

Real Estate Outlook

DOLLAR SENSE

Mortgage-backed security safe new investment option

By Lorraine Bell, CA

A new kind of guaranteed investment with a relatively high yield, the mortgage-backed security, has been introduced in Canada.

Dollar Sense offers general financial advice by members of The Institute of Chartered Accountants of Ontario. Lorraine Bell is with Prudential Global Funding Canada Ltd., Toronto.

The securities represent direct ownership in a pool of mortgages. They are also sometimes called "pass throughs" because monthly payments of interest and principal made by homeowners are passed through to the investor.

Mortgage-backed securities were introduced in the United States in 1970. By the end of 1985, the pools of mortgages represented by the securities had grown to more than \$400-billion (U.S.).

In Canada, however, the first mortgage-backed securities just recently became available, as issued by GMC Investors Corp., a subsidiary of Counsel Trust Co.

The certificates are written on pools of National Housing Act mortgages - that is, insured by Canada Mortgage and Housing Corp. (CMHC), the federal government housing agency.

On the first \$100-million dollars worth of certificate issued, Citibank Canada is providing a back-up interest and principal in the case of the GMC securities. However, the CMHC has recently been empowered to provide this important guarantee for mortgage-backed securities expected to be issued by other financial institutions in future.

The federal government's interest in making this change was twofold: to encourage the formation of additional pools of mortgage funds and to provide a safe new investment for individual Canadians.

Though \$10,000 is the smallest amount of mortgage-backed securities you can buy from GMC, units of as small as \$5,000 will be available under the CMHC's version of the new securities.

Survey shows Toronto area market activity moderate

Most major Canadian markets have witnessed significant increases in demand for residential resale homes in the past year. With the exception of the Atlantic community almost all regions have experienced increases in resale values in the past year. In some areas, like southern Ontario, price increases have been extraordinary.

According to the July, 1987 edition of the Royal LePage Survey of Canadian House Prices released today, communities in and around Toronto have finally seen a moderation in market activity and price increases in the past three months have halted. Elsewhere in Canada, most areas continue to enjoy strong demand and increases in housing prices that exceed historical averages.

"The health of the national and most local economies, bolstered by relatively moderate interest rates, has inspired consumer confidence and buoyed housing markets," says Ozzie Jurock, President, Royal LePage Residential Real Estate Services. "Canadians have always had a great deal of faith in the value of home ownership and the past year has been a demonstration of this faith."

The quarterly cross-Canada study tracks the estimated selling price of six categories of housing in over 170 communities from coast to coast.

Mr. Jurock adds that, in addition to the moderation that has taken place in the southern Ontario market in the past three months, the active markets in centres like Montreal and Vancouver have also returned to more normal levels of activity during the last quarter. London, Edmonton, Calgary and Ottawa, as well as the province of Quebec, report stable markets.

The survey is designed not only to track house price trends, but also to compare the value of similar homes in different communities across the country.

