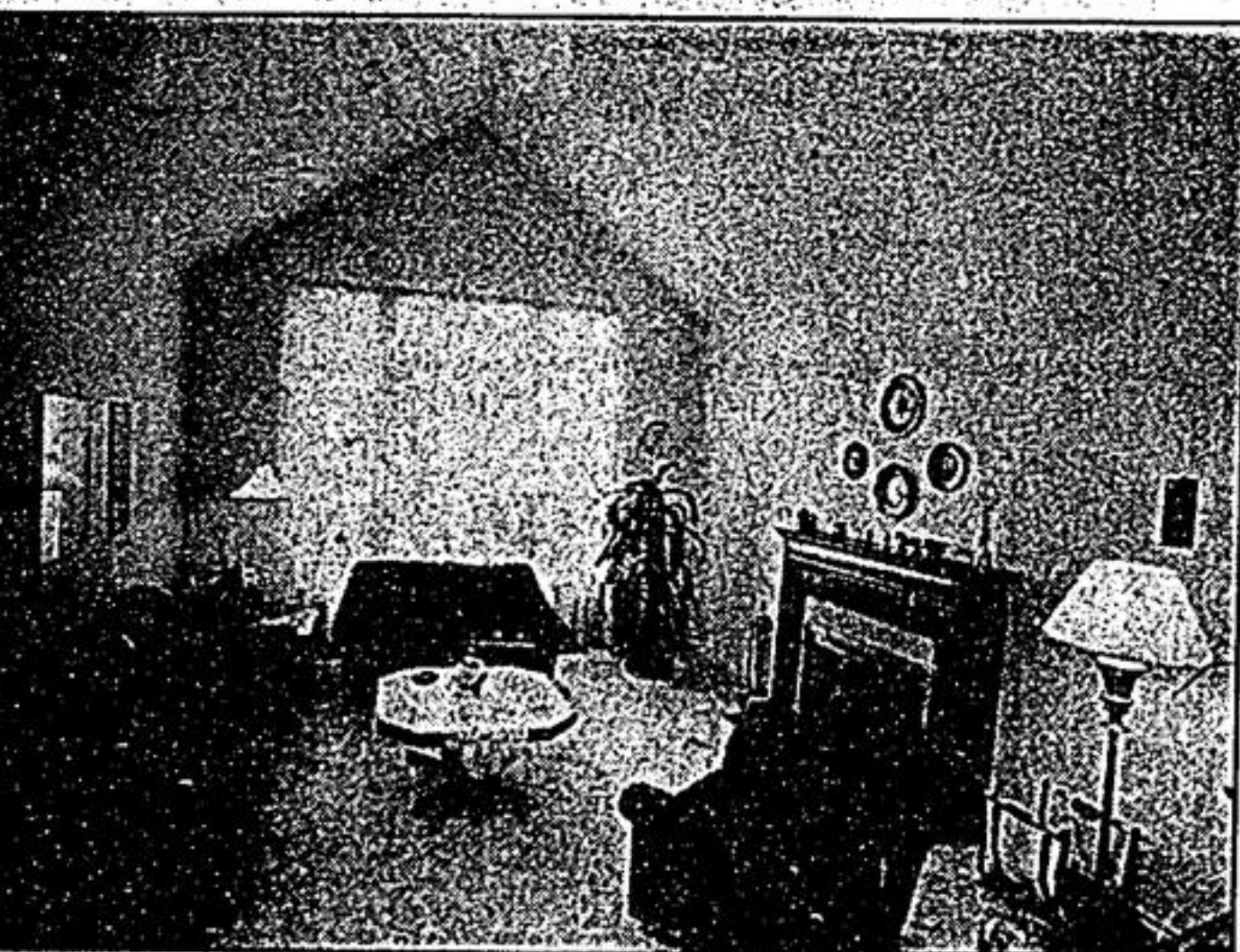
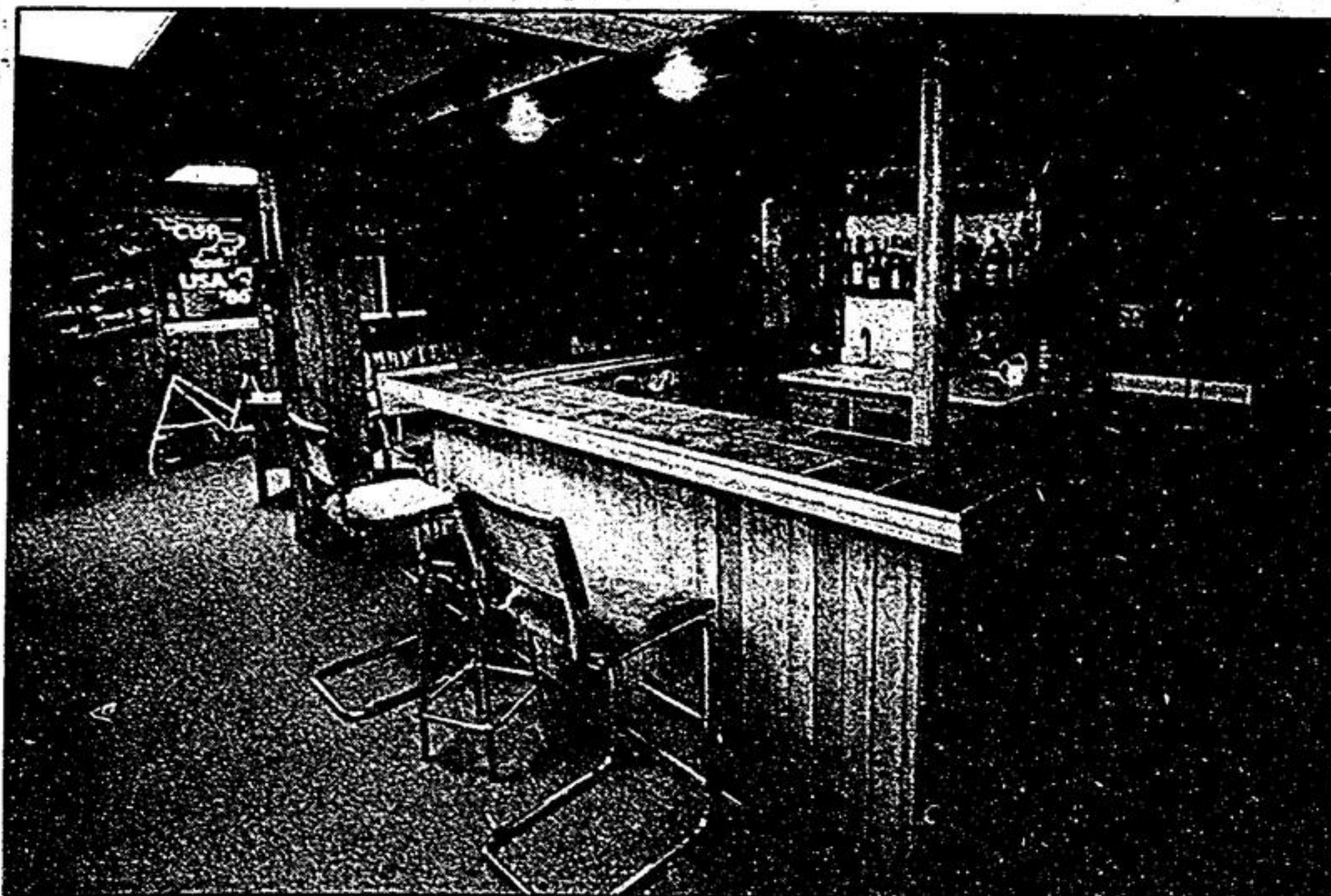
