Real Estate News

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Should I Lock In To A Fixed Rate?

When interest rates begin to rise, mortgage brokers get asked this question a lot. There is no right answer and every person's own situation is unique and could have a different answer. Typically, you would need to assess your own situation to find which answer is best for you. We've put together some questions and scenarios you should consider to find out what would work best.

Have you had any sudden life changes? Did a spouse stop working? Did you have an additional income added? If you are in a situation where you are losing a spouse's income and are down to one income source, it may be best to increase your monthly payments using the pre-payment privilege feature afforded with your mortgage. Why? If rates will be increasing from 2% to 4% over the next year, you may find it's best to increase your own payments to that 4% amount now, so that when the increase happens; you are insulated against the increase. Furthermore, all additional payments go straight to paying down the principal on your mortgage.

Are you having trouble affording your payments? If you are already maxed out and don't have much breathing room for the rates to increase, it may be best to lock in your current rates. The rates are forecasted to raise over the next year or two, so you know now this will be the lowest rate you're going to get for a while. It may be best to lock in your rate.

Is the fluctuation of rate changes stressing you out? There is no point in stressing over things that you have some control over. If locking into a rate would give you peace of mind, then it may be worth doing so. Variable rates can save you some money, however, if it's causing stress to you on a day-to-day basis then it may be worth locking in for your own worries.

Every person has their own unique situation, and different strategies suit certain situations more appropriately. The best thing you can do for yourself is try to plan ahead instead of making last minute and impulse decisions.

If you want more information for your specific situation, contact your broker for expert advice.

Not intended to solicit properties currently listed for sale.

Ottawa's May Residential Resales Underperform Expectations

Members of the Ottawa Real Estate Board (OREB) sold 1,846 residential properties in May 2022 compared with 2,285 in May 2021, a decrease of 19%.

"With year-over-year resales declining in March and April, and now with this downward trend continuing into May, traditionally the highest performing month for resales, it is quite clear that Ottawa's resale market is shifting away from the blazing pace of 2021,"states OREB's President. "And if rising interest rates, cost of living, and inflation aren't enough factors to cause a pullback, the powerful and deadly storm that brought our city to its knees last month has justifiably impacted the market as well."

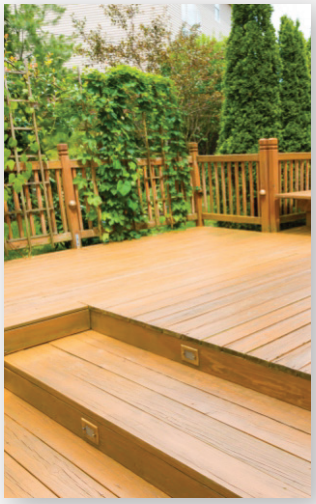
"Our data shows a sharp decline in new listings with a corresponding increase in cancelled/suspended listings on the MLS® System in the period following the storm. Overall, in May, however, there were 3,120 properties that entered the market. This is on par with last May and is 5% over the 5-year average. The result is an 18% increase in residential-class inventory. Meanwhile, there was a slight decline (0.4%) in condominium inventory, but this is not surprising since they have likely become an entry point for many first-time homebuyers due to the affordable price point."

The average sale price of a residential-class property sold in May in the Ottawa area was $802,393, an increase of 8% from a year ago. The average sale price for a condominium-class property was $472,920 an increase of 11% from May 2021.

Call today for real estate advice and information!

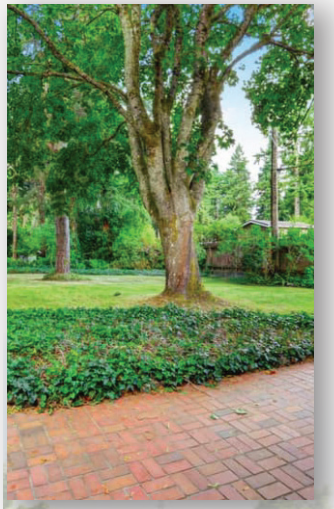
Backyard Upgrades For The Best ROI

With the spring weather booming, it is a great time to look at what improvements can be made in your backyard. Often the backyard is looked past in terms of upgrades, however, it can bring a lot of value to your property. Here are some upgrades that can provide the best return on investment for your property.



