

Real Estate Monthly

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Canadian Census Highlights Home Ownership Trends

More than two thirds of Canadian households own their homes, the highest rate of homeownership since the government started keeping track of that information.

Between 2001 and 2006, homeownership rose for all income groups, even those in the lowest 20 percent. For the first time, more than half of lone-parent households headed by women owned their own homes in 2006.

These figures and many more are part of a Statistics Canada report called **Changing Patterns in Canadian Homeownership and Shelter Costs, 2006 Census**. The report confirms long-established real estate trends and provides some hints of some shifts in homeownership patterns.

A look at any of Canada's urban centres confirms that condominiums have become increasingly popular in recent years. The census shows that the number of condominium owners jumped by 36.5 percent from 2001 to 2006. In 1981, fewer than 4 percent of homeowners lived in condominiums. By 2001, it accounted for 9 percent of households and, in 2006, it reached 10.9 percent.

The census information confirms that, among the youngest households, where the primary "maintainer" is 24 and under, over three quarters are

renters. But when the head of the household is 25 to 34, 46.9 percent were homeowners with mortgages in 2006. In the 35- to- 44 age group, 58.2 percent were homeowners with mortgages. The number of homeowners with mortgages dropped to 49.8 percent for those 45 to 54, as mortgages were paid off, and starting at age 55, mortgage-free homeownership was most common. Only 32.2 percent of households with a primary maintainer aged 75 and older were renters.

"With the aging of the population and with baby boomers entering their 60s, when mortgages are traditionally paid off, the percentage of households with mortgages could be expected to decline and the percentage that are mortgage-free could be expected to rise," says the report. "Instead, the reverse occurred between 2001 and 2006."

It says that most of the increase in the proportion of households with a mortgage was because of renters moving into homeownership. Some of it was because of homeowners who took on new mortgages or added to existing ones to finance renovations or other large purchases, says the report. Spending on residential renovations increased by 63 percent between 2001 and 2006.

Shelter costs, which include mortgage payments, property taxes, condominium fees and utilities, are rising faster than the Consumer Price Index, the report says. The median shelter cost for homeowners in 2006 was \$10,056, an increase of 21.6 percent from five years earlier. For renters, shelter costs rose by 12.8 percent to \$8,057.

Eye on Ottawa Real Estate

Members of the Ottawa Real Estate Board (OREB) sold 1,187 residential units in August 2007 compared with 1,307 in August 2007, a decrease of 9.2 percent. There were 1,418 sales in July 2008.

"Making comparisons with 2007 is always difficult, because it remains the best year on record by such a significant margin. When you compare this year's sales numbers to 2006, which still stands as the second-best year on record for sales, it becomes much more apparent that Ottawa's resale housing market is very steady. In fact, year-to-date sales are up over the same time period in 2006. At the end of August of that year, members of OREB had sold 10,141 homes. As of the end of August 2008, members have sold 10,469 homes in the Ottawa area this year," said OREB's President. "Homes are also selling more quickly this year than they have in the past two years, by a significant margin – as of the end of August 2008, homes spent an average of just 33 days on the market, compared with 42 days in 2006 and 37 days in 2007."

The average price of residential properties, including condominiums, sold in August in the Ottawa area was \$280,806, an increase of 5.1 percent over August 2007.

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Real Estate News

It's Moving Season And Getting Organized Is Job One

Packing up your worldly possessions and moving them to a new home can be difficult even under the best of circumstances.

The end of summer is usually the high season for moving. One of the first decisions to make is whether to hire a moving company.

If you do, here are some suggestions for making the experience a smooth one.

Planning

When choosing a moving company, get written estimates from several carriers who have assessed, in person, everything you'll be moving, says John Bisney, spokesman for the non-profit American Moving and Storage Association.

Talk through the fine print and ask questions about anything you don't fully understand. Surprisingly low bids warrant extra scrutiny.

It's important to discuss insuring your items and how the company will handle any damage that occurs.

If you want the movers to pack your items, get detailed price quotes for labour and supplies. Be sure those charges are included in the written estimate.

Organizing

Eliminate clutter before the movers arrive; if you don't need or want an item, don't spend time and money moving it. Going room by room, select items you can sell, donate (get tax receipts) or share with friends. If your pantry is stocked, use most of that food before moving. Have coolers on hand to pack fridge or freezer items on moving day (or give them to neighbours).

To minimize stress on arrival, pack two weeks' worth of everything you might need (food, dishes, paperwork, etc.) in a set of clearly labelled boxes. Keep these boxes separate from the rest of your goods.

Moving day

When the movers arrive, exchange cellphone numbers to stay in contact throughout the move. Have numbers handy for senior management at the moving company, in case a problem arises. Crew members' experience may vary (some may be summer hires), so watch how they approach their work. If they are packing boxes, be sure they label clearly.

Ask the head of the moving team to point out any items they consider damaged before loading them onto the truck, and photograph those damages.

Bring all cash, small valuables and very precious items in your own car, rather than giving them to movers.

Have children pack a small box or backpack of favourite things that will stay with them (or under your supervision).



Also, keep cold drinks and snacks on hand for the movers. You're not expected to offer refreshments, but they will appreciate the gesture.

Arriving and unpacking

On arrival, movers may ask for decisions on the fly if furniture doesn't fit as planned. Have a rough idea — and some backup ideas — about where

things should go.

Have the most crucial boxes — that two-week supply of important, daily-life items — placed together in one area, rather than scattered around the house.

You'll need cash for tipping the moving staff once everything is unloaded. Tipping isn't required, but it's common. Rates vary and depend on the size and distance of the move.

Within days of arrival, unpack artwork and decorative items even if you won't be displaying them yet; you need to see if anything is damaged to promptly pursue reimbursement from the mover.