

REAL ESTATE REPORT



by DAVE BRIDGEMAN
MANAGER
ROYAL LEPAGE

Home buyers can turn high interest rates to their advantage by looking at the existing financing available with homes listed for sale, the size and location of the property and the size of the house.

1. Financing

A significant number of resale homes listed in many major cities have existing mortgages that were taken out when interest rates were low. Such mortgages can usually be assumed by the purchaser.

Many of these existing mortgages are available at two to three percent below the current rates.

For instance, a recent survey conducted by A.E. LePage found over 57 per cent of homes listed for sale in Toronto had "good financing" available - either an existing mortgage at a relatively low rate or vendor-assisted financing. In addition, almost one home in seven on the market had a mortgage available at three per cent or more below the current rate charged by the financial institutions.

Overall, 35.2 per cent of homes listed for sale in the five cities studied (Vancouver, Edmonton, Toronto, Ottawa and Montreal) had good mortgage financing available to buyers.

As explained in a previous Real Estate Report column, the two forms of vendor-assisted financing are vendor take-back mortgages (balance of sale mortgages) and paydowns (buydowns). Mortgage rate paydowns occur when the buyer arranges a mortgage with a conventional lender such as a bank or trust company. The seller then assists the purchaser by lowering the effective interest rate by paying two or three per cent of the cost of the mortgage.

With a vendor take-back mortgage (VTB), the seller usually provides the buyer with a mortgage at an in-

terest rate below that available on the open market. The most popular rate for VTBS seems to be two per cent below the interest rate charged by the banks for mortgages.

By utilizing vendor-assisted and existing financing, the buyer can help to narrow his or her list of potential homes to purchase.

However, it is important the purchaser compare the price and quality of the other homes on his short list to make sure he isn't paying a premium for the better financing package.

The same information can be applied to a house that does not have an attractive financing package. By offering a lower price for the home, the lower cost may offset the higher mortgage interest rate.

2. Consider the location

When shopping for the type of home you want, bear in mind that some locations are less expensive than others. Price tend to decrease as you move away from the centre of the city. Most often, for example, properties in the suburbs will be less expensive than similar properties in the city.

Even within the city limits, the price of a given type of home will vary by thousands of dollars depending on the location. Each home buyer must decide how much they want to pay for "area". If affordability is a high priority, then the ultimate location may not be as important as the type and size of home.

House and lot size

The size of the lot has a significant impact on the price of the property. If you really don't want or need a large lot, you can often save thousands of dollars by purchasing the house you want on a smaller piece of land.

You should also look realistically at the expectations you have concerning the size of the home you want to buy. It's very easy to get carried away and start looking at homes that are larger and more expensive than you

really need. For example, ask yourself how often your family will really use a spare bedroom. Similarly, do you really want to pay for a main floor family room, or will a house with space in the basement for a recreation room be sufficient?

