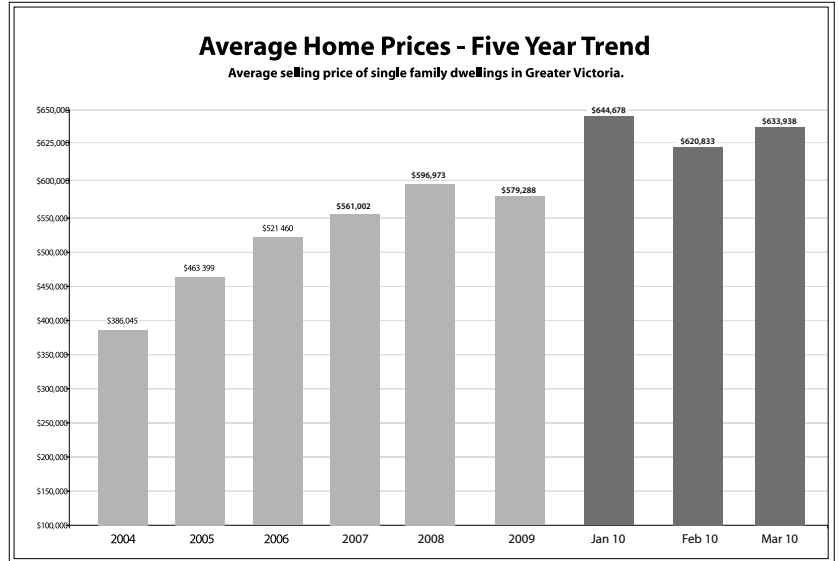


2010 Off To Strong Start For Real Estate

Victoria real estate professionals were busy this quarter as market demand pushed Victoria homes sales up from the previous year. The first quarter average home prices were up a robust 16 percent (\$98,739) from the same period in 2009, reaching a first quarter average selling price of \$633,150.

"There has also been a significant volume of sales this quarter, with over 1,800 property transactions taking place, which is a significant increase over the 1,252 properties sold during the same period last year," notes Carol Guertz, president of Royal LePage Coast Capital Realty. There were 954 single-family homes, 499 condominiums and 215 townhomes sold this quarter.

The average selling price for condominiums in the first quarter of 2010 rose to \$31,093—a 12 percent gain over the same period last year. The average selling price of a townhome rose 14 percent from \$393,456 in the first quarter of 2009 to \$456,786 in the first quarter of 2010.



"Although mortgage rates have risen slightly and we are expecting a slight increase in the Bank of Canada lending rate, we anticipate market conditions to remain quite healthy through the balance of the year," adds Guertz.

(Statistics courtesy VREB)

Canada Mortgage And Housing Corporation Changes In Effect

New changes are in effect to help protect consumers from the dangers of over extending themselves when buying a home. The changes are intended to act as a safeguard and help avoid a housing crisis similar to that occurring in many parts of the United States.

CMHC implemented the following changes with respect to eligibility and borrowing parameters on April 19, 2010:

The qualifying interest rate used to assess borrower eligibility will change only for loans with a loan to value ratio (LTV) greater than 80% as follows:

1. Fixed Rate Mortgages and Variable Rate Mortgages: For loans with a fixed rate term of less than 5 years and for all variable rate mortgages, regardless of the term, the qualifying interest rate is the greater of the benchmark rate, and the contract interest rate. For loans with a fixed rate term of 5 years or more, the qualifying interest rate is the contract interest rate.



2. Mortgages with Multiple Interest Rates (e.g. Multi-Component Mortgages): Each component must be qualified using the applicable criteria defined above. CMHC defines the benchmark rate as the Chartered Bank — Conventional Mortgage 5-year rate that is the most recent interest rate published by the Bank of Canada as of 12:01 AM (Eastern Time) each Monday.

3. The maximum amount Canadians can withdraw in refinancing their mortgages will change to 90 per cent from 95 per cent of the value of their homes.
4. A 20 per cent down payment will be required for 1-4 unit rental (non-owner occupied) properties.

Changes with respect to the eligibility of those self employed have also taken effect. To get a more complete picture of CMHC changes and how they may affect you go to www.cmhc-schl.gc.ca.

**WE
SELL
HOMES**

Excellence is My Minimum Standard."

Barry Kelly has enjoyed over 39 rewarding years in his productive real estate career. Licensed in 1971, Barry went on to become a real estate manager and then broker-owner of his own real estate company in Hamilton, Ontario.

Having moved to Victoria in 1995, Barry continued on in both sales and management and

currently holds an associate broker designation. Most of Barry's business comes from referrals and repeat business from satisfied customers. It's a testament to his outstanding work ethic and uncompromising standards.

Put Barry's standards to work for you.

