



JIM BROADLEY'S

Real Estate Newsletter - May 2010



Carbon Monoxide

Carbon monoxide (CO) is a colourless and odourless gas. Because you can't see, taste or smell it, it can affect you or your family before you even know it's there. Even at low levels of exposure, carbon monoxide can cause serious health problems. CO is harmful because it will rapidly accumulate in the blood, depleting the ability of blood to carry oxygen.

Carbon monoxide is a common by-product of the combustion (burning) of fossil fuels. Most fuel-burning equipment (natural gas, propane and oil), if properly installed and maintained, produces little CO. The by-products of combustion are usually safely vented to the outside. However, if anything disrupts venting, such as a bird's nest in the chimney) or results

in a shortage of oxygen to the burner, CO production can quickly rise to dangerous levels. Feel free to contact me and I will send you a copy of the Canada Mortgage and Housing Corporation brochure which deals specifically with CO in the home. It describes the steps which should be taken to minimize the dangers of CO poisoning.

You Read It Here

- It is believed that Shakespeare was 46 around the time that the King James Version of the Bible was written. In Psalms 46, the 46th word from the first word is shake and the 46th word from the last word is spear.
- A swan has up to 25,000 feathers,
- Canada is an Indian word meaning "Big Village".
- The oldest word in the English language is "town"
- The little hole in the sink that lets the water drain out, instead of flowing over the side, is called a "porcelator".
- The first letters of the names of the Great Lakes spell HOMES.

The Real Estate Market

The Ontario housing market has staged a remarkable turnaround in the past year. Whereas a year ago, there were concerns that the market would collapse the way the U.S. market did. More recent worries have been at the opposite end of the spectrum – that possibly excessive demand is heating things up too much. To be sure, resale activity has more than fully recovered from the losses during last year's downturn, lately reaching record levels. Prices also have rebounded to new heights for most housing categories, yet this renewed vigour has caused only moderate impact on overall housing affordability in the province. After rising for the first time in roughly a year during the third quarter of 2009, RBC measures remained stable or edged slightly higher in the fourth quarter of 2009 with townhouses and condominiums showing no change, and bungalows and two-storey homes rising only 0.1 and 0.2 percentage points, respectively. The

small decline in mortgage rates and continued growth in household income largely neutralized the effect of higher prices, keeping affordability close to long-term averages.

RE/MAX in 2009

You will be very excited to know that 2009 wasn't a bad year for RE/MAX in Brampton. For example, RE/MAX had 47.45% share of the market and our nearest competitor only had 16.61%. Also, RE/MAX Realty Services Inc. (that's right, my office) was the number 1 office in all of the Region of Peel for the number of units sold in 2009.

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Not intended to solicit properties already listed for sale.



An Interesting Story

Start with a cage containing five monkeys. Inside the cage, hang a banana on a string and place a set of stairs under it. Before long, a monkey will go to the stairs and start to climb towards the banana. As soon as he touches the stairs, spray all of the other monkeys with cold water. After a while, another monkey makes an attempt with the same result; all the other monkeys are sprayed with cold water. Pretty soon, when another monkey tries to climb the stairs, the other monkeys will try to prevent it. Now, put away the cold water. Remove one monkey from the cage and replace it with a new one. The new monkey sees the banana and wants to climb the stairs. To his surprise and horror, all of the other monkeys attack him. After another attempt and attack, he knows that if he tries to climb the stairs, he will be assaulted. Next, remove another of

the original five monkeys and replace it with a new one. The newcomer goes to the stairs and is attacked. The previous newcomer takes part in the punishment with enthusiasm! Likewise, replace a third original monkey with a new one, then a fourth, then the fifth. Every time the newest monkey takes to the stairs, he is attacked. Most of the monkeys that are beating him have no idea why they were not permitted to climb the stairs or why they are participating in the beating of the newest monkey. After replacing all the original monkeys, none of the remaining monkeys have ever been sprayed with cold water. Nevertheless, no monkey ever again approaches the stairs to try for the banana. Why not? Because as far as they know that's the way it's always been done round here. And that is how most rules are made. I realize that this story has got nothing directly to do with Real Estate, Mortgages etc., however, the logic can be applied to so many walks of life.

Just A Thought

- * "Electricity is just organized lightning" **George Carlin**
- * "Price is what you pay. Value is what you get" **Warren Buffett**
- * "Human beings are the only creatures on earth that allow their children to come back home" **Bill Cosby**
- * "A professional is someone who can do his best work when he doesn't feel like it" **Alistair Cooke**

Some Mortgage Stuff

I thought that you might be interested in the following data which was taken from the spring 2010 Consumer Report of the Canadian Association of Accredited Mortgage Professionals. The mortgage industry in Canada is very large. Out of the 9.3 million homeowners in Canada, approximately 5.55 million have mortgages. Within the last decade, the total volume of the residential mortgage market has not only doubled to \$964 billion at the end of 2009, but is anticipated to be about \$1.04 trillion by the end of 2010.

About 65% of borrowers are still opting for the more traditional fixed interest rate, whereas 29% are choosing the variable option. 12% of those who chose the fixed rate were locked in after initially choosing a variable rate. Many chose to

convert their mortgage interest rate from variable to fixed to prepare for the possibility of higher interest rates. Many borrowers (about 70%) tend to pick a 5 year term or longer, and only about 17% of mortgage borrowers have extended amortization periods longer than 25 years. The percentage of mortgage holders with extended amortization periods is the same as the year previous, which is an indication that there has been stabilization in terms of mortgage amortization, and do not pose a greater risk in comparison to shorter amortization.

Check out my web site at

CallJim.ca