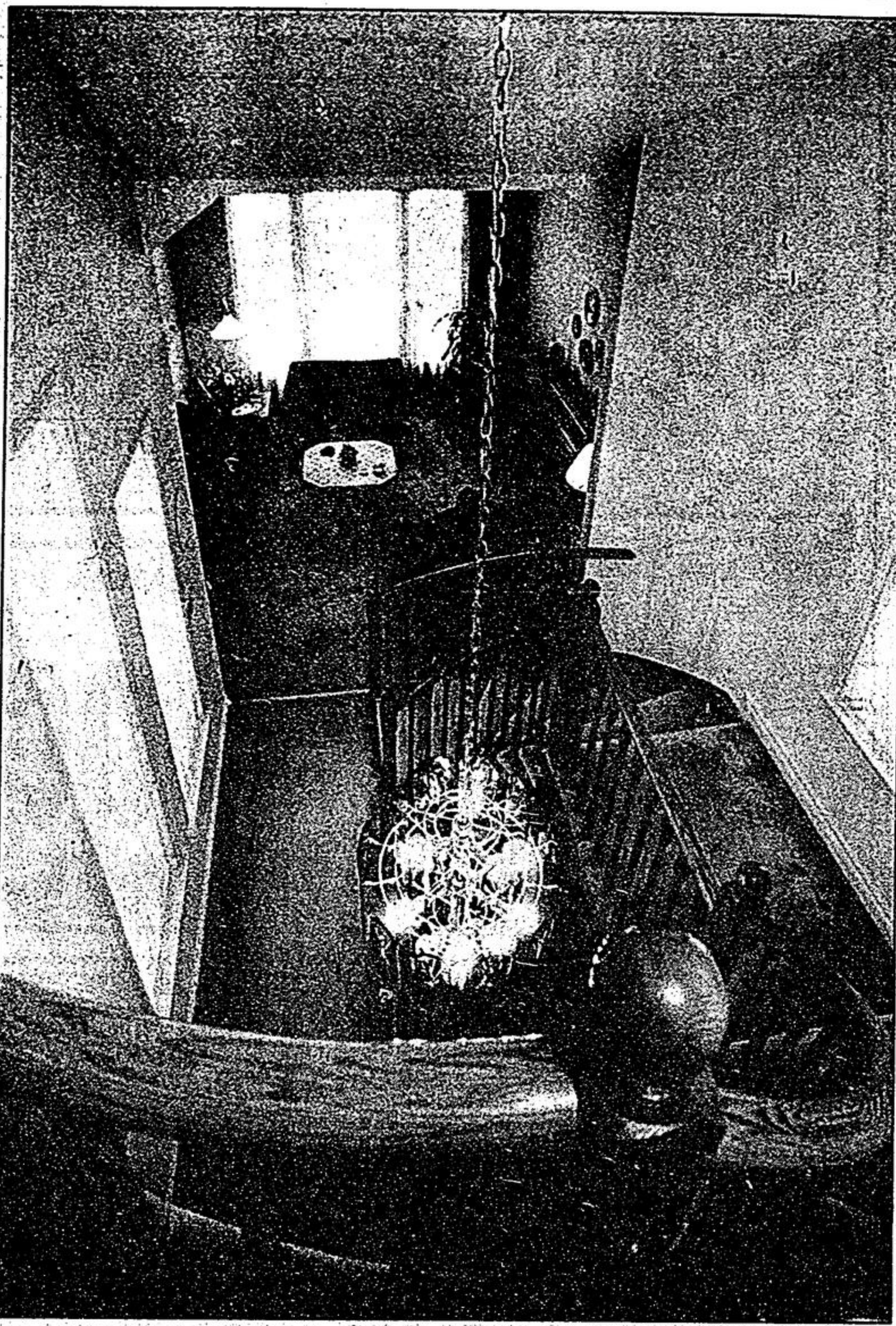


