

There are benefits in a recession

There are two sides to every story. It seems Canada is in the grip of recession, the worst in some parts since the Great Depression. Wheelers and dealers languish in the unemployment lines; people who bought houses a couple of years ago in over-priced areas bite their fingernails as the value of their investment slides.

The suffering is unequal. Indeed, many people are not suffering at all. If anything, they find their circumstances improved. A step back from the depressing fray reveals why: falling prices are good for buyers. Some Torontonians, for example, would heartily thank Michael Wilson and John Crow for deflation.

People who must buy a house in the Toronto area will pay far less than they would have a little while back. The average house price tumbled to \$255,000 last year from \$274,000 in 1989, numbers prepared by the Toronto Real Estate Board show. Prices of expensive houses have plunged by a quarter or more.

Tenants are enjoying a windfall, too. When my neighbor's lease came due, she bargained with her landlord for a reduction of \$125 a month. Similar stories are common.

The savings are not limited to

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depressed areas such as housing. A national pizza chain has undertaken to delivering more pizza for the price. Many book, record and department stores are absorbing the seven-per-cent goods and services tax, at least on slow-selling items.

Expensive restaurants have lowered their prices, while others have scaled down the menus to make eating out more affordable. Weak retail sales have prompted clothing stores to slash prices. And when my sister visited her esthetician recently, they gave her a free facial.

At the car lot, dealers have cut prices to reflect the GST. Savings range from \$800 for an average-priced car to \$2,000 or more for an expensive one.

This is just the beginning. Once

the revenue-depressing effects of the GST become apparent, more sellers of goods and services will trim prices, or at least not raise them as freely as they did before. Who knows? We may even get a better deal from dry cleaners, veterinarians - even lawyers.

But that may be asking too much.

Where prices are rising is revealing. Governments clamor about inflation, but they are among the prime causes of it. Property taxes and transit fares are just two examples of government's contribution to the cost of living. The post office has raised stamp prices, the liquor stores the price of wines and liquors.

University tuition fees have increased. Interest rates are still stubbornly high, propped up by government policy-makers. The GST ultimately will add to the cost of living and the list goes on.

On the larger front, almost everything that could go wrong has. The Bank of New England has failed, another big U.S. airline has filed for bankruptcy protection. Each day brings a new disaster.

Still, it is worth keeping an eye on the potential benefits of the recession. Things were getting out of hand. When the shakeout is over, stability may be restored.

A hammer will be required for most home improvements

Whether you're replacing a loose roof shingle, repairing a splintered moulding, building a new outdoor deck, tightening a loose floorboard, or just hanging a new picture, you're going to need a hammer.

A hammer is required for just about every kind of home improvement project imaginable. But, what kind of hammer? With the proper hammer for the job - to hit the nail squarely on the head - you can save a lot of bent nails, dented surfaces and wasted time.

Don't be confused by the vast number of hammers on the market, and don't skimp on quality. Here are some tips from the experts at Stanley Tools on what

to look for when purchasing a hammer.

A dependable hammer head should be made of high-carbon steel and have a heat-treated face for strength and durability. The face should be convex to increase nail-driving efficiency. Hammers with curved claws make better all-purpose hammers than those with rip claws. Curved claws with sharp double beveled edges make nail-pulling easy.

When choosing an all-purpose hammer, make sure the hammer head is the right weight for the work you're doing. A hammer head that is too light makes the work harder than it has to be, and one too heavy will be difficult to control. An all-purpose hammer,

say the experts, should have a hammer head that weighs approximately 16 ounces.

