

Real Estate Monthly

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Canadians Spend More On Housing, Less on Taxes

Canadians are spending a greater chunk of their incomes on housing, air travel and cell phones, while the proportion devoted to personal taxes has hit a 14-year low, according to a newly released government report.

Canadians were in an expansive mood in 2006, boosting spending by 4.6 percent from 2005 — more than twice the rate of inflation, Statistics Canada said in its survey of household spending.

The biggest share of Canadian household budgets was still on personal taxes, shelter and transportation, at 20 percent, 19 percent and 14 percent respectively.

However, relatively less appears to be going to the tax man. Personal taxes edged higher — to an average of \$13,630 — but that was the lowest share since 1992. A dwindling portion is also going towards food — where the proportion of spending hit the lowest on record.

“In the 1960s, food represented the largest proportion of household expenditure, accounting for nearly 19 percent of total spending,” the report said. This has steadily tumbled, to just over 10 percent of total spending in 2006.

Spending on shelter rose by 5 percent

to an average of \$12,990, while transportation spending rose by 4 percent.

Spending differs broadly between income levels. The poorest fifth of the population spend more than half of their budget on food, shelter and clothing. The wealthiest fifth spend mostly on taxes and shelter.

Among other findings from the survey:

— Canadians used public transportation more in 2006, with spending rising by 17 percent. This was mostly towards air travel, followed by city commuter buses and subways.

— Household spending on cell phone and other wireless services jumped by more than 18 percent. At the same time, spending for conventional land-line telephone service continued to fall, dropping by 3 percent.

— More than two thirds of households say that they own at least one cell phone — up from 64 percent in 2005. One in five households says that it owns two cell phones, while 1 in 20 uses cell phones only and no conventional land-line phone.

— More than three quarters of households reported owning a computer in 2006. Nearly 97 percent of the highest income households had a computer, and 93 percent had Internet access from home. By contrast, 45 percent of households in the lowest income group had a computer, and one third had home access to the Internet.

Statistics Canada produced the study by interviewing about 21,000 Canadian households between January and April of last year.



Focus on Ottawa Home Sales

According to statistics just released by the Ottawa Real Estate Board (OREB), 983 homes were sold in February, compared with 1,029 in February 2007, a decrease of 4.5 percent. There were 655 sales in January 2007.

“The resale housing market picked up significantly in February, despite the weather: homes that were sold last month spent an average of just 36 days on the market,” said Past President Diane Hatfield. “All in all, we see these numbers as part of a trend towards sales figures similar to 2006’s, as predicted by the Canadian Real Estate Association, and that was a record-breaking year beaten only by 2007,” Hatfield added.

The average price of residential properties, including condominiums, sold in February in the Ottawa area was \$282,571, an increase of 6.7 percent over February 2007.

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Homeowner Quiz: What Kind of Homeowner Are You?

Take the quiz and find out your personalized tips for preparing your home for sale.

1) After finishing your dinner, do you:

- a. Leave everything on the table and come back to clean up later?
- b. Take the dishes off the table, put away the leftovers and pile the dishes in the sink or dishwasher for later?
- c. Clean the table, put away the leftovers and wash the dishes right away?

2) Your home office has a desk that is:

- a. Covered with papers, receipts and random objects.
- b. A pile of stacks. There is enough free space to do your work and you can still find what you're looking for.
- c. Clean and neat. Everything has its place and papers are filed right away.

3) You've just finished your laundry, do you:

- a. Leave the clothes in a pile on a chair. It's easier to find them later this way?
- b. Fold and put the clothes in any drawer with available space?
- c. Fold and put away your clothes in their appropriate drawers?

4) In your household, you have:

- a. A dog or cat that is allowed indoors.
- b. A smoker who often/always smokes indoors.
- c. None of the above.

5) How do you accessorize your home?

- a. I like to display personal mementos, souvenirs and family photos around my home.
- b. I love decorative accessories and like to feature eclectic ethnic artifacts and antique items around my home.
- c. I prefer clean and tidy surfaces and display few decorative or personal items around the house.

6) Which of the following best describes your home?

- a. My home is eclectic and fun with bright colours and accessories throughout.
- b. My home is traditional with warm paint colours and lots of dark wood.
- c. My home is in a modern and simple style with neutral colours and few accessories.

7) Spring has arrived and your yard is in need of some maintenance, do you:

- a. Rake the yard and generally get rid of debris?
- b. Clean the yard of debris and mow the lawn?
- c. Clean the yard of debris, mow the lawn, clear the weeds, apply fertilizer and plant new flowers?

8) Which best describes your home?

- a. I haven't had the time to properly decorate most of my home and a couple of the smaller rooms are used only for storage. Some minor repairs are still waiting to be done around the house.
- b. The main areas of my home are decorated and furnished, but I never got around to properly decorating and furnishing the basement or guestroom. Some minor repairs are still waiting to

be done around the house.

c. I have taken the time to properly furnish and decorate every room. I have also undertaken several renovation projects throughout the years.

Give yourself a score of 1 for every "a", a score of 3 for every "b", and a score of 5 for every "c" answer.

If your score is between 8 and 16, you need to roll up your sleeves and get working to prepare your home for sale. Based on your responses, your home will need deep cleaning and de-cluttering before showings start.

Deep clean your home, making sure that each room and surface is spotless. Make sure to remember your appliances and windows too.

Get rid of the clutter to allow buyers to properly see your home. Pack away unnecessary items and make sure counters and tables are free of appliances and personal items.

Put away collectibles and family photos to help de-personalize your home. Buyers will be able to imagine themselves in your space better without your personal items around.

If pets or smokers reside in your home, remember that you probably won't notice the smell if you're around them all the time. Have a trusted friend give you an honest opinion and deep clean to get rid of the odour.

And lastly, don't forget curb appeal. First impressions count, and buyers begin to form an opinion as soon as they pull into your driveway. Keep your yard neat and tidy with your lawn and shrubs trimmed, and flower beds weeded. Store away your children's toys and garbage bins, and give the exterior of your home a good wash or a fresh coat of paint.

If your score is between 17 and 32, there are a few easy steps that you can take to make your home more appealing to buyers.

Clean your home from top to bottom, making sure that you pay special attention to kitchens and bathrooms. Make sure to de-clutter and reorganize your home. Storage space is a top priority for buyers, so clean and organize your closets and storage areas.

Brighten and lighten up your home with a fresh coat of neutral coloured paint. Soft neutrals, such as pale yellows and grays, can give a house a nice sophisticated look that appeals to most buyers.

Store away your eclectic accessories and create more room on your counters and tabletops.

If your score is between 33 and 40, your home is in top shape and will only need a little bit of work to bring in that sale. Put fresh flowers on the mantle and set the dining room table for a formal dinner. If it's a cold day, light a fire in the fireplace. Look at your home through the buyers' eyes and create an atmosphere that will help them envision themselves living there.

To further enhance your home's curb appeal, spruce up your flower beds with new flowers and ground cover to give the home additional touches of colour.