Real Estate

Economist & Sun / The Tribune



**Home of
the
week**



This unusual 3,200 square foot home in Unionville is the Economist and Sun/Tribune home of the week. It's listed with Royal LePage at \$444,900. Features include a sunken living room with cathedral ceiling and fireplace. The main floor also includes a den or office

with hardwood floors, dining room, family room, two-piece powder room, kitchen and main floor laundry room. There's a walkout from the breakfast area. The spiral staircase leads to the second floor where there are four bedrooms. The master suite includes a retreat, full ensuite with

two sinks, walk in closet and separate makeup area. One of the additional bedrooms is sunken with sloped ceilings. The basement is finished with a recreation room, a bedroom and a music room. For more information about this home contact Barbara Holligan at 471-4800.

Commissions earned real estate group says

Over the past two weeks, a series of stories have appeared in some media accusing real estate boards of fixing commission rates among their members and charging that real estate brokers and salespeople do not "earn" their commission fees.

"These stories are based in large part on innuendo and ignorance of how the real estate profession operates," says James A. Cathcart, President of the 40,000 member Ontario Real Estate Association.

"Real estate boards in Ontario do not set commission rates for their members. It is true that the Federal Government is conducting an investigation of some real estate boards. However, it should be borne in mind that an investigation is just that — an investigation. Not one real estate board in Canada has been charged with price fixing — let alone convicted.

Members of real estate boards in Ontario have, over a period of many years, perfected one of the finest systems of marketing real estate in the world and that MLS

system is valued highly by vendors, purchasers and realtors alike.

The Ontario Real Estate Association believes that everyone, including real estate boards, is presumed innocent until proven guilty. Stories that suggest the opposite only serve to damage the reputation of real estate boards and realtors and result in reducing the public's confidence.

Real estate commissions are negotiable in the province of Ontario. They are not set by real estate boards. Real estate firms often set a commission rate for their own firm. Vendors are free to list property with the firm of their choice.

Comments respecting realtors not "earning" their commissions would not, as a general rule, be worthy of comment. Unfortunately, if such stories go unchallenged, some people may start to believe them.

The majority of realtors earn less than \$30,000 a year — and they work long hours, including nights and weekends, to do it.

When two firms are involved in a transaction, the commission paid by the vendor is normally split four ways. Typically, the listing salesperson responsible for selling a property receives 25 per cent of the total commission paid.

To earn \$30,000 per year, a salesperson must sell, not just list, one home valued at \$200,000 each month at a five per cent commission rate.

From that income, the salesperson deducts taxes, automobile costs and operating expenses, advertising and the cost of benefits like OHIP, life insurance and pension plan.

Real estate firms have the same expenses as most other types of companies, including rent, personnel, stationary, etc. Profit margins for real estate firms tend to be under 10 per cent.

