

Rent controls unjustified, says OREA head

The permanent rent controls approved by the Ontario Legislature recently are an example of the short-sightedness of politicians who care more for political gain than they do for the good of the Province, according to Alex Murray, president of the Ontario Real Estate Association.

Murray, a Hamilton broker, says the Residential Tenancies Act which received third reading in the legislature has no provision allowing for the end of controls.

A clause ending controls in 1980 was removed during committee deliberations on the bill.

Passage of the bill "proves once again that

politicians care more for the votes than they do for the voters," Murray said.

"And as usual, legislation geared specifically for Toronto is foisted on the rest of the Province.

He pointed out that vacancy rates outside Toronto are high and rent controls are unnecessary.

"Why charge a higher rent for your unit than the next guy when you're already having trouble filling the unit?" he asked.

Murray said that studies have shown that rent controls in New York, London, Sweden, and other jurisdictions have had a negative impact on the respective

economies.

The construction industry and allied trades suffered as investment in development slowed; support and service industries suffered from cutbacks in building maintenance; and lowered municipal assessments resulted as development slowed.

Indeed, the Minister of Consumer and Commercial Relations, who introduced the bill last fall, has himself called rent controls "counter-productive."

The small landlord is getting squeezed very badly by the existing rent controls and even by the new rent control," Frank Drea told interviewers

recently.

The fact is, Murray charged that votes in crucial Metro Toronto ridings are far more important to the three political parties than is the good of the Province.

"We will pay for this short-sightedness in coming years when rental accommodation will be in increasingly short supply."

Current buildings will continue to deteriorate because landlords are cutting costs as close to the bone as possible in order to make it economically feasible to continue running the apartment buildings, he said, and new development will slow to a trickle.

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One in a series of consumer education articles by A.E. LePage Coast to Coast Real Estate Service, Canada's largest independent real estate broker network with over 5000 people in 357 offices.

FACTORS TO CONSIDER BEFORE TRYING TO SELL PRIVATELY

When the time comes to sell a home, one of the first questions some owners consider is whether they should sell the property themselves and save money by eliminating the real estate salesperson's commission.

Selling your home privately may appear easy, states A. E. LePage Coast to Coast Real Estate Services. In reality though, it often proves to be a time-consuming — and expensive — ordeal. The path is so difficult that most homeowners who try to sell their property by themselves eventually turn to a professional real estate salesperson for help.

Another point to consider is that if selling a home without professional assistance were as simple as one might think, then there would be no need for the growing number of successful real estate salespeople.

However, if you do decide to sell privately, there are many items with which you will have to contend. Also, your decision is whether the effort is worth the extra dollars — if indeed you complete a sale. Also, what is your personal time worth in dollars?

So if you plan to sell privately, here are some points to consider:

- Thoroughly clean and polish your home to get top dollar. Get rid of clutter in the yards, repair windows and screens, fix squeaky hinges. Everything needs to be in perfect order.
- Find out what similar homes in the neighbourhood have sold for in recent months. Travel to the city assessor's office or get the information from your neighbours. Be careful though, because neighbours tend to inflate the value of their property. Real estate salespeople can get the exact information within minutes.
- Take several days to look at houses on the market that are similar to yours. This is your competition.
- Set a realistic price on your home equal to or just below your competition. Don't discount your house by the commission. If you can sell the property after all your time and work, then you've earned the commission.
- Advertise your home in newspapers (always put a price in the ad), special

home journals, magazines, by word-of-mouth, with a good-looking sign professionally done. Be ready to be deluged by real estate salespeople who have seen the ad and who will try to convince you to enlist their services.

- Hold an open house. The home should be in tip-top shape. Hope for good weather. Also have a friend or neighbour present during the inspection because the prospect could be potentially dangerous.

- Be ready to show your home. Schedule your time and your family's so you can meet prospects. Have someone at home at all times to answer telephone calls. Many prospects won't call twice and you could lose a potential buyer.

- When showing your house, don't talk too much. Prospects are not paying a social visit. Never insult your prospect's intelligence by pointing out the obvious such as, "This is the kitchen", or "This is the living room".

- Spot bargain hunters looking for a "deal". Just like you are trying to make money on the selling price, they often are trying to get an unrealistic saving on the purchase price. These people are not serious buyers.

- Once you have an interested buyer, you must qualify him and negotiate the sale. You must ask him how much money he has as a downpayment, how much he earns, if he has any debts or liabilities and how much. Don't start bargaining over items not included in the sale until the initial agreement has been reached.

- Check with banks, trust companies and other lending institutions regarding mortgages. Contact your mortgagee, and ask what size mortgage you can get for a qualified buyer. Then contact other lending institutions and find out their requirements for a new mortgage, such as bank account, necessary closing costs, percentage downpayments and income required.

- Contact your lawyer to prepare the contract between you and the buyer. A search will be made to insure proper transfer. Deliver the contract to the buyer's lawyer as soon as possible, have the purchasers sign it, then return it with a cheque to your lawyer.

- Be prepared for closing costs and rebates. Such costs include your lawyer, banker, insurance premiums, fuel company rebates, title charges and net property tax rebates.

CONGRATULATIONS! YOU CAN PICK UP YOUR CHEQUE AS YOU HAVE JUST SOLD YOUR HOME.

Many people believe they have the skill, time and patience to sell their home by themselves. Most people don't though. The preceding list encompasses just some of the major factors that are involved in selling a home. There are countless other little details. If, after reading the list you still are thinking about selling your home yourself, remember that most people who try to sell privately eventually give up and turn to a qualified real estate salesperson.

perspective

THE ROLE OF A REAL ESTATE SALESPERSON

The real estate professional is a service man, and the service he provides for you is complex, exacting and very important, so if you are not satisfied with your service man, it is your right to complain. Ask for a full explanation of how he is working to sell your property because many of the things he does may not be obvious. You, as the client deserve the best possible service, but remember that you also have a responsibility in the sale of your property. Are you setting your price too high? Have you been guided by the professional evaluation offered by the real estate licensee, or are you allowing emotion to get in the way of your objectivity? There could be many reasons why your property is not selling as quickly as you think it should, and you should investigate before you criticize.

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