



the Benson Report

Compliments of Cort & Elaine Benson

RE/MAX All Points Realty



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We hope you're enjoying your summer and are making time for some rest, relaxation and reading!

This month's newsletter contains a variety of topics for your interest. For more real estate updates, remember that we are just a phone call away!
All the best,

Cort & Elaine Benson
for

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GST Tax Cut Welcomed by Canadian Homeowners!

Home ownership just got a little bit easier, thanks to the one-percent reduction in the Goods and Services tax.

While resale homes are exempt from the GST, when you buy a newly constructed home, condominium or townhouse, the entire purchase price including land is taxable. However, if the new home is going to be your primary place of residence, it may qualify for a partial GST rebate, depending upon the sale price.

Whether you're buying or selling a new or pre-owned home, the new GST savings will also allow you to hang onto a little more of your paycheque when you add up the fact that all homebuyers have to pay GST on professional services associated with any real estate transaction. That includes fees paid to lawyers, appraisers, home inspectors and Realtors[®]. The tax savings will also be realized on moving costs, renovation

materials and labour, the purchase of furniture, major appliances and the countless other things that you will need to invest in to make your home comfortable.

Pierre Beauchamp, the Canadian Real Estate Association's Chief Executive Officer, believes that, "These tax cuts will put money back in the pockets of Canadian families and help increase consumer confidence about making big ticket purchases, such as buying, furnishing or renovating a home."

Although the tax savings officially came into effect last month, note that the GST cut does apply to any housing contract signed after May 2nd. Check with me if you have any questions about how the GST tax cut may affect your real estate plans.

CNSF

Quality Control

Buying furniture is an investment. You want it to look and feel good, all while standing the test of time. While this article is not meant to provide professional advice, you may be interested in what to look for when shopping for good quality, key furniture pieces.



BUREAU

- For those on a tight budget, a bureau made of particle board or MDF with a cardboard back is fine. For a longer-lasting piece whose frame won't rock or twist when lifted from one corner, opt for solid wood with a five or seven-ply veneer.
- Concealed dovetails should join drawer fronts to sides. Inside joints should be corner blocked, glued and screwed for superior stability. Dovetails, dowels, and mortise and tenon joints can also lend support in various areas.
- Drawer insides should be sanded, snag-free and finished. Guides should allow drawers to be easily pulled out while remaining level; stops should allow you near-full access to the inside. Dust panels should separate each drawer.

MATTRESS

- Generally, the more coils in a mattress, the firmer and more supportive it is. For a queen size, 375 to 400 coils makes for a very good mattress. A top-of-the-line, full-size mattress will have upwards of 600 coils for superior support.

- A mattress with a thicker wire gauge offers greater support and durability. The lower the gauge number, the thicker the steel wires. For a softer suspension, look for a higher gauge number, indicating coils made of thinner wires.
- A mattress's thickness is generally indicative of its quality, as the thickness typically means more padding and thicker wires. A six-inch thickness is typical; top-of-the-line mattresses go as thick as 21 inches.

DINING TABLE

- Higher-quality dining tables will use corner blocks with screws in order to attach the apron to the table top.
- Boards on the top surface of solid wood tables should have tongue and groove joints.
- Table legs should attach to the apron with mortise and tenon joints. These joints, combined with the corner blocks attaching the table top and apron, lend a table its sturdiness.
- Top-of-the-line tables will have locks to hold a leaf in place. The extension guides on the bottom of the table should be metal; wood slides move less smoothly. Gradually tightening locks are more effective in holding the leaf firmly in place.

SOFA

- Look for frames made of strong, heavy woods: oak, birch, maple, pine, spruce. If you can lift one front leg an inch before the other front leg raises, the frame is weak and flexible.
- Joints should be held together with double dowels and reinforced with corner blocks glued and screwed into place, not nailed or stapled.
- Springs should be mattress-firm and present in the sofa's back, as well as under its cushions. Eight-way, hand-tied springs mean top quality, but preassembled S-shaped coils are just as comfortable.
- Down is the most expensive cushion stuffing, but loses shape. Polyurethane foam is most common; the denser the foam, the longer lasting. Higher-quality foam rates 1.8 to 2.5 in density.



