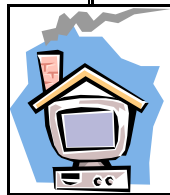


take you to pay off your mortgage.  
**BI-WEEKLY PAYMENTS**  
 Based on the same \$200,000.00 mortgage at today's 5-year rate of 5.4%, monthly payments on this mortgage would be \$1209.17. At the end of 5-year term the interest paid would be \$50,657.88 and the principal reduction \$21, 892.32. By paying ½ of this mortgage payment every two weeks (\$604.59) the interest paid at the end of 5 years is reduced to \$49,683.69 a difference of \$974.19 and your principal repayment increases to \$28,913.01 a whopping difference of \$7,020.69.

**INCREASE YOUR PAYMENTS**  
 As well as the 10-20% annual pre-payment allowed most institutions also allow you to increase your payments by a certain percentage. Again let's take our same \$200,000.00 mortgage and change our bi-weekly payment to \$650.00. (An increase of \$45.41 every two weeks) The interest paid after the 5-year term totals \$48,829.49 an additional savings of \$854.20 and your principal is further reduced by another \$6,757.50. WOW!

As you can see these two seemingly painless ways of paying down your mortgage can have huge impact on the bottom line. As always I am always happy to answer any questions of concerns you may have about your mortgage. Please call or visit me on the web at [www.jimrawson.ca](http://www.jimrawson.ca)



## TorontoMLS.com

Toronto Real Estate Board has just released a new online system for Toronto Real Estate Board members to use. At the same time, most of the forms and paperwork required by law or by the Toronto Real Estate Board have been updated to address many current issues in our industry or of concern to the public - in particular buyers and sellers of real estate in Ontario.

The new system allows realtors to be in contact with their clients in a more efficient manner via e-mail. It is possible to send material automatically such as complete lists of new listings in the area of a buyer's interest. The agent no longer has to pre-select which properties to show to a buyer. Both

parties can now be involved in that process. The sellers can also automatically be informed about competitive properties to their home coming on the market. Realtors can access the system from any computer anywhere to get information required to prepare most business contracts and agreements as long as the computer that is being used has the up-to-date hardware to handle the tasks at hand. The new program will constantly be changing to improve the way it is operated and to meet the new needs of the realtors using it as well the buyers and sellers benefiting from the very best service possible.



# Elizabeth's News & Views

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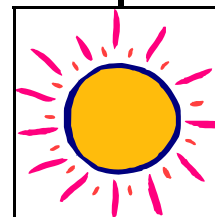
## Hot Summer—Cool Real Estate Market

The Hottest summer on record 'cooled down' the real estate market. The number of good listings in good areas decreased during the summer, hence the lower number of sales. The demand for homes has not decreased, so the Fall Market will likely be very active. The first time buyers are still the driving force in the market.

A study conducted by housing analyst Will Dunning for the Greater Toronto Home Builders Association, shows that 60.6 per cent of all households in the Toronto Census Metropolitan Area owned their own homes in 1996. To day homeowners represent 63.8 per cent of all households in Toronto. Since 1996 households with incomes of not less than \$65,000 have been able to afford the averaged priced home in Toronto. The rental market is now getting 'soft' in the range over \$1200 per month for a one or two bedroom apartment. This is a very good indication, that a lot of tenants in this upper bracket are seriously considering home ownership. They are getting into the market, because of unpredictable rent increases. The landlords are free to levy ten-

ants with the costs of their loans to improve there property and when there is a change of tenancy the landlord can get market value for the apartments.

With the low interest rates it is now often cheaper to own an apartment or a home than to rent. The house prices are getting out of range in the well establish areas for first time buyers. So a lot of first time buyers are buying fix-up-homes in less popular areas at a very good price. Many first time buyers are starting out with purchasing small trendy loft style condominiums. That market is staying very strong.



However if you are handy, or if you have the time to plan and supervise renovations, a house is still more versatile and solid investment in most cases than a condominium. You can separate a house into private units to get income to cover your expenses and later take

over the whole house, when you can afford it. You also have more control over your expenses in a home. The utility bills for a house are generally about ½ of what the maintenance fees would be for a condominium apartment 1/2 the size of a house. You can then decide when you are going to do your cosmetic maintenance. However you do have to budget for maintaining the main systems of your home, like the roof, the furnace, the plumbing, the wiring and the appliances.

## Top producer for 26 years.

Contributions to this newsletter from:  
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## Moving Costs can be Tax Deductible

Moving can both be a stressful and expensive experience, According to a Revenue Canada booklet titled: Are YOU Moving? You must be moving to start a job or a business, or attend courses as a full-time or co-op student. You must be moving to a place at least 40 km closer to the new school or workplace than the old home.