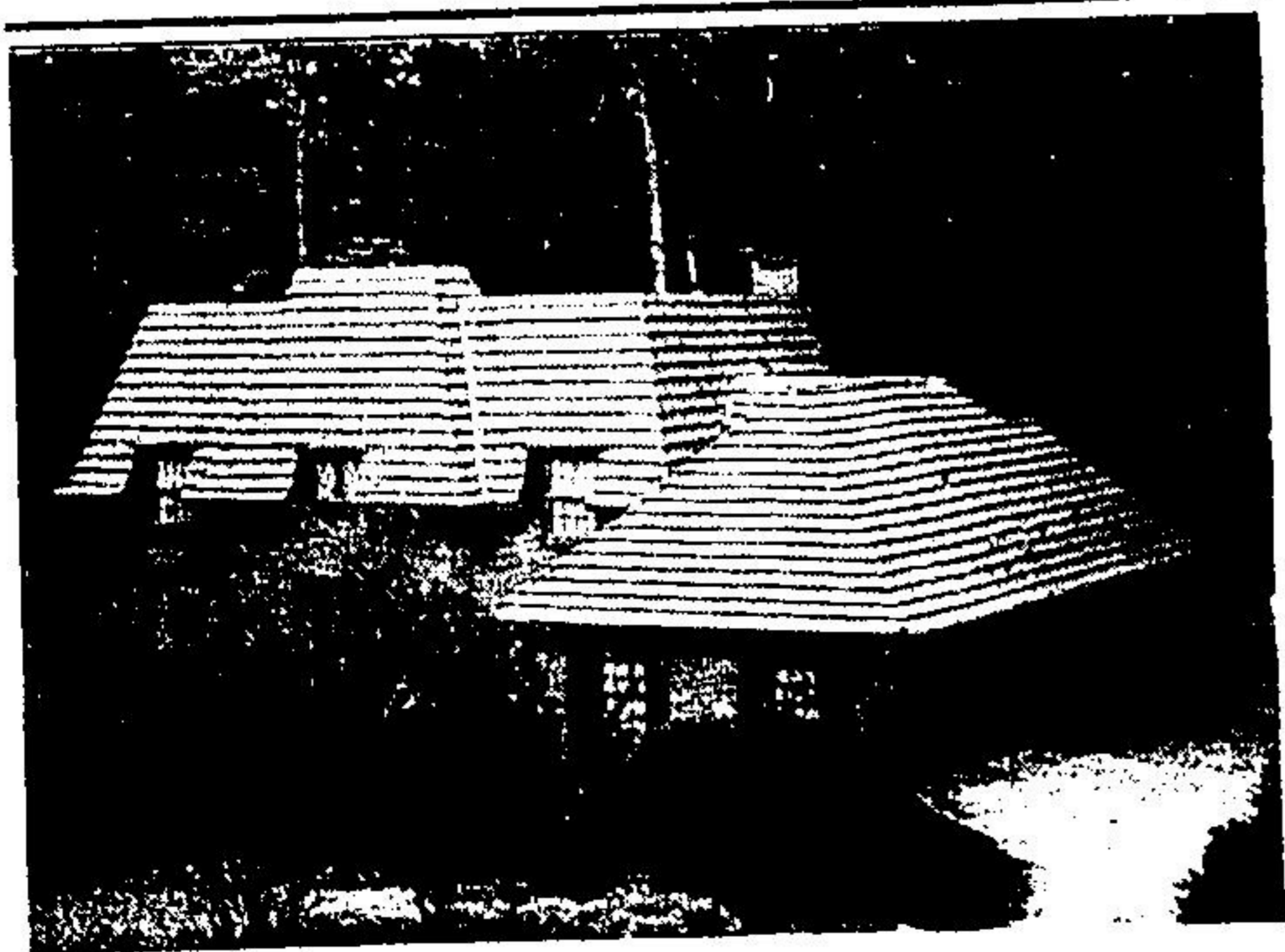
For special jobs, you may want to select a hammer designed specifically for those special situations, such as Stanley's new Deckmaster Decking Hammer. The 21-ounce wood handled hammer is designed for deck building and other home projects because it features a larger face diameter to hit nails more easily and a head designed to drive nails faster. For added durability, the head and handle assembly utilizes an axe eye design, which is used with axes and mauls.

The handle is an important feature to consider when purchasing a hammer because it affects the way a hammer handles. Make sure to choose the hammer that feels the most comfortable in your hands. A large portion of handles are made from tubular steel or fiberglass with a perforated grip covering. Many seasoned professionals prefer the feel of solid wood handles, usually made from flame-tempered hickory.

ICG HOME COMFORT TIPS

Glass fireplace enclosure a year round saver

A fireplace is an escape hatch for both warm air in winter and cool air in summer. A glass enclosure is an attractive answer.



Aluminum roofing system

HOMEOWNERS can usually avoid old roof removal with the all-aluminum Rustic Shingle roofing system.

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MORTGAGE RATES ANNUAL INTEREST

	SIX MONTH	ONE YEAR	TWO YEAR	THREE YEAR	FOUR YEAR	FIVE YEAR
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TRUST COMPANIES

Canada Trust	N/A	12.50	12.50	12.50	12.50	12.50
Municipal Trust	N/A	12.75	12.50	12.50	12.50	12.50
NRS/Royal Trust	12.50	12.50	12.50	12.50	12.50	11.75

CHARTERED BANKS

Bank of Commerce	N/A	12.50	12.50	12.50	12.50	12.50
Bank of Montreal	N/A	12.50	12.50	12.50	12.50	12.20
Bank of Nova Scotia	N/A	12.50	12.50	12.50	12.50	12.50
Royal Bank	N/A	12.50	12.50	12.50	12.50	12.50
Toronto Dominion	13.25	12.50	12.50	12.50	12.50	12.50

This survey was prepared to help the Herald Homestyle readers track weekly Bank and Trust Company rates.

Buying an "Affordable" home

—House hunting for the "affordable" home has become quite a concern with the high value of real estate, making it an increasingly difficult task. When purchasing a home, the percentage of income that one can spend on housing must be considered closely. To create an accurate measure of "affordability", the essential factors to consider are income, operating costs and the overall value of the home.

