



# A REAL ESTATE UPDATE FROM MARIANNE VANDELINDE



at RE/MAX Eastern

743-9111

[www.questforyournest.com](http://www.questforyournest.com)

**SEPTEMBER** rolls around before we know it and after a fast summer many of us find ourselves scurrying around getting kids organized in their school routines and/or ourselves focused on our own plans. Do your Fall plans involve a move? Many buyers and sellers consider the Fall a good time to buy or sell to be settled again prior to Christmas holidays.

**THE GLOBAL MARKET** – You have probably heard plenty about the U.S. housing market and “sub-prime lenders” fall-out. The big question on everyone’s mind is whether this is going to affect our Canadian market or not. Some of this is certainly media frenzy which can, in and of itself, contribute to the downward trend. Less than 1% of U.S. mortgages are actually in default (250,000 out of 44 million mortgages = 0.6%). Here in Canada our lending parameters are more restrictive and in Ontario our market increases have been less dramatic. The rapid market increases are what contributed to the problem in the U.S. as homeowners borrowed against these increases with little or no equity in their homes to begin with.

**THE LOCAL MARKET** – The graph above illustrates our local residential market changes since 1994. 2007 has continued to show increases in our property values, although less dramatic than previous years.

Our Peterborough Real Estate Board reports the following:

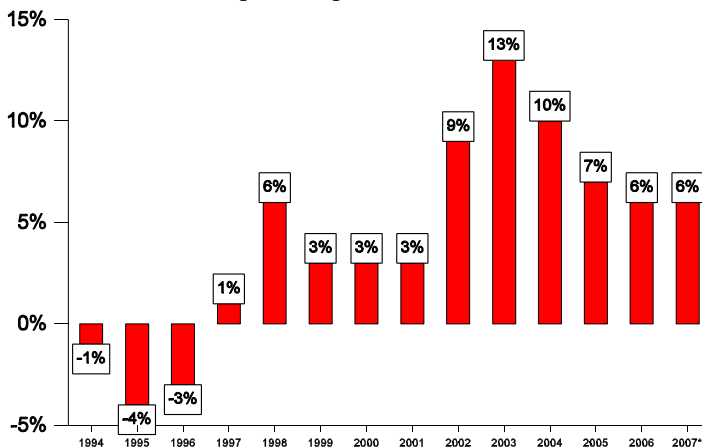
	2006	2005	2004
Total # of Listings	6625	6427	5969
Total # of Expireds	2343	2076	1891
Total # of Sales	3216	3408	3574

The number of properties listed has risen as have the number of expireds (properties that failed to sell) but the actual number of sales has decreased. This has created a more balanced market between buyers and sellers and stabilized pricing. This “correction” could be what will protect our market from what is happening in the States.

How will 2007 compare? As of August 31st, our Board reports would indicate that our total number of listings will be up again this year and so too will our expireds. The total number of sales however indicates an increase rather than a further decline as in previous years.

**FORECLOSURE vs POWER OF SALE** – It is the perception of the public that these properties offer better deals and are discreetly marketed. In reality, both types of sale are going to appear on real estate websites such as mls.ca however you may not be aware that the seller is now the Bank or a private lender. Both methods offer the mortgagee (the lender) the legal right to force the sale of a property when the borrower is in default. Power of Sale is the most frequently used method. The mortgagee must ensure that

Average City of Peterborough Residential Selling Price  
Percentage Change from Previous Year



the property is appraised to establish value and it must be marketed like any other property for sale. The major distinction with Power of Sale is that any excess funds from the sale after the mortgagee is repaid are returned to the owner of the property.

Foreclosure is a judicial process that results in the owner losing his equity of redemption (title). The process can be expensive, time-consuming, and subject to a number of requirements. After obtaining a Final Order of Foreclosure, the mortgagee no longer has to account to the mortgagor should the property be sold for profit.

In other words, if the mortgagor sells for more than the debt of the mortgage, he is entitled to keep it.

If you know of a homeowner who is behind in their mortgage payments, please make sure he or she calls me promptly. If all attempts at refinancing have failed and the homeowner needs to sell the property, a realtor needs to step in immediately before steps are taken by the mortgagor.

**GM JOB LOSSES** – How this will affect our local real estate market? Approximately 1500 Peterborough area residents commute to GM daily so there will certainly be some fall-out. What might help to ease the impact is the fact that Peterborough is growing and becoming the retirement-living destination of choice. The aging baby-boomers moving our way and the long-anticipated completion of the 407 may correct this loss locally. For the Durham region, the next big development to come their way will be “*Ecoplace Community by the Lake*” in Whitby, which has been announced as a four-phase development with the first phase to be completed in the next two years. Overall, this is expected to provide 14,000 homes and 10,000 jobs by its completion in ten years. *When one door closes, another opens.*

**MORTGAGE RATES** – Rather than the planned increase, it seems The Bank of Canada has decided to keep its target for the overnight rate at 4.5% mainly due to developments in the U.S. residential housing sector. For the time being, rates appear to be stable. However, if you are a first-time buyer out looking to purchase your first home, it is a good idea to get pre-approved and

“locked in” at today’s rate for 120 days while you shop for a home. If the rate increases during that time, you will not be affected, however, if the rates drop, you will get the lower rate.

For a free consultation, call Dave Griffin, AMP here in our Re/Max Mortgage Centre (743-9111) [www.karwarthamortgage.com](http://www.karwarthamortgage.com) for all your mortgage-related questions, including re-financing, no money down options, and amortizations up to 40 years. Dave will shop over 35 lenders to ensure the best rate for you.

**ITEMS TO SELL?** Ever since I completed my home renovations, I have noticed how my furniture no longer “matches” the new look. As much as I would like to go out and buy a new kitchen set and living room furniture, I need to sell my old stuff first. It’s much like the process of selling and buying a home, once you are in the market...you really don’t want to own two at the same time! If you are planning to sell items through the newspaper and would like to offer a website at which to view these items, email your pictures to me and I would be happy to post them as a new link on my web page at [www.questforyournest.com](http://www.questforyournest.com). You can include this web address in your ad and I will have your contact information with the pictures.....I am always thinking!!

**NEW RESTAURANT IN TOWN** – My friends Delia and Steve Francis recently opened a new restaurant on George St. (next to Hot Belly Mama’s) called Nata’s Café, specializing in espresso, breakfast waffles, panini sandwiches, and deserts (a nata is a Portuguese pastry). You will love the food and the ambience. Good luck in your new business venture Delia and Steve!

## Marianne Vandelinde

Sales Representative

**RE/MAX Eastern Realty Inc., Brokerage**

(705) 743-9111

(705) 872-6673 (cell)



[www.questforyournest.com](http://www.questforyournest.com)

*Visit my website to view my listings  
and items for sale!*

Not intended to solicit active listings or buyers agreements.