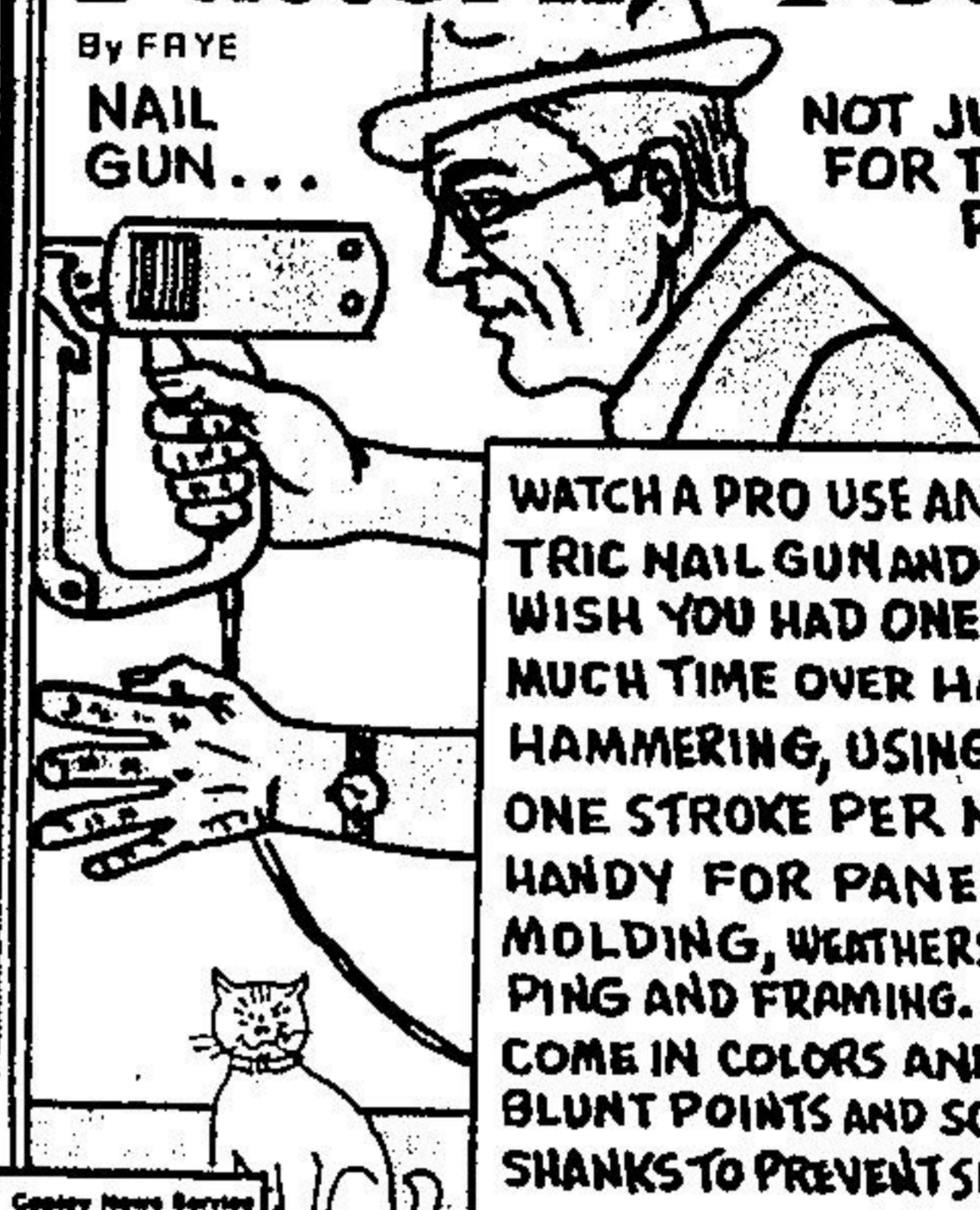
In a prestige Vancouver community like Kerrisdale, for example, the Executive Detached Two Storey home defined in the survey has increased 6.8 per cent in the past year to \$320,000. In Montreal's Mount Royal area, a similar home is up 21.2 per cent to \$400,000 since last July. In a desirable Toronto neighborhood like Don Mills, the Executive home category has risen 40.7 per cent to \$415,000.

Looking at more affordable areas, a Bungalow as specified in the

Putterin' Pete

By FRYE

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Home Post Scripts





By Glenda Hughes 877-5296

Buying a home is probably the largest investment a family ever makes. It is usually the one thing that you buy, that will always bring you a hefty profit in the long run. As real estate agents, that puts us in a pretty powerful situation - helping you make the right choice. Choosing a real estate agent should be tops on your list, when you have finally decided to buy or sell. Types of agents vary as much as night and day. Not all agents will suit your requirements, that's why there are many people in this profession. The days are gone, that a person could decide to sell real estate, and go down to the Registrar and drop \$25.00 on the counter and get their license... like my mother did. Today, all agents must take a very intensive course at a community college, pass three exams with honors, and be scrutinized by the Registrar before you can have a license. Fortunately, this makes the quality of agents quite superior to ones 50 years ago. Knowing this, should help reduce your fears of agents, but, as many of us know - and we face it nearly every day - the general public usually has a dim view of what agents are. Many people think we are high pressure, unscrupulous people, just hungry for the almighty dollar - not sensitive to anything other than our own gain. Personally, I find this hard to handle and I think many others do to. Your real estate agent should be none of the above, and if you feel that way, you have the wrong agent. During the time you are in the position of buying or selling, your agent should be as comfortable to you as one of the family. You should be feeling that your decisions are backed by knowledge and sensitivity to your needs through qualified learning and business practice. If you don't get this feeling - change agents - you have a lot of money to invest that is your future. I hope you take the time to shop for your agent - and I know that you have a wonderful choice in this area. Make it a good choice and you will be a happy client.

