. The average sale price for a condominium-class property was \$264,801, an increase of 1.5 percent over May 2015.

"In May, 3,635 homes were listed, keeping pace with listing numbers in April, but down slightly by 4.4 percent compared to May 2015," said OREB's President. "With the number of sales since the beginning of the year on a steady incline, coupled with increased inventory, Ottawa is riding a strong and steady spring market."

"The hottest segments in our market for May were sales in the \$300,000 to \$400,000 price range, followed by the \$400,000 to \$500,000 price range," said OREB's President. "Residential two-storey and bungalows have the highest concentration of buyers in May".

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BEFORE YOU SIGN THAT MORTGAGE RENEWAL OFFER, THINK CAREFULLY ABOUT YOUR OPTIONS



There's a one-in-four chance that, if you're among the 5.7 million Canadian households with a mortgage, you're going to receive a letter in the mail this year telling you it's time to renew.

TD Bank Financial Group said the number of renewals each year has climbed to 25 per cent as homeowners have switched to shorter terms, leading to more mortgages coming up for renewal every year.

"Traditionally, homeowners have gravitated to five years, that has been very popular," said Pat Giles, associate vice-president, real estate secured lending, TD Canada Trust. "In recent years, we have seen the popularity of shorter terms emerge, the two-year terms, four years — meaning sometimes they (merge into the same renewal time) in one year like this."

A 2014 report from the Mortgage Professionals Canada, which represents the mortgage industry, found 20 per cent of those customers coming up for renewal each year will switch lenders to seek a deal — something consumers are generally loathe to do because of perceived costs.

A better deal can include better terms, like large lump sum prepayment options, or it might mean just a straight out better rate. The difference can be meaningful: Discounted five-year closed fixed rates are as low as 2.3 per cent, but the posted rate at major banks is now closer to 4.8 per cent.

Rob McLister, the founder of ratespy.com, said consumers have become more sophisticated and banks generally send out renewal notices with somewhat competitive rates, but he says it's not unheard of for a consumer to just sign on the dotted line and send back a renewal notice at the posted rate that arrived in the mail.

"I think the conversation and consideration about renewal is happening even earlier than when (consumers) get something in the mail," said Giles, citing a Canada Mortgage and Housing Corp.

survey last year that found 60 per cent of Canadians will renew early.

He says that at 120 days before renewal you can lock in at a new rate without facing any type of penalty, something attractive for consumers worried about a rising rate environment.

THE BOTTOM LINE IS DO YOUR HOMEWORK

Is it worth shopping around? Giles says customers can always review their options.

"I think it starts with a conversation (with your bank)," he says, adding that homeowners' lifestyles can change dramatically from when they first received a loan. "They might have gotten a raise, so they can pay faster. Maybe they are caring for an aging parent and there's a bit more cost (and a need for flexibility)."

In 2015, CMHC found among people renewing their mortgage about 86 per cent will remain loyal to their financial institution. Among first-time buyers, only 47 per cent remain true.

At 63 per cent, the interest rate was cited as the number one reason for switching lenders. Despite that, 58 per cent of people surveyed indicated an existing relationship with a bank was a reason they wanted to remain loyal.

He says the bottom line is do your homework. You can get a hold guaranteeing you a rate for 120 days that is "somewhat" competitive, if you are worried rates will change before your contract is up. A 60-day rate hold will mean a better rate.

"People stay (with their lender) because they know them. There is comfort, it's known. But the second thing is convenience. It can take two to four hours of your life, minimum, to switch lenders. There has to be something it for you," said McLister, adding that includes factoring in the legal fees with switching lenders.