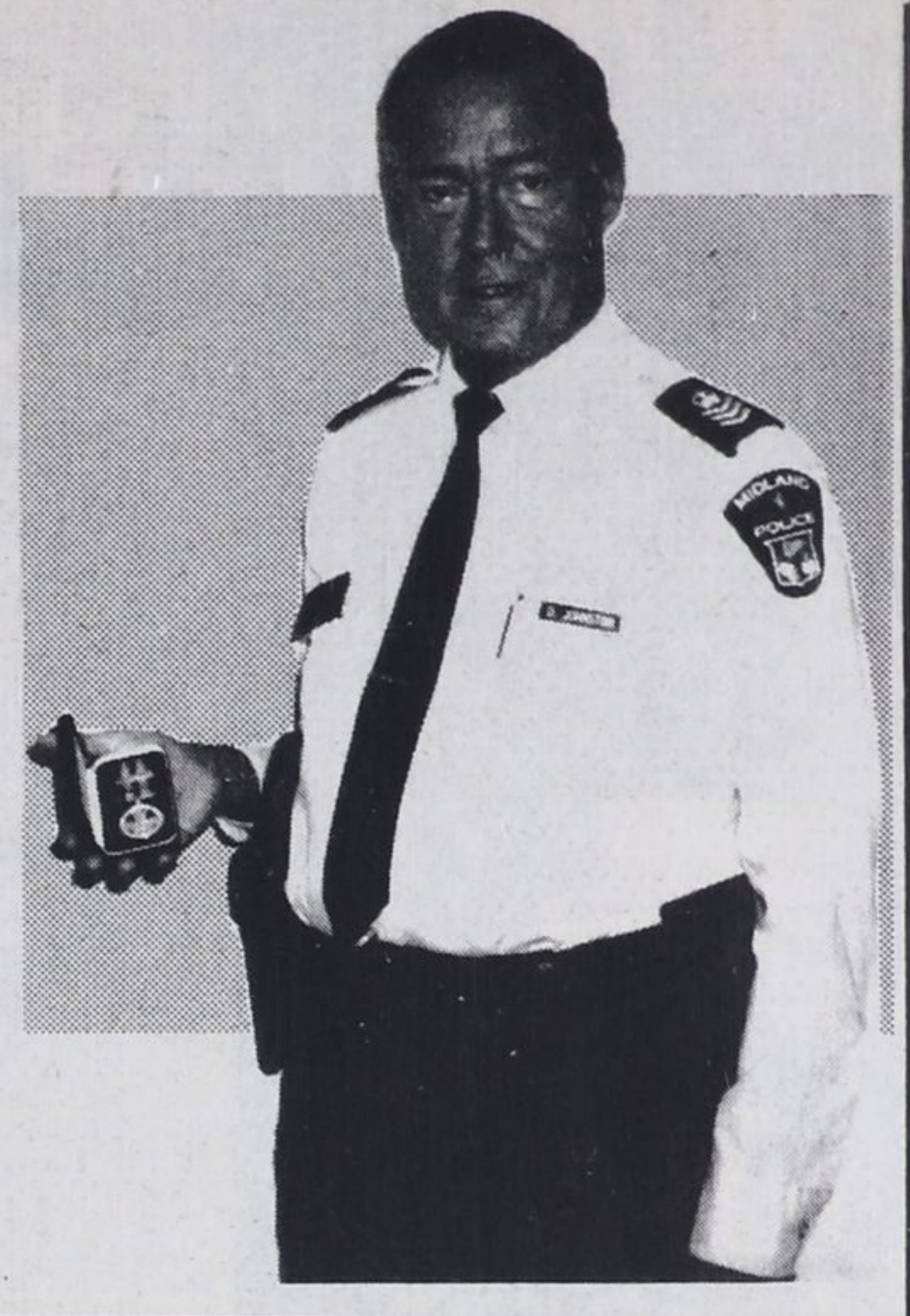
Home buyers who are concerned about affordability and monthly carrying costs should only purchase what they really need. In a few years time, when the home owner has more equity in the house or is making more money, you and your family can always move up to a more expensive property.

Reason to make a policeman smile

Thirty-year police veteran, Staff-Sgt. Don Johnston of the Midland Police Department is shown with his recently awarded Police Exemplary Service Medal.

This medal is now given to all Canadian Police Officers by the Government of Canada and was struck in 1983. Prior to this it was the Long Service Medal that was issued and it was presented by the Canadians Association of Chiefs of Police.

The issuing of this medal for 20 years service and leaves every succeeding five year anniversary date, ceased at the end of 1982. This was the result of an address by the Honourable Pierre Trudeau, Prime Minister of Canada, at the annual meeting of the C.A.C.P. in Calgary, Alberta, August 1982. At this time it was announced that the Government of Canada had struck the Police Exemplary Service Medal and would be presented at the start of 1983. This medal is issued for 20 years service and on the first ten year anniversary date a bar with one maple leaf, on the twenty year anniversary date, a bar with two maple leaves. Prior to joining the Midland police force, Johnston served with the OPP and at one time had done some co-operative police work with the FBI.