Homes Sold Creatively THIS WEEK'S MORTGAGE RATES AS OF JULY 30/87

	VARIABLE	5 YR. OPEN	10 YR. OPEN	1 YR. OPEN	2	3	4	5	7	10
Bank of Nova Scotia	9 1/2	9 1/2	10 1/2	9 1/2	10 1/2	10 1/2	11	11 1/2	-	-
Bank of Montreal	9 1/2	9 1/2	10 1/2	9 1/2	10 1/2	10 1/2	11	11 1/2	11 1/2	-
Canada Trust	-	9 1/2	-	9 1/2	10 1/2	10 1/2	11	11 1/2	-	11 1/2
CIBC	-	9 1/2	-	10 1/2	9 1/2	10 1/2	11	11 1/2	-	-
Halton Comm Cr Union	10	-	-	10 1/2	9 1/2	-	-	-	-	-
T D Bank	9 1/2	-	9 1/2	10 1/2	10 1/2	11	11 1/2	11 1/2	-	12
Royal Bank	9 1/2	9 1/2	-	10 1/2	10 1/2	11	11 1/2	11 1/2	-	-

A Tasty Recipe


MARBLE CHEESECAKE

Crust:
 1 cup graham wafer crumbs
 1/2 cup cocoa
 2 tsp. sugar
 1/4 cup melted butter
 Combine graham crumbs, cocoa and sugar; blend in butter. Press onto bottom of 9" x 10" springform pan. Chill while making filling.

Filling:
 1 1/2 lb. cream cheese
 1 cup sugar
 3 eggs
 2 tsp. vanilla
 4 squares semi-sweet chocolate

Beat cream cheese until smooth. Gradually beat in sugar. Beat in eggs, one at a time, at low speed; add vanilla. Pour half of cheese mixture (2 cups) into another bowl; add melted chocolate and blend well. Pour 1 cup white cheese mixture on top of prepared crust; spread smoothly. Drizzle 1 cup chocolate mixture on top; spread gently. Top with remaining white mixture; spread very gently. Drizzle remaining chocolate mixture on top as evenly as possible. Using a small spatula or knife, gently stir batter to make a marbled design. Bake in 300 degree oven for 1 hour. Turn oven off and leave cake inside for 1 hour longer. Cool in pan at room temperature. Loosen sides and remove.

Glaze: In small saucepan melt 4 squares semi-sweet chocolate and 1/4 cup butter; blend well. Spread over top and sides of cheesecake. Chill 24 hours before serving (16 servings).



Foodstuffs
92 MAIN ST. E. GEORGETOWN 877-8589

BAKER'S SEMI-SWEET CHOCOLATE
\$1.49 LB.

GRAHAM CRACKER CRUMBS
\$1.25 LB.

SULTANA BAR COOKIES
\$3.60 LB.

Foodstuffs

survey, in an Edmonton neighbourhood like Castledowns has increased two per cent in the past 12 months to \$81,000, while a similar home in the North End of Halifax is up 1.1 per cent to \$91,000. In Sarnia, Ontario, the same bungalow is valued at \$80,000, 6.7 per cent more than this time last year.

Resale housing values quoted in the survey represent the estimated current market value of typical homes and are compared with figures reported six months ago and a year ago. The prices cited are Royal LePage opinions of fair

market value in each location based on data and market knowledge provided by residential real estate specialists.

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