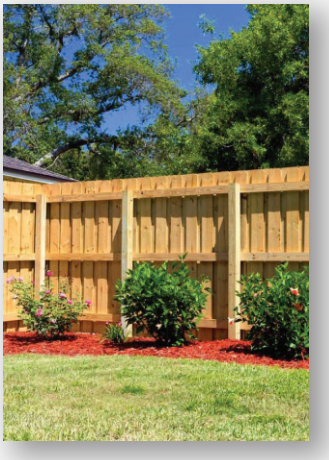
Deck

While traditionally decks were an afterthought and weren't big money makers, now they can often bring in 75% ROI or even more. The key to deck installations is keeping with the overall value and size of the house. You don't want to add an over-the-top luxurious deck on a tiny house or a tiny deck on a large-scaled house. Rule of thumb is to have one part deck to five parts yards.



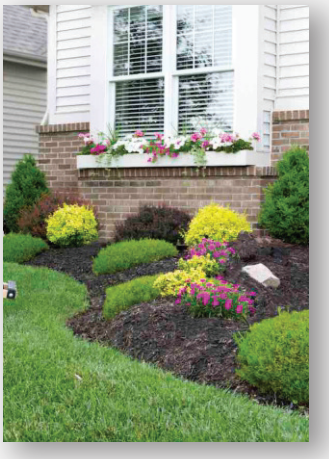
Trees

One of the best ways to add value to a yard is to plant a tree. Mature trees almost always add to the property's perceived value. As soon as you move into a house it's a good idea to plant some trees. This way when it comes to sell – whether it's 10 or 20 years down the road – they'll be a good size. It's best to stick with medium sized trees so they don't overshadow the house.



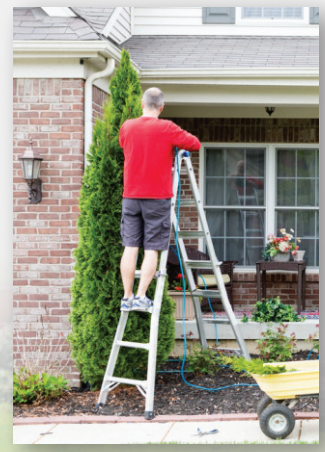
Privacy Fence

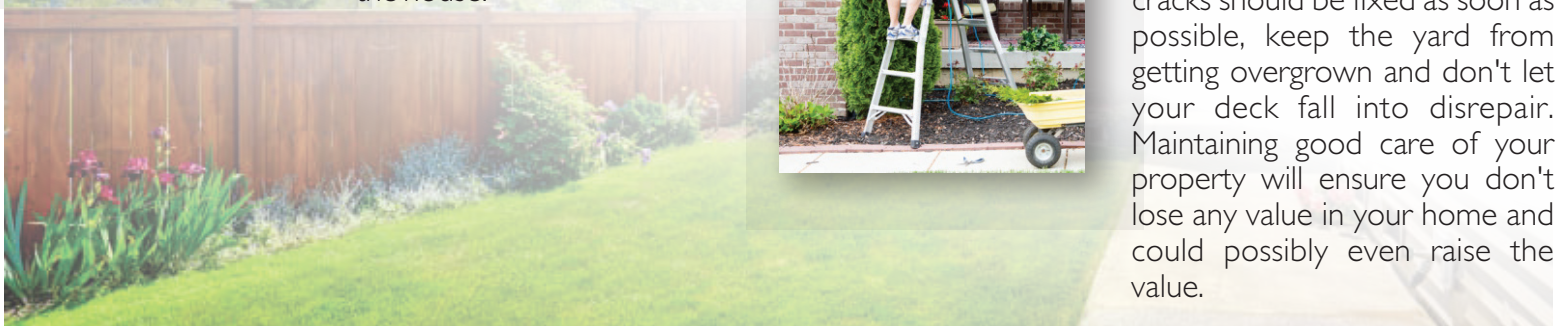
Sometimes adding a fence can be looked at as a maintenance project rather than a value-adding addition. However, in certain scenarios, a privacy fence can be a welcomed addition and add value to the house. Neighbourhoods where fences haven't been added yet would be a great time to talk with your neighbours and split on the cost to add fencing. If you get enough neighbours on board, you can sometimes get a discount from a single company.



Simple Landscaping

According to Scott McGillivray from HGTV "simple landscaping is the best way to add value to a home". Beautiful and extensive landscaping can be very nice to look at but one of the first thoughts that pops in a buyer's mind is "that's way too much work for me". A simply designed yard can provide extra value and show very well when selling.



Maintenance

This is by far the most factor to keeping up the value of your home. Small maintenance jobs here and there will save dozens of headaches and thousands of dollars in the long run. Small cracks should be fixed as soon as possible, keep the yard from getting overgrown and don't let your deck fall into disrepair. Maintaining good care of your property will ensure you don't lose any value in your home and could possibly even raise the value.