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Spring  
2010

An Insight into the Ontario Real Estate Market. Provided by Derek Dunphy, REALTOR®

# CallDerek.ca

the newsletter

current topics >>>

**Attention: It's currently a Home Seller's Market. We need homes to sell!**

Many Georgetown real estate agents are in the same predicament; they have buyers who are not comfortable selling their current home, because they can't find another to buy!

There are many first-time buyers trying to get into the market now! Sellers should realize that now is the time to sell—and you will likely get more for your house than you thought you could just a short few months ago.

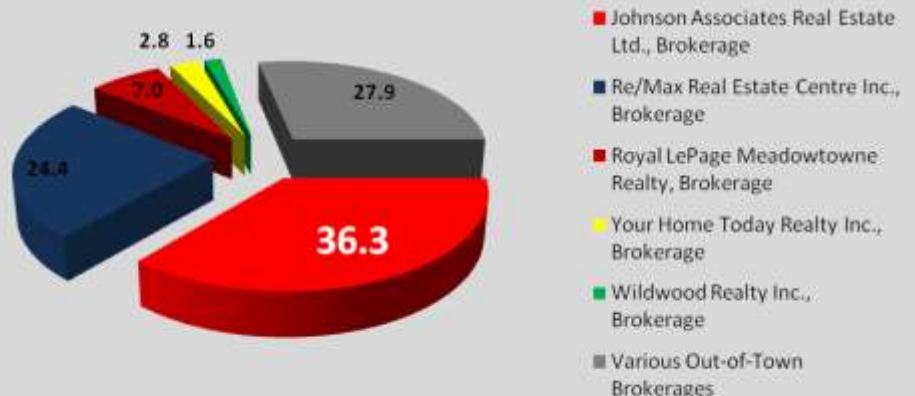
For more information go to my blog at [www.CallDerek.ca](http://www.CallDerek.ca)

## Record Sales in Jan/Feb Johnson Associates sales on the rise

Picking up where they left off in 2009, Johnson Associates Real Estate Ltd., Brokerage sales continued to soar through the first two months of 2010; both in terms of market share, and over the same period last year. While wide-spread speculation over interest rate increases and the fear of a looming HST may account for an increase in sales—it's evident that many Georgetown buyers and sellers prefer to work with the town's leading real estate brokerage.

According to statistics provided by the Toronto Real Estate Board, Johnson Associates Real Estate and its representatives accounted for over 36% of market share in Georgetown Ontario, with the next closest competitor accounting for 24.4%.

2009 Market Share of Real Estate Brokerages in Georgetown



*selling in today's market >>>*

# The Internet and Social Media. Does your REALTOR® get it?

*The world has changed.  
The way people get information and shop has drastically changed over the past few years; and the real estate market has changed along with it.*



## The Internet

Today if you need to know when Cartier first sailed down the St. Lawrence, the score to last night's Leaf game, or anything in between; it's all available with a few quick strokes of the keyboard.

Google is now a verb: Need an answer? Google it. Interestingly, 80% to 90% of home buyers now start their home searching on the Internet; and many real estate agents still don't have a useful website. Derek Dunphy of Johnson Associates Real Estate uses his website to exhibit all of his listings;

## The Old Days

Just a few short years ago, the bulk of a real estate agent's information was gathered through weekly publications that were circulated by various real estate boards. These books detailed and exhibited all area home listings.



along with his listings, there are links to thousands of other area listings, virtual tours and online floor plans, video commercials, and an informative blog. In today's market, homes need to be marketed in as many places as possible; if more people see a home for sale, then you have more potential buyers, more potential offers, and more profits for the home seller! Derek Dunphy uses YouTube, Craigslist, Kijiji, Twitter, Facebook, LinkedIn and more to get his listings noticed; along with the MLS, REALTOR.ca, the newspaper and other traditional media outlets.

## notice to buyers >>>

# How the H.S.T. will Impact Resale Home Buyers

*It seems that most Ontarians aren't too concerned about the implementation of HST in Ontario this coming summer (the new tax goes into effect July 1st, 2010). On the surface it really doesn't seem to be too impactful; we go from paying 5% GST and 8% PST, to paying 13% HST.*

There is certainly going to be some efficiencies for taxpayers realized through the harmonization, but there will undoubtedly also be some cash-flow negative results for Ontarians too. The following home buying services will be impacted:

- Legal Fees
- Mortgage Insurance Premiums
- Home Inspection Fees
- Real Estate Fees
- Moving Fees
- Title Insurance

A report by the Ontario Real Estate Association has estimated that someone buying a home for \$360,000, will now pay an extra \$1749 to \$2325 in taxes.



6 Brind-Sheridan Court, Ajax ON

## Sold in a Week

*After almost 50 showings to potential buyers in the first week. 6 Brind Sheridan Court sold for 100% of the asking price!*

When her home went up for sale, this seller in Ajax didn't expect to have such a huge amount of interest! After being marketed in the local paper, MLS, REALTOR.ca, Johnson Associates website, CallDerek.ca, YouTube, Kijiji, Craigslist, Facebook and more, this home was sold and the seller was very happy!

**For more information on how Derek Dunphy can market your property, go to [www.CallDerek.ca](http://www.CallDerek.ca)**

# Changes coming to Canadian Mortgage Market in April

"We're taking proactive, prudent, measured, and cautious steps today - to help prevent a housing bubble"; these were the words spoken by Jim Flaherty, Canadian Finance Minister on February 16th, 2010. Words many writers expected to hear; including Derek Dunphy's *Georgetown Real Estate Blog* at the end of 2009.