To determine how much "home" you can afford, calculate all monthly costs, such as the mortgage payment, real estate taxes, insurance and utilities as well as yearly maintenance and upkeep costs. Remember that costs outlined on paper may vary widely from the actual costs that may occur. When devising your housing budget, think about your lifestyle. Although it may seem easy to handle a large mortgage at first, it may require cutting back on other expenses, such as clothing and furniture.

Closing costs may also add up to be much more than originally anticipated. These costs include inspection fees, appraisal fees, title search, insur-



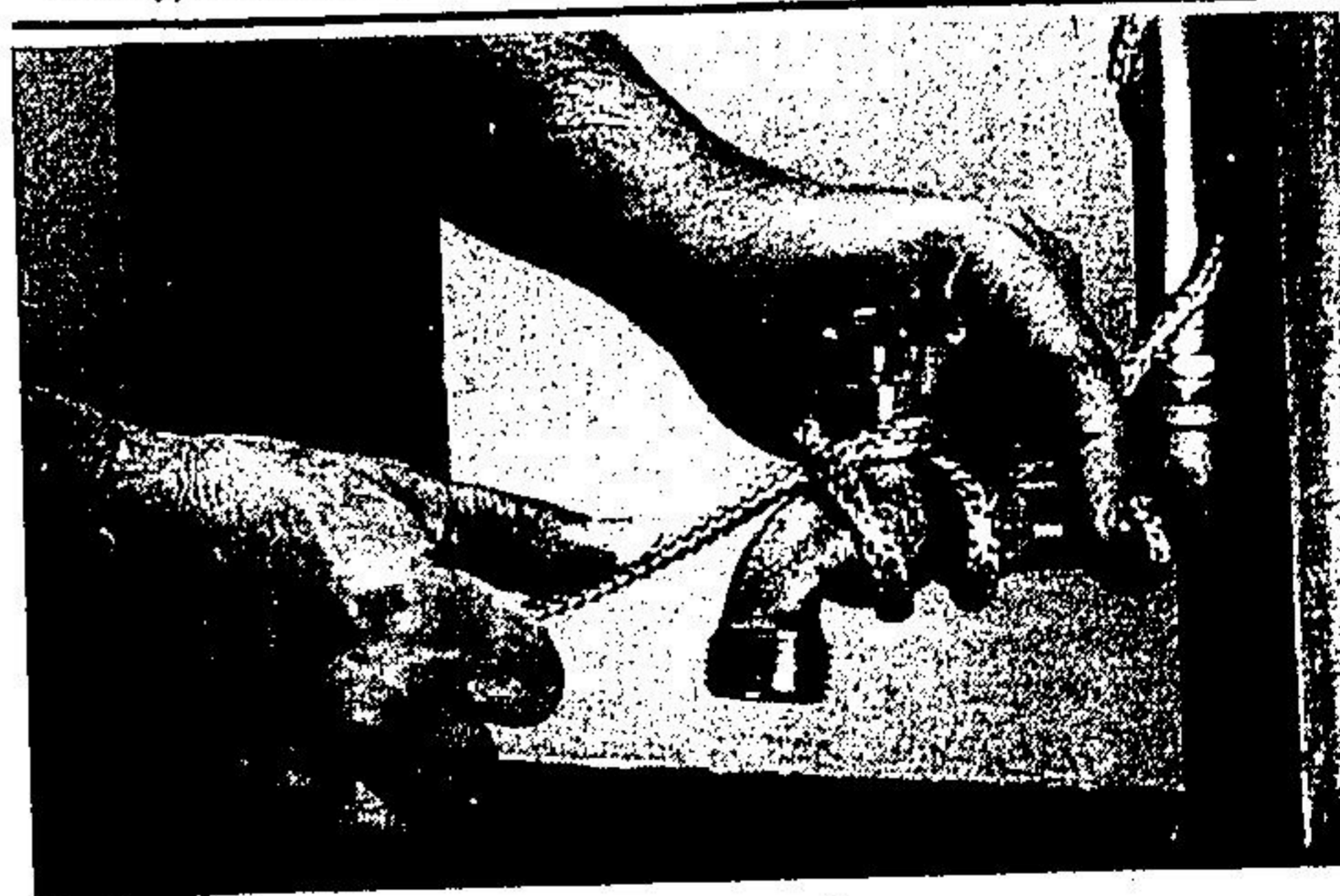
REAL ESTATE AND YOU

Jamle Johnston

ance, lawyer's fees as well as a proportionate share of property taxes, utilities etc. that may have been prepaid by the vendor.

To determine the personal value you hold for the home, prepare a checklist of what you are looking for in a house. Is close location to schools, public transportation and health care facilities important? It is also important to find out about zoning laws and restrictions on the uses of the property. Your real estate sales representative can assist you in all these areas.

Consideration of all these factors in the right combination should guide you safely in your search for a house. For a free copy of our "Moving Checklist" call or visit a Canada Trust Real Estate branch near you.



Protect pipes

IF HOME WATER PIPES ARE LEFT UNPROTECTED during the cold weather season, they can freeze or even burst, resulting in costly plumbing costs and sometimes irreparable damage to the home.