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Summer 2007

Keeping in Touch

Welcome to the Summer edition of “Keeping in Touch”. This issue looks at the some of the pros and cons of investing in Real Estate as well as past and future price increases. As usual we have the latest in sights, sounds and tastes from our contributing writers and a continuation of my fishing stories in “Tacks & Tales”. You can also find the past newsletters at www.davelynn.com. The market has been very busy in June and July. I think the poor weather gave us a late start. Hope you have a great summer.

Dave Lynn

Is Investing in Real Estate Right For You?

There are many ways to take part in the real estate market. You can invest in property management companies, purchase a vacation property and even become a landlord. What’s right for you will depend on your finances, objectives and your personality. Not everyone, for example, has what it takes to be a landlord.

About 65% of Canadians own homes and condos, which are probably our most valuable investment. If you’re thinking of increasing your property exposure, here are some of the most common ways to invest in real estate:

Invest in property companies

If you want to diversify your investment portfolio with real estate, but do not want to buy an actual piece of property, you can purchase property companies or Real Estate Investment Trusts (REITs) on the stock market. Real estate mutual funds, which invest in both, are another option.

REITs typically hold a number of income-producing properties in their portfolios, such as apartments, hotels and commercial shopping centres. They aim to deliver their rental income to shareholders on a monthly basis. However, unlike a GIC or a government bond, these investments are not guaranteed to provide an income stream.

Buy a vacation home

Many Canadians dream of purchasing a weekend getaway, such as a cottage, and keeping it in the family for future generations.

If you’re thinking about a vacation home, be honest with yourself and your family about what you really want.

How often do you plan to use the property? Can you afford the purchase price and maintenance costs without having to compromise on the other things you want out of life? Are you interested in an investment property or building your estate?

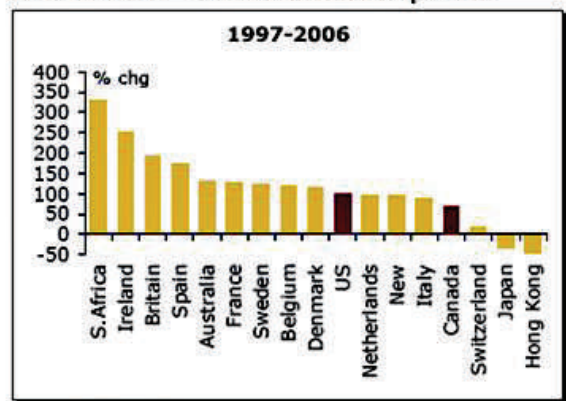
Become a landlord

Renting out an apartment in your home is one way of becoming a landlord. Doing so can help make your mortgage payments more manageable and allow you to become mortgage-free faster.

Another approach is to buy a second home, condo or small building to generate steady income and a potential capital gain.

Building a stake in the community may play a role in your decision to buy a rental property. However, being a

House Prices — International Perspective



Source: The Economist

landlord involves a number of responsibilities. These include staying on top of tenancy legislation; researching any relevant bylaws; finding tenants and collecting rent; keeping detailed records and repairing and maintaining the unit. If you're renting out several units, these duties may involve a substantial commitment of time and money. Or, you may choose to hire a property manager to look after them, especially if the units are out of town. Indeed, it's like running a small business.

Scotia Bank

House prices 'to double' in 20 years

Fears of a decline in future house prices sparked by demographic changes in Canada are greatly exaggerated, says a report released this spring by CIBC World Markets. The report, "Much Ado about Nothing: Canadian House Prices not Based on Demographics Alone", says house prices in the country will double in the next 20 years. "Despite downward pressure from demographic forces, on average, we expect house prices in Canada to double in the next 20 years," said Benjamin Tal, senior economist, CIBC World Markets. "Fears of a decline resulting from the downsizing and increased liquidations of houses by seniors and the falling number of first-time buyers are highly exaggerated. Prices in Canada's bigger cities, however, will likely increase even more -- and at a much faster pace," he said. "In the large cities [in Canada], they will more than double because we see that most immigrants go to large cities. We see most economic activity happening in big cities. That's the reality of the next 20 years where big cities will be the major economic engine of the country," said Tal.

Can West News

Agnes' Garden Tips



It's nice to have some trees, shrubs and vines of interest all through the year and summer is full of choices. The tree, Robinia 'Frisia', has nice lime green foliage now and turns an intense yellow in the fall. A showstopper is our Harlequin Glory Bower tree (Clerodendron trichotomum) with its very fragrant white flowers which turn into blue berries with surrounding red calyxes. The Silk Tree (Albizia julibrissin) has a tropical look with very fine foliage and pink powder puff flowers. Japanese Maples have green or purple foliage, good fall colour and fascinating branching patterns as the trees age. As well as the favourite standby Hydrangeas, summer shrubs include the usually purple Butterfly Bush (Buddleia), very fragrant yellow Spanish Broom (Spartium juncus), Abelia Edward Goucher whose late pink flowers continue for a long time, elegant arching Hardy Fuchsias and very late flowering Hardy Hibiscus syriacus Blue Bird. For the lower layer, choose a selection of Hebes and summer-blooming Heathers. Vines such as large-flowering Clematis add the vertical element to the garden. Passion flower (Passiflora caerulea) is hardy in Victoria in a protected corner and will flower until frost. Include a Trumpet Vine (Campsis radicans) but be sure not to get a hybrid as the hummingbirds only like the non-hybrid one. Remember to visit the nurseries often to find plants with interest throughout the year and then you can enjoy your garden all year round.