WLU Part time

The University that comes to you.

SUMMER SESSION JULY 2 - AUGUST 9, 1985

Wilfrid Laurier University is offering 17 CREDIT courses this summer in Simcoe County. Courses are offered during the day at Innisdale Secondary School (95 Little Ave.) in Barrie and at Georgian College of Applied Arts & Technology in Orillia. Give yourself CREDIT by taking one or two courses at Wilfrid Laurier University this summer. Courses can be taken towards a diploma or a degree, to improve your personal skills or for your own interest and satisfaction. You may be qualified for admission. Call now and find out.

Courses designated are one-term (half credit) courses. All other courses are two-term (full credit) courses. Unless otherwise indicated, classes are taught from July 2 to August 9th. Of course, all tuition fees are tax deductible and seniors (60 years of age and over) pay no fees. Tuition fees are \$120.00 for a one-term (half credit) course and \$240.00 for a two-term (full-credit) course.

For more information, or for your free copy of the calendar of course offerings call:

LOCALLY (BARRIE) 737-5345 OR TOLL FREE 1-800-265-8866, EXT. 2447

BARRIE

- Communication Studies 200 T Human Communication Processes
W,Th 10:10-12:30 p.m.
- English 232T Shakespeare
M-F 8:00-9:50 a.m.
- Geography 221* T Temporal Perspectives on the City
M-F 8:00-8:50 a.m.
- Geography 317* T Geography of Development and Modernization
M-F 9:00-9:50 a.m.
- Philosophy 227* T Philosophy of Work and Play
W,Th 10:10-12:30 p.m.
- Philosophy 230* T The Quest for World Peace
M,Tu 10:10-12:30 p.m.
- Physical Education 102e T Introduction (Badminton, Volleyball)
M,Tu 10:10-12:30 p.m.
- Psychology 208* T Sensory Processes and Perception
M,Tu 10:10-12:30 p.m.
- Psychology 306T Psychology of Exceptional Children, Youth and Adults
M-F 8:00-10:00 a.m.
- Religion & Culture 217T Acts of the Apostles
M-Th 10:10-12:30 p.m.
- Social Welfare 301* T Comparative Social Welfare Programs
M,W 8:00-10:00 a.m.
- Social Welfare 302* T Selected Issues in Social Welfare
Tu,Th 8:00-10:00 a.m.
- Sociology 100T Introduction to Sociology
M-Th 10:10-12:30 p.m.
- Sociology 216 T Sociology of Aging
M-F 9:00-9:50 a.m.

ORILLIA

- Anthropology / Arch. 308R Archaeological Laboratory Methods
M-F A.M. Ball Site
- Anthropology / Arch. 309R Archaeological Field Methods
M-F P.M. Ball Site
- Astronomy 105R Astronomy and Space Science
M-Th 9:00-12:00 Noon

YOU CAN DO IT!

WILFRID LAURIER UNIVERSITY

75 University Ave., W., Waterloo, Ontario N2L 3C5
FOR MORE INFORMATION CALL: 884-1970, Ext. 2447 or TOLL FREE: 1-800-265-8866, Ext. 2447

Paperbacks

ALMOST PARADISE: Beginning dramatically with Jane being run over on her way to meet her husband Nicholas (to tell him she still loves him despite their breakup and countless infidelities on both sides) we plod back over their history until arriving once again at the hospital scene, waiting to see if Jane is going to live. After slogging through the genealogical past of Nicholas and Jane, eventually arriving at their 20-year marriage, this plot does find a focus. Jane's past is strewn with trouble, child abuse, poverty, whereas Nicholas was born to wealth and became a spoiled actor roaming from one sweet young thing to the next. Author Susan Isaacs begins to really write here, rather than just telling the reader facts, as she explores the psychological influences behind marriage breakups and love. An uneven, lengthy novel (Ballantine, \$6.50)
Patricia Job