While sceptics (and many pure capitalists) argued that the government should leave the business of policy setting to the private industry; Derek Dunphy REALTOR from Johnson Associates Real Estate Ltd., Brokerage believes that the government should play a role in ensuring that Canadians can obtain affordable home ownership. So, what were the steps taken? In broad terms, the steps were all subtle changes to the Canadian Mortgage and Housing Corporation (CMHC) policies:

The goals of the Finance Minister were to help slow down rapidly rising housing prices across the country, and to help prevent the sub-prime crash our American neighbours experienced in 2008. Following the comments, the banks weighed in; Patricia Croft, RBC Chief Economist, and Derek Holt, VP Economics at Scotia Capital, both seemed to agree that the government's move was a good one.

1. Mortgage applicants will minimally need to qualify for a five-year fixed rate mortgage (even if they end up choosing a lower term or variable rate mortgage).
2. When refinancing a mortgage, the amount Canadians can withdraw from the equity of their home has been lowered to 90% (from the current rate of 95%).
3. A 20% down payment will be required for non-owner-occupied properties. Meaning investors will not qualify for high-ratio mortgages.



## The True Cost of Buying A Home

While convenient mortgage calculators (like the one found at [CallDerek.ca](http://CallDerek.ca)) can be very useful, a good REALTOR® can help you calculate the true costs that are associated with the purchase of your home. One must consider their mortgage, taxes, utilities, moving costs, insurance, travel to work... Make sure you consider everything before you buy!

## Bank of Canada Urged to Increase Rates

Nonpartisan public policy think tank organization *J.D.Howe Institute* issued a press release mid-February from their *Monetary Policy Council*.

The policy group is largely made up of economist academics and bankers; who all recommended that interest rates should start to rise sharply, starting in July of this year. Where the rate will end up is a decision the Federal Government and the Bank of Canada will have to make; but if the council has its way, we will see an increase of 50 basis points in July (from .25% to .75%), and further increases every few months until mid-2011, to a target rate of 2%.

If you are interested in buying a home this year - consider buying before July! Avoid the increased closing costs that will come with the HST implementation, and avoid the risk of increased interest rates (which are almost certainly coming as well).

ask the experts >>>

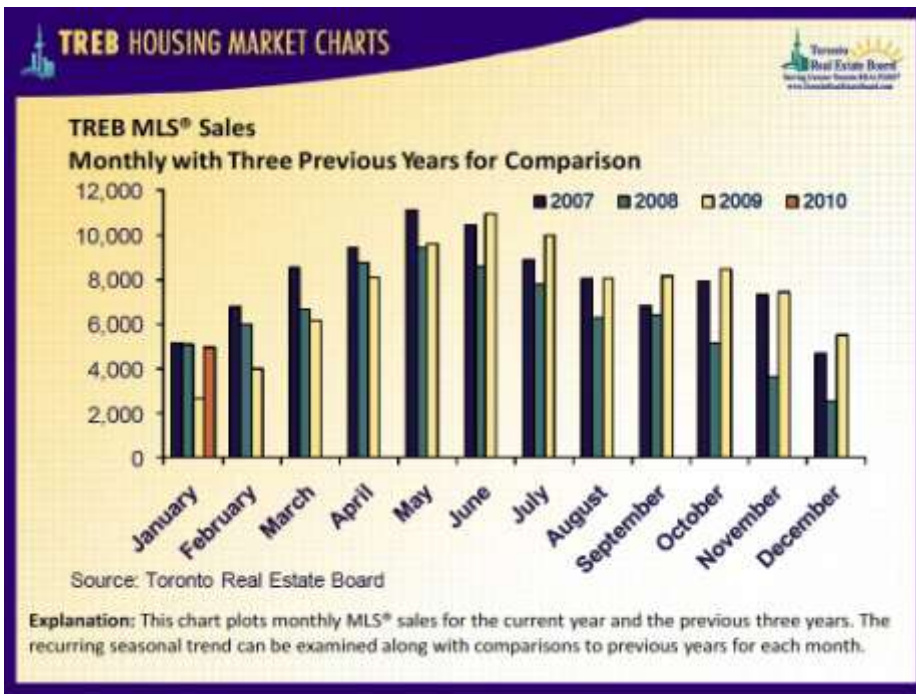
**Q:** Should I Refinance?

**A:** Take advantage of historically low rates; see a mortgage broker



While many are concerned about the impending interest rate changes being considered for the mortgage market; some are forgetting that changes could impact the rates paid on credit cards, lines of credit, and personal loans. Will you be able to afford your new monthly payments? Derek Dunphy recommends that you speak to a mortgage broker and discuss debt management solutions that will help you adapt to the changing market.





**next edition summer 2010 >>>**

### *Final Thoughts...*

*This information in this newsletter was written, designed and created by Derek Dunphy, Sales Representative at Johnson Associates Real Estate Ltd., Brokerage. Comments and questions can be sent to [Derek@CallDerek.ca](mailto:Derek@CallDerek.ca).*

As you can see in the comparison chart (above); after a slow start in 2009, Toronto Real Estate Board total sales are now nearly back to 2008 levels. Many expect there to be a surge in sales over the next few months; in advance of both the implementation of the HST in Ontario, and the likely increase in interest rates by the Bank of Canada (see article inside).

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