The deductions can only come from the income that is earned at the new residence. However you can carry forward the expense and claim it the following year.

If your company transfers you, you are also eligible for deductions, provided you meet the 40 km rule but you cannot claim expenses that your company has paid for. It is also possible to claim for more than one move. So, a student can claim eligible expenses when moving to enroll full-time at a post-secondary institution and again when moving back to the institution after a summer break or work semester.

Here is a list of expenses that can be deducted on tax returns if you qualify:

- Travel expenses, such as car costs and meals to move you and your family to your new home.
- Costs like packing, hauling, storage and insurance for effects that are moved from your former residence to your new home.
- The cost of selling your old home, including real estate commissions and legal fees.
- Legal fees for the purchase of a new residence if the old house is being sold as a result of the move.

You cannot claim:

- Any loss from the sale of your old home.
- Expenses for house-hunting trips to the new location.
- The cost to disconnect and reconnect utilities.

- The value of items that movers will not take, such as frozen food and cleaning products.

## Mutual Drives



In the older areas of Toronto and other urban centers mutual driveways are very common.

In most cases the owners of mutual driveways work out their differences, and that is the end of the story.

But when they can't. Or when they can't agree how it's going to be maintained? What the law says may surprise you.

A mutual drive in legal terms is a right away. One owner may own part of the driveway, but he may also have the legal right to unrestricted use the remaining part of the driveway owned by the immediate neighbor. The neighbor will in turn have the right to unrestricted use the part of the driveway he does not own. It is very important for both owners to know, that they both have the right to drive into the back of their properties to a private parking area or a garage. Nobody has the right to park in the driveway and block the access for the other owner. However in a lot of areas it is possible to widen the front of the driveway for one or both parties to create legal front yard parking. If there is no other agreement or if it is not spelled out in the deed, then cases as far back as the late 18<sup>th</sup> century state, that a person benefiting from the use of a right-of-way ought to be responsible for its maintenance and repair, in the absence of an agreement to the contrary. In other words both parties have the obligation to remove the snow in the winter from the part of the driveway that the OTHER PARTY OWNS. They are also equally responsible for maintaining and repairing the OTHER PARTY'S PART of the

driveway. This only illustrates how important it is for both parties to a mutual driveway to work out a much more practical arrangement of use and maintenance.

## Avoiding Fence Disputes



Good fences do not always make good neighbors. If you are considering building a fence, disputes with your neighbors can be avoided if you follow a few simple steps before you actually start building the fence.

The provincial Line Fences Act serves to help arbitrate disputes over fences. It says that if a landowner wants to build a fence to mark the boundary of his property, he can do so and the neighbor will share the cost of the expense.

You can build a fence on your side of the lot line without your neighbor's permission; you must still conform to the local rules for fence building. These rules may vary from municipality.

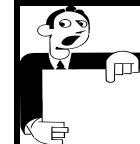
Before you build a fence, you should check with the local utilities to determine the location of any buried pipes or cables. You should also check you survey or check with a surveyor to determine the exact boundaries of your lot. But it is very important that you consult with your neighbors to discuss the type of fence you wish to build and how the cost of the fence will be divided. Your neighbor may not want to pay for part of the fence or renege on the previous offer to pay. If that happens, then you can check with your local municipality to see if it has a Fence Viewing Committee. The role of the committee is to determine what portion of the fence each owner shall construct and maintain. Ultimately, the committee will decide if a fence is warranted, who should build it, what type of fence should be built and who should pay for it.

The committee could decide that the cost of the fence should not be split 50/50. The committee will produce a written decision and give each party a copy. Each party can appeal the decision to a referee whose decision is final.

In some areas the municipal by-laws take precedence over the Line Fence Act. Some times the wording in the by-law may be a guide for who shall pay for a basic division fence.

However it is most important to avoid disputes by speaking to your neighbors at the planning stage. When you have a third party involved it can often lead to hard feelings between you and your neighbors. Some times the fee for the viewing committee could be more than the amount of moneys in dispute.

## How to Pay Down Your Mortgage Painlessly



For many people mortgages seem to be a foreign language, and the prepayments privileges and conditions of their mortgage may as well be written in

Latin. In this issue I would like to recommend two really easy ways to pay down your mortgage faster and painlessly. I am sure you are all aware that most mortgages have built in options, which allow you to pay up to a certain percentage of their original mortgage amount (usually 10-20%) every year without penalty. The truth of the matter is that most people do not use this privilege. Let's face it based on a \$200,000.00 mortgage how many of us have an extra \$20,000.00 at the end of the year to knock off of mortgages, however there are another couple of options that you can take advantage of that can make a huge difference on how long it will