Contracting a Contractor

Trusting a contractor with your home renovation can be daunting. To help screen candidates for the job, ask the following questions about their business and your project



- **How long have you been a contractor?** Your contractor should have a well-established history in your area; five years is a good benchmark.
- **Are you licensed?** Depending on where you live, contractors may be legally required to be licensed. Your area's licensing board or building department can tell you what the requirements are, if any.
- **What insurance do you have?** Contractors should be able to provide you with current copies of insurance certificates, including coverage for personal liability, worker's compensation, and property damage. Hiring an uninsured contractor puts you at risk of liability for injuries or damages.
- **Can you provide references?** Contractors should be able to provide you with references from at least three past clients. Ideally, their projects were similar to yours and were completed in the last year.
- **How do you approach projects of this size?** The answer will reveal a lot about how they do business. This is the time to ask about specifics: completion dates, noise levels, when work will begin and end each day, etc.
- **Will my project require a permit?** Prior to starting your project, contractors should obtain any necessary permits. A contractor who asks you to obtain them may not be properly licensed or insured.
- **Will subcontractors be used?** If so, are they are licensed and insured as required? Interview them as well; ask if the contractor pays them on time. If not, a lien could be placed on your house.

Ready, Set, Close!

Every home sale is a unique transaction. However, there are some things every homeowner can do to help ensure the smooth closing of a sale.



The most immediate issue is to address the conditions of the purchase agreement that require action by you, the seller. These contingencies must be fulfilled by specific dates; not meeting them means having to arrange for an extension or even losing the sale altogether.

Gather and make available to the buyer any paperwork relevant to the purchase and closing of your home, as called for in the purchase agreement. Making the documents available promptly is a basic courtesy and can help the buyer conclude the inspection phase.

Every buyer is entitled to a house inspection, so you should ensure your property is made accessible, while the buyer needs to do his or her part by scheduling that inspection in a timely manner. In addition, you should make your home available for the buyer's

final walkthrough the day of or before the closing. Allowing the buyer this opportunity to confirm that the house is ready and any conditions have been met will reduce the chance of problems at closing.

Get ready for moving day by contacting your utility, telephone and television providers to arrange transferring service to your new home. Have your insurance agent arrange the transfer of your homeowner's insurance coverage. Send out change of address notices and advise the post office of your move. Contact a moving company and arrange your move on or prior to the date the buyer takes possession of your home.

Finally, it's important that you notify your real estate agent immediately should anything change about your property or your situation.

Update on Canada's Housing Market: Last Year, This Year and a Look Ahead Too...

Housing starts are expected to begin tapering off, from 225,481 units in 2005 to 222,200 this year, and are forecast to decrease further to 204,100 units in 2007, according to Canada Mortgage and Housing Corporation's (CMHC) second quarter Housing Market Outlook. However, even with this slowdown, 2007 will mark the sixth consecutive year in which housing starts exceed 200,000 units.

According to Bob Dugan, Chief Economist at CMHC, "Higher mortgage carrying costs, due to modest increases in mortgage rates, and rising house prices will temper housing demand this year and next." Mr. Dugan goes on further to say, "Housing starts this year will be stronger than previously forecast, mainly due to persistent strong demand in Alberta and British Columbia, but will not match last year's pace."

The 2007 forecast for existing home sales, as published by CMHC (<http://www.cmhc-schl.gc.ca/en/inpr/homain/index.cfm>), projects that sales of existing homes as measured by the Multiple Listing Service (MLS®), will register their second best year on record with 478,400 units in 2006, a slight decrease of 0.9 percent compared to the previous year. The estimate suggests that while rising new listings will give home buyers more choice, the effects of strong price growth over the past four years combined with rising mortgage rates will ease housing demand in many centres across Canada.

PROVINCIAL HOUSING OUTLOOK: TOTAL HOUSING STARTS

	2005 Actual	2006 Forecasts	2007 Forecasts
Newfoundland and Labrador	2,498	2,250	2,150
Prince Edward Island	862	775	750
Nova Scotia	4,775	5,100	4,800
New Brunswick	3,959	3,650	3,350
Quebec	50,910	45,000	40,000
Ontario	78,795	75,000	68,500
Manitoba	4,731	4,800	5,000
Saskatchewan	3,437	3,600	3,600
Alberta	40,847	45,000	41,000
British Columbia	34,667	37,000	34,900

Source: CMHC Housing Market Outlook, Canada Edition, Second Quarter 2006.

Terminology Tip

Title Search – An examination of the chain of title to property as indicated in public records, in order to confirm ownership of the subject property, and to verify that there are no liens or other claims against the property other than those scheduled to be erased at closing if conducted for a purchase. A title search verifies that all former owners have formally given up their rights to the property.

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