Bruce McKee & Linda McKee
Sales Representatives

Office: 613-258-1990
Direct: 613-850-5787
brucemckee@royallepage.ca

ROYAL LePAGE
Team Realty
Independently Owned and Operated, Brokerage

Office: 613-258-1990
Direct: 613-447-8090
lindamckee@royallepage.ca

Staging Tips for Selling During the Holidays

It's the time of year that calendars are packed with holiday parties, budgets are strained by gift-giving and the roads are covered in freshly fallen snow. Alas, 'tis not the season for real estate. But the good news is that the few brave house-hunters who do venture out are serious about buying a house and stylish trimmings will make them want to ring in the new year in your home. Try these tips to get buyers in the right spirit:

• ***Clean and stage.*** "Before you decorate, your house needs to be staged," Powers says. If your living room is already piled high with clutter and tchotchkes, your ceramic reindeer collection is only going to add to the sense of overcrowding.

• ***Create a cozy vibe.*** The less-is-more mantra of home staging may tempt you to forgo holiday cheer this year. But a few subtle touches like a bowl of pinecones, an evergreen wreath, or a pot of cider simmering on the stove can create a warm and festive feeling in your home.

• ***Complement your palette.*** Before you start untangling your tinsel, make sure your holiday collection matches your current decor. If your living room is painted a soothing ocean-blue hue, skip the clashing red garland and opt for white snowflakes or a silver glass-ball wreath. If you've got an earthy color scheme, accent with rich tones like cranberries, forest greens and gold.

• ***Accentuate the positive.*** Too many trimmings may distract buyers, but the right accessories can draw attention to your home's best features. Dangle mistletoe in an arched doorway, or display your menorah on the ledge of a bay window; just don't block a beautiful view with stick-on snowflake decals or clutter an elegant fireplace with personalized stockings.

• ***Be an equal-opportunity decorator.*** Leave the life-sized Nativity scene in storage this year, because overtly religious flourishes may be off-putting to some buyers. "You want to keep neutrality throughout, so you can attract any type of buyer," Powers says. Not sure what qualifies? Powers adds, "No matter what your religion is, you're not going to feel offended by a nutcracker."

• ***Clear the clutter.*** A few decorations can stir the holiday spirit, but don't feel obliged to hang every last ornament. "A lot of people, when they decorate, tend to use all the extra space in their house," Powers says. "You still want each space to look as spacious as possible." Limit yourself to a few hints of holiday flair, but stash the rest in the basement for now. If you start to miss your Santa figurines, just remember that with a little luck, you'll be celebrating next year's holidays in a new home. And you can decorate that place any way you please.

November Blues? Not in the real estate market...

Members of the Ottawa Real Estate Board (OREB) sold 1,239 residential properties in November 2017 compared with 992 in November 2016, an increase of 24.9 percent.

"November numbers are upholding the robust year we have been experiencing in the real estate market in 2017," said OREB's President. "Both residential sales and condo sales continue to steadily increase."

"It is crucial in a market that is moving quickly, such as the one we are experiencing, to ensure you are pricing your property correctly. Having the guidance and market knowledge of a REALTOR® is essential for home buyers and home sellers," OREB's President went on to explain.

November's sales included 294 in the condominium property class and 945 in the residential property class. The average sale price of a residential-class property sold in November in the Ottawa area was $418,354, an increase of 3.2 percent over November 2016. The average sale price for a condominium-class property was $257,212, a decrease of 7.6 percent over November 2016.

"The most active price point in the residential market is the $300,000 to $450,000 range, accounting for 46 percent of the market. While the most active price point in the condo market, between $150,000 and $275,000, accounts for 66 percent of the market," added OREB's President.

Call today for real estate advice and information!

The Days Of Talking Mortgage Rates At The Water Cooler Are Over

Consider two couples looking to purchase the same house at 456 Maple Lane with a purchase price of $400,000. Both sets of clients have excellent credit history and great job stability. Bob and Barbara are looking to put a down payment of 5%, giving them a loan to value of 95% which is a high ratio mortgage. Shawn and Steve will be putting a down payment of 20%, giving them a loan to value of 80% which is a conventional mortgage. In terms of who gets the better rate, Bob and Barbara with less down payment and a high ratio mortgage will get the lower rate of the two couples.

Wait... WHAT?! Shouldn't the couple with more down payment get the better rate?

The mortgage rule changes in the Fall of 2016 have made a significant difference to the way mortgage interest rates are determined. Those changes made a number of mortgage categories not eligible for default insurance (CMHC), including non-owner occupied rentals, refinances, mortgages with amortizations greater than 25 years, and homes over $1,000,000. Almost all mortgages end up being insured at some point. Banks and large deposit holders insure their mortgage portfolios with default insurance for the purpose of securitization (to move the mortgages as assets into investments such as mutual funds). Other mortgage lenders obtain their funds through investors who often require the mortgage portfolio to be insured for the same reason. In these last scenarios, the mortgages are insured through what is called “bulk insurance”. This is insurance paid by the lender for the insurance coverage provided, but at a reduced rate to the premiums that borrowers pay. In cases where the insurance is already paid (such as homeowners with less than 20% down payment), the lender does not have to incur the cost of insuring the portfolio. In that case, many of the non-bank lenders pass the savings on to home owners in the form of a reduced interest rate for mortgages with less than 20% down payment.

Let's take a look at a few other scenarios with couples that have large down payments and more equity that will obtain higher rates for their mortgages.

- Mary and Martin are looking to purchase a rental property to add to their financial portfolio and purchase a property for $400,000 with a down payment of $100,000. They will be in the highest rate category.

- Peter and Patricia have paid off their home and are now mortgage free. They have decided that some home improvements are in order and want to refinance to take out a mortgage of $200,000 on their $400,000 home. Their mortgage rate- you guessed it, will be in the highest category.

- Tom and Tracey have decided to move to a new home. Their new home has a purchase price of $1,200,000 and they have a whopping $1,000,000 as a down payment. The new loan to value on their home will be 17% yet they have the highest rate category.

As you can see, the same house, with customers who have the same profile, excellent credit, good income, great job stability, can all have different rates dependent on the type of mortgage and amount of down payment.

Clients	Purchase Price/ Home Value	Equity	LTV	Mortgage Amount	Rates
Bob & Barbara	$400,000	$20,000	95%	$380,000	Lowest
Shawn & Steve	$400,000	$80,000	80%	$320,000	Higher
Mary & Martin	(Rental) $400,000	$100,000	75%	$300,000	Highest
Peter & Patricia	(Refinance) $400,000	$200,000	50%	$200,000	Highest
Tom & Tracey	$1,200,000	$1,000,000	17%	$200,000	Highest