Summer Real Estate Sales Sizzle

Victoria Real Estate Board

Sales of homes and other properties in the Greater Victoria area continued to show exceptional strength last month reaching the highest level for the month of July in over 15 years. There were 922 sales through the Victoria Real Estate Board's Multiple Listing Service® (MLS®) in July, up over 36 per cent from the 677 sales in the same month a year ago. There were 949 sales in June of this year. Meantime, 27 sales of over \$1 million helped push the average price of single family homes sold in July to another record high of \$574,753; the median price was considerably lower at \$515,000; the six-month average was \$560,393.

Victoria Real Estate Board President, Bev McIvor, says the continued strength of the market is remarkable, "Despite the significant increases in prices that we have seen in recent years, the total number of sales shows that demand remains very strong. The number of sales so far this year is running over 11 per cent higher than in the first seven months of last year while the six month average price for single family homes has risen over seven per cent since the beginning of the year."

The average price for all condominiums sold in July was \$306,668; the average for the last six months was \$311,568. The median was again lower at \$268,000. The average price for townhomes last month was \$402,558; the average for the last six months was \$397,434. The median was \$379,900. MLS® sales last month included 499 single family homes, 241 condominiums, 106 townhomes and 22 manufactured homes.

There were 3,402, properties listed for sale on the MLS® system at the end of last month, up from the 3,318 properties in the same month a year ago.

Chapter 4: Fishing 101

After having found my way to Bamfield, I spent a day or so regrouping and meeting some of the other fishermen. At night the bay was full of boats but it was virtually deserted during the day. My plan was to follow some of the boats in the morning since they would probably know where the fish were. I set my alarm and got up at daybreak the next morning and - all the boats were gone! What the! I discovered you had to get up an hour and a half before sun-up so you would be on the grounds at daybreak. Day fishing was quickly losing its glamour. Got up early the next morning and was greeted by an endless stream of green, red and white navigation lights. I eased away from the wharf and slipped into line. Once we cleared the harbour, the boats split up and went in all directions. So much for following them to the fish. I chose a small group to follow across the sound to Effingham Island. Ron, the previous owner, had fished there. We fished the "bluffs" off the southeast corner of the island. You had to work the edge of the drop-off and try to keep away from the gear-eating pinnacles. Since positioning electronics on small boats was non-existent, we used line-ups to keep in position. The crooked tree on one island in line with a certain hump on the island behind. They worked pretty well as long as you were paying attention – at least until the fog rolled in. With everything else going on, I often lost sight of the line-ups and the tide would push me into the shallows where the bottom would reach up and rip the gear and leads off the lines. The old flasher sounder would then tell you that you were too shallow. When I was dragging the gear on the bottom I'd slowly turn out to deeper water so as not to do too much damage. Wrong again. One of the guys couldn't stand the carnage and told me the trick is to speed up. That way the gear drags back and comes up shallow. I did a lot of trolling at full speed and returned to port frequently with the 12" springs on the poles stretched out to 3'. Speeding up only works to a certain extent and sometimes you have to decide when to go to full stop, but that's another story.

I got a late start one day and decided to try the tack off Ship Island to Cape Beale for the afternoon and evening. About supper time (it's always at supper time), the coho started biting. I was the only boat there and caught 35 coho in the next couple of hours. It was well after dark when I returned to the camp and I was high boat for the day. High boat – cool, I was hooked.

My Dad had arranged for a family friend to come out with me for a couple of weeks. Old George had done some

commercial trolling. Over the next couple of weeks, George and I worked out a routine and got the gear a little more sorted out. My strongest memory of George is of him sitting on the cabin door step in his Stanfields chewing snuff and launching it over the side or at least attempting to.

I started anchoring out occasionally to reduce the amount of running we'd have to do (and get to sleep in). There are some nice anchorages in the islands. That's when the dreams started. No, not the dreams of your average 18 year old male. These were fishing nightmares. One night anchored in Dodger Cove, I awoke in the middle of the night, soaking wet yelling "the anchor's dragging, the anchor's dragging". I leapt out of my bunk, made the wheel house in two strides and looked out the window at the full moon reflecting on the glassy calm waters of the cove. The other fun one was anchoring while I still had the gear in the water. Maybe I should have majored in Psychology. After George headed home (he later bought a troller himself), Tom, a friend from UVic who loved boats, volunteered to come out. Agnes and Dave, another good friend from UVic, drove him out over the logging roads to Bamfield and we celebrated their arrival with a barbecue at Pachena Bay.