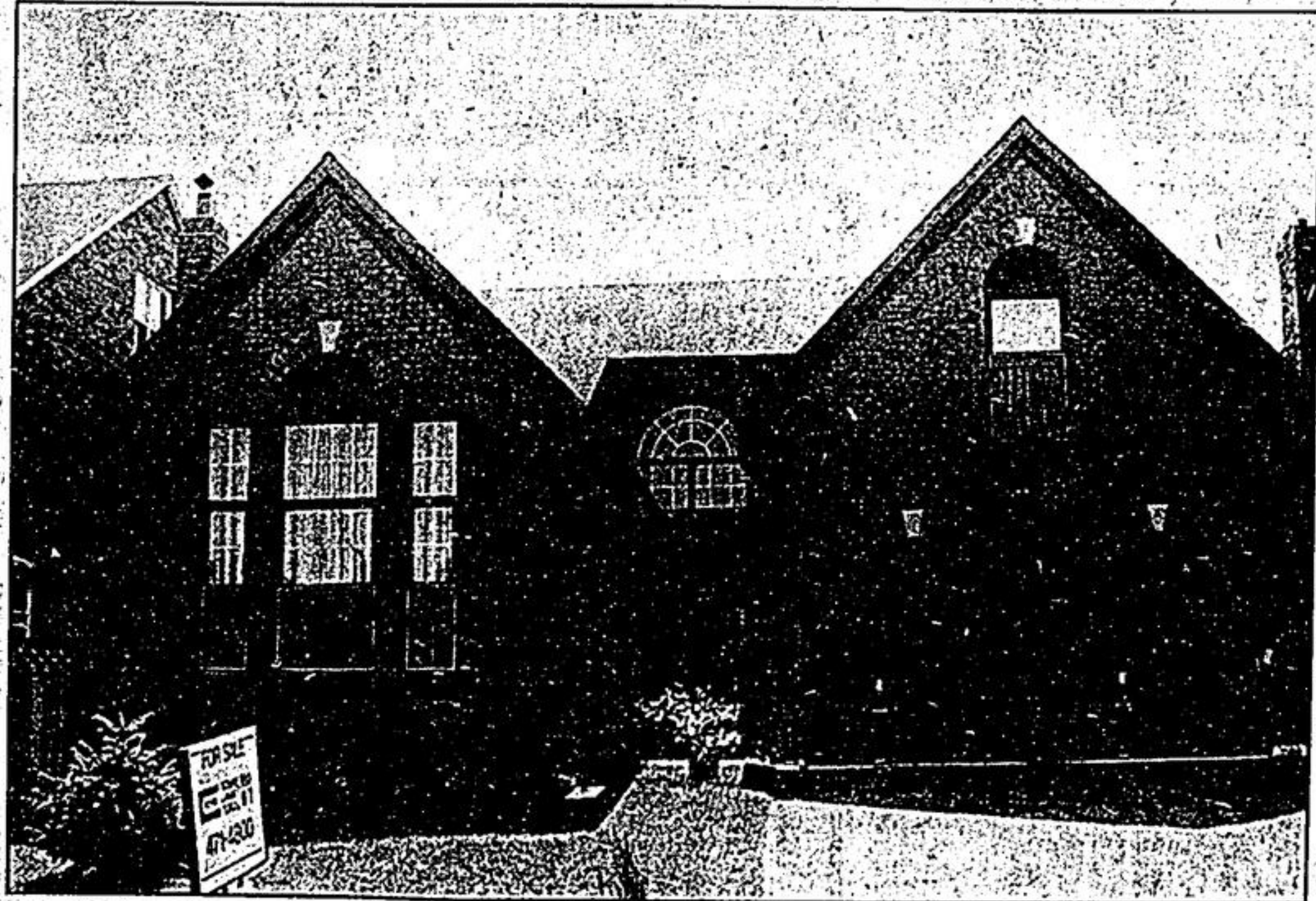
Suggestions that realtors drive up the cost of housing are simply unfounded. Realtors provide a valuable service by getting the best possible price for the vendors property. Very few vendors will agree to lower the selling price for their property if the realtors lowers the commission.

Finally, every time the market in a particular area becomes hyperactive, as it is around Metropolitan Toronto at present, the myth that homes "sell themselves" starts again.

Anyone who has ever tried to sell their homes themselves knows that isn't true.

The vast majority of property owners in Ontario use the services of a realtor when they decide to sell their property. They understand and appreciate the professional service that realtors provide. They appreciate the fact that realtors adhere to a strict Code of Ethics and are a respected part of virtually every community in Ontario.

Realtors have earned the trust and respect of the people of Ontario over a great number of years and all realtors are truly saddened that recent comments by one or two individuals have reduced that trust and respect — if even by a small amount.



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