Phone: 250.477.5353

Toll Free: 1.800.461.5353

Fax: 250.477.3328

Email: bfkelly@shaw.ca
www.barrykelly.com



Barry Kelly



Look Twice At Your Mortgage Options

On March 29th, the Royal Bank of Canada sharply turned the rudder on mortgage rates—hiking its posted 5-year fixed rate 6/10 of a percentage point, to 5.85%. That's the biggest one-day jump in posted rates since 1996. TD followed shortly thereafter, and other banks followed suit. It marked the end of a long period in which mortgage rates remained at a historically low rate. It does not however, signal the demise of low rates and mortgage rates in Canada. They are expected to remain low for the foreseeable future.

Buyers and those who are considering renewing their mortgage should however, look more closely at the type of mortgage they are considering and evaluate the risks and benefits of fixed versus variable rates. The spread (difference) between discounted 5-year fixed and 5-year variable mortgage rates

is currently about 240 basis points (bps)—this is one of the biggest spreads in a very long time.

If you compare the posted 5-year fixed rate to prime rate, the spread between the two is 360 bps.

This is the biggest spread in the last 30 years (based on monthly data from the Bank of Canada). To put it another way, today's plump fixed-prime spread indicates what many already know: fixed rates are selling for a major premium over riskier variable rates.

Today, variable rates are trading at close to prime minus 0.5%. This is not meant to be predictive but consider this: if you look back to 1980 for cases where there's been a 2%+ fixed-prime spread, prime rate has never averaged more than 1.75% higher in the five years

that followed.

Will 2010-2015 be the first such instance? Time will tell. But one thing's for certain. Today's fixed rates are trading with a huge built-in "insurance premium," and the 2.40 percentage point edge gives variables a big head start as we move into the next rate hike cycle. So talk to an expert before you jump in to your next mortgage.

(Stats courtesy mortgagetrends.com)



Not Another Spring-Cleaning Article

Don't you get tired of articles telling you about all the things that you should do around the house each spring? I mean, we all know the garden beds need to be turned and readied for planting, the lawn needs to be cut, limed and fertilized. Then there are the gutters, moss on the driveway and so on and so on.

So to cheer you up, here's an article on things you should do everyday—whether it's spring, summer, winter or fall—to help keep your home clean, looking good and enjoyable to live in. They come from none other than that legend of good living, the guru of garden glamour, the incomparable Martha Stewart.

Here are six tips from her new book, Martha Stewart's Homemaking Handbook: The Essential Guide to Caring for Everything in Your Home.

- 1. Make the Bed.** Tidiness begets tidiness. A crisply made bed makes the whole room seem more orderly, which makes it less likely that you'll let other things — such as clothes and papers — pile up around it.
- 2. Manage Clutter.** Whenever you leave

a room, take a quick look around for anything that isn't where it should be. Pick it up and put it where it belongs. Insist that everyone in the household do the same (ya, good luck with that one!).

- 3. Wipe Up Spills While They're Fresh.** Whether it's tomato sauce on the cook top or makeup on the bathroom counter, almost anything is faster and easier to remove if you attend to it immediately.
- 4. Clean as You Cook.** Instead of filling the sink with pots and dishes, wash them or put them in the dishwasher as you prepare a meal.
- 5. Sort the Mail.** Take a few minutes to open, read, and sort mail as soon as you bring it inside. Keep a trash bin near your sorting area for junk mail. Drop other mail into one of four in-boxes: personal correspondence, bills, catalogs, and filing.
- 6. Sweep the Kitchen Floor.** Every evening once you've finished washing up after dinner, sweep the floor. This will keep tough-to-clean dirt and grime from building up, which will make the weekly mopping much quicker.

If you no longer wish to receive this newsletter please contact our office at 250.477.5353.

Nearly 14,000 Great REALTORS®!

When you amass nearly 14,000 sales representatives and more than 600 offices nation wide, including five local offices with over 180 REALTORS®, it's a sign

that you have a great real estate team. Royal LePage Coast Capital Realty can connect you to buyers and sellers in your community... wherever that might be.

One Great Sign.



MORTGAGE RATES		
TERM	Jan 10 RATE	Current RATE
6 Month	4.650%	4.650%
1 Year	3.400%	3.400%
2 Year	3.750%	3.750%
3 Year	4.250%	4.350%
4 Year	5.140%	5.340%
5 Year	5.490%	5.850%
7 Year	6.650%	6.650%
10 Year	6.800%	6.800%

Note: Rates are based on the average posted rates of 5 major banks for a conventional mortgage as of April 10, 2009. These rates do not reflect what you may be able to secure through your own or other financial institutions.

**WE
SELL
HOMES**



WESTSHORE
474-4800

OAK BAY
592-4422

DOWNTOWN
384-7663

SAANICH
477-5353

SOOKE
642-6361