



JIM BROADLEY'S

Real Estate Newsletter - January 2012



Humidity And Mold

Molds are microscopic organisms that grow on wet or damp surfaces. For mold to grow the temperature needs to be between 2°C to 40°C and there needs to be moisture present. There are many steps that a home owner can take to reduce the moisture level in their house. These include;

- Make sure that water runs away from your house by ensuring that the ground slopes away and that downspouts lead away from the foundation.
- Always turn on the stove vent when cooking, to get rid of moisture and odours.
- Always vent a clothes dryer to the outside.
- Set up and run a dehumidifier in your basement.
- Bathroom fans, which should be vented to the outside should always be switched on when the bath or shower is being used and then left on for at least 15 minutes afterwards.

These are the main actions that a home owner can take to reduce the humidity level and mold growth in a house. However, there are many other steps which can help, such as; don't store firewood in a house; reduce the number of house plants; don't store paper, cardboard and clothing, in your basement. These

You Read It Here

- If you say GULLABLE slowly it sounds like ORANGES.
- Having a great vocabulary didn't save the Thesaurus from extinction.
- There are three kinds of people in this world; those who are good at math and those who aren't.
- I know the voices aren't real, but they have some great ideas.
- "I think there's a world market for maybe five computers." T. Watson, chairman of IBM, 1943.
- I stopped fighting my inner DEMONS because we are on the same side now.
- Why do gorillas have big nostrils? Because they have big fingers.
- What do you call a boomerang that doesn't come back? A stick.

recommendations are certainly worth adopting, as mold is a health hazard and also, it can damage property. Feel free to contact me if you are concerned about this issue and I will try to 'Point You In The Right Direction'.

Real Estate Forecast - 2012

The Toronto Real Estate Board (TREB) reported 4,718 transactions through the Toronto MLS® system in December 2011. The December result capped off the second-best year on record under the current Toronto Real Estate Board (TREB) boundaries. Total sales for 2011 amounted to 89,347, an increase of four per cent in comparison to 2010 results.

Low borrowing costs kept Buyers confident in their ability to comfortably afford their mortgage payments along with other major housing costs. The average selling price in December was \$451,436, an increase of four per cent compared to December 2010 results. For all of 2011, the average selling price was \$465,412, an increase of eight per cent in comparison to the average of

\$431,276 in 2010.

"Months of inventory remained below the pre-recession norm in 2011. Very tight market conditions meant substantial competition between Buyers and strong upward pressure on selling prices," said Jason Mercer, TREB's Senior Manager of Market Analysis. TREB's baseline forecast for 2012 is for an average price of \$485,000, representing a four per cent annual rate of price growth.

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Not intended to solicit properties already listed for sale.

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Royal Bank Forecast

The headline in the RBC monthly Financial Markets Newsletter reads "Gloom Starting To Lift". The same upbeat message is reflected in the report highlights;

- Canada's growth rate averaged a firm 2.7% in the second half of 2011 and we expect this pace will be maintained in 2012.
- A brighter outlook for the US economy and easy financial conditions will help sustain growth in Canada.
-only one 25 basis point rate hike is expected this year.
- Stock markets rallied in the first week of January, government bond rates stayed low.
- Surveys point to the U.S. economy maintaining stronger momentum in 2012.

Reading financial forecasts is not my idea of fun, however, the tone of this report is certainly encouraging. Please feel free to contact me if you would like to have a full copy of this report.

Real Headlines

- Local High School Dropouts Cut in Half.
- Putting Mattress On Floor Prevents Fall From Bed
- Safety Experts Say School Bus Passengers Should Be Belted.
- Police Begin Campaign to Run Down Jaywalkers.
- Panda Mating Fails; Veterinarian Takes Over.
- Milk Drinkers Are Turning To Powder.

This is What a Helping Hand Looks Like



Credit Scores 'n Stuff

People contemplating buying real estate need to understand how important it is to have a good credit score? When a prospective buyer applies for a mortgage, they should appreciate the emphasis that lenders put on the applicant's credit score. The credit score is basically a snapshot of an applicant's current credit situation plus an overview of their credit history. Credit rating agencies such as Equifax or TransUnion take into consideration a wide range of factors such as income, debt repayment history, total approved credit limits, credit usage levels and lots more. A complex formula and rating scale is then used to determine the credit score which is a number between 300 and 900. Lenders consider that the higher a client's score (the FICO score) the lower is the risk that they will default on the mortgage loan. For example 27 per cent of the population have a FICO score in the range 750 to 799. People can get their credit report or rating from Equifax or TransUnion for free by going to the company websites. A person's credit score plus their credit rating or report costs about \$23. Factors

affecting a credit score are Paying bills on time, even making minimum payments has a positive effect on a person's credit score. The riskier it is for the lender, the harder it will be for a borrower to obtain a mortgage. Keeping credit card balances below account limits also helps. This can be achieved by spending less or getting credit limits increased. Most borrowers are unaware that their credit is negatively affected every time a company checks their credit. A score can decrease by a couple points every time a borrower authorizes an inquiry. This is a good reason to use the services of a Mortgage Broker rather than shopping directly by approaching several Lenders for a mortgage. A Mortgage Broker is able to access a credit report once and use it to shop around to several Lenders for the best and most suitable mortgage. A prospective borrower who contacts (say) five different banks regarding a mortgage loan, will have five different credit inquiries on record, which will obviously degrade their beacon.

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