Darcy's Gourmet Corner



Cooking with flowers

At the Sooke Harbour House, I have so many options when it comes to what to put on the menu and I love using plants and flowers in my desserts!

Nasturtiums have a wonderfully peppery flavour similar to watercress. Borage tastes like cucumber and miniature pansies (Johnny Jump-Ups) have a mild wintergreen taste. Violets, roses and lavender lend a sweet flavour to salads or desserts. Other flowers may have a spicy or peppermint flavour.

When in doubt, taste, but first be sure it's not poisonous.

Edible flowers tips and hints

Edible flowers as a garnish make any dish look special on your table, but be sure the flavour of the flower complements the dish. Here are a few ideas:

- Place a colorful gladiolus or hibiscus flower (remove the stamen and pistil) in a clear glass bowl and fill with your favorite dip.
- Sprinkle flowers in your salads for a different flavour.
- Use in flavoured oils, vinegars, jellies and marinades.
- One of the most popular uses is candied flowers, used to decorate wedding cakes.

Rate Watch

From Prime Mortgage Works Inc
As of August 03, 2007

Term	Best Rate	Bank Rate
6 Month Open	6.70%	8.40%
6 Month Closed	5.70%	6.60%
1 Year	5.65%	6.85%
2 Year	5.65%	7.15%
3 Year	5.70%	7.20%
4 Year	5.80 %	7.20%
5 Year	5.79%	7.14%
6 Year	5.95%	7.25%
7 Year	6.00%	7.35%
8 Year	6.05%	7.40%
9 Year	6.10%	7.50%
10 Year	6.15%	8.25%
15 Year	6.40%	6.64%
18 Year	6.47%	6.73%
25 Year	6.58%	6.83%
Prime Rate	6.25%	

Tara's Scene



More and more bars today are reintroducing the Cover Band to regular nightlife.

Instead of listening to canned music, now there is a growing number of clubs where you can hear your favourite songs played by local musicians. Each cover band is a little different, with their own take on popular music, but most will play a mix of top 40 and classic rock hits. For example D'Arcy's Pub on Wharf St. has live music all through the week, including **The Southern Urge** on Tuesdays and **Monkey Wrench** from Thursday through Saturday.

Some bands are more genre specific, such as **That 70's Band**. They are a group of talented guys who have collected and perfected a large amount of material from the 70's. Not only are the songs reminiscent of the era, but they go full out with costume and personas. www.that70sband.ca

Another extension of cover bands is the Tribute band. This is where a group takes on the persona and songs of one specific act, for example, **Double Diamond**. They are a 12-piece band that performs a selection of Neil Diamond hits. They will be touring the island this fall. www.doublediamondtribute.ca

Some of these groups are available for events, so next time you're planning a large get together you can scrap the DJ and book the "real" thing.

For the Birds



There are two main seasons to see shorebirds in Victoria. You can catch them in the spring on their way north or late summer as they head back down south. Starting right about now is when to enjoy that southward migration. I'll give you a few locations that you might check out. Of course don't forget your binoculars or spotting scope to enjoy the birds without disturbing them. Starting around the Victoria waterfront, two of the best spots are Ogden Point Breakwater and Clover Point. Gonzales Bay at the foot of Foul Bay Rd is good as well as the Chinese Cemetery just around the corner from there. Then check out Willows Beach at the foot of Bowker Ave on your way to another excellent spot, Cattle Point. Farther out is Island View Beach on the peninsula and Esquimalt Lagoon, Albert Head Lagoon, Witty's Lagoon and Whiffin Spit in the Western communities. Typically at this time of year, you might see Western and Least Sandpipers, Greater Yellowlegs, Dowitchers, Black Turnstones, Oystercatchers, Sanderlings and maybe a Semi-palmated Plover or Spotted Sandpiper. On the water, you might see Pigeon Guillemots and Rhinoceros Auklets with Harlequin Ducks close to shore. Generally these spots are best at low tide and early in the day before there are too many people and dogs around but they can be around all day, even late into the evening. As well as a field guide, the other important item is to have a copy of the Victoria Checklist of Birds put out by the Victoria Natural History Society. It tells you what birds you will see in Victoria and shows how common they are and, most importantly, has a bar graph showing in what season you will see them. To get a copy of this handy guide, contact Dave giving him your mailing address and he'll pop one into the mail for you. Sorry there isn't a good one on the Internet.

I Referrals

Better than a Free Lunch? A Free Dinner!

Marketing for new clients cost me a lot of time and money. Time I'd rather spend with friends and clients. A major part of my business is built on referrals from friends and satisfied clients. So here's the deal.

If you know of somebody thinking of buying or selling, ask if you can pass their name on to me. I'll look after them promptly and professionally.

I won't let you down. They are under no pressure or obligation to work with me.

If the referral results in a sale, I would like to treat you to a dinner for two at your favorite restaurant as a token of my appreciation.