

Understanding the Five Cs of Credit

When you apply for a mortgage, lenders carefully analyse the details of your application before agreeing to proceed with financing. Many lenders determine how likely borrowers will be to repay a loan by making use of five basic components of credit analysis (so-called the Five Cs of Credit). They are described here to help you understand what the lender looks for.

Character. Character is the general impression you make on the potential lender. The lender will form a subjective opinion as to whether or not you are sufficiently trustworthy to repay the loan. Your educational background and experience in your field of work will be included. The length of time at your current employment and your current residence will be considered. The longer you have been at both, the higher you will score on the character scale.

Collateral. In a real estate transaction, the lender needs the assurance that, should the borrower be unable to repay the mortgage, the property that is mortgaged is marketable and can be resold. This is why lenders require an appraisal of the value of the property.

Capital. This is your down payment. From a lender's perspective, the higher the down payment, the more likely it is that you will do all you can to keep up with the mortgage payments. Capital may also reflect your ability and willingness to save money and accumulate assets.

Credit. This is an estimation of how well you meet your credit obligations, as measured by a national credit agency. The credit agency takes information on payments on major credit cards, auto loans, leases, etc. for the last six years and produces a credit score.

Some individuals make the mistake of not paying the minimum monthly obligations on loans and credit cards with the expectation of



making a larger payment the following month. These missed payments appear on their credit report branding them as chronic "late-payers", and therefore reducing their credit score.

Capacity. Based on your financial situation, how capable are you of repaying the mortgage? Lenders will review your income level and monthly financial obligations – mortgage payments typically should be no more than 32% of your gross income. In today's market every source of income is scrutinized as whether it is feasible that it will continue.

It is important to understand that these measures can change greatly depending on what the future economy is predicted to do. In a rising economy where property values are increasing, there is a little fear of people losing their jobs. Even if they do, the value of their property has risen so they can sell and get out of trouble. This may not be the case in a declining economy where the risk of job loss is high and property prices are decreasing. In this case the bank will have a more restricted formula to measure your ability to pay back your loan.

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Seasons Greetings,

You are receiving this newsletter with hopes that you find it informative and entertaining.

If you are thinking of making a move, or just curious about the real estate trend in your area, please feel free to contact us any time. It is our pleasure to help you.

Best Regards,

Billy & Christian

How to Make Your Home Warm and Inviting This Holiday Season

Nothing brings back wonderful memories more than the holiday season. Many people find this time of year to be one of sentimental moments and many of these moments are associated with the fine details in holiday décor. Many of us will be 'nesting' this holiday season due to the current economic uncertainty, and that means a greater focus on seasonal decoration and getting your home ready for holiday entertaining on the cheap.



Here are a few tips on how to decorate for the holidays without spending a fortune on your Christmas décor.

Focus on fun and activities. Start by creating family traditions that shift the Christmas focus away from material goods and gifts to warm events and activities. While the kids may not be getting all the fun stuff they put on their Santa wish list this year, you can make the holidays more enjoyable than ever by starting some new traditions or reviving ones from your own childhood.

For example, making your own Christmas wreath is easy, fun and offers limitless possibilities for creativity and joy that is shared among all family members. A Christmas wreath can be made in one afternoon, and the kids will love working with the fragrant greens and being able to make wreaths even prettier than store-bought ones.

Adding a special Christmas angel as a tree topper, some special Christmas bells to adorn the fireplace mantel and letting the kids ring the bell each night at dinnertime, or making your own special Christmas greeting cards can create new family traditions you'll cherish for years to come without racking up huge credit card charges.

Keep it simple. A little imagination goes a long way when it comes to holiday decorating ideas. Common items can be used to create an atmosphere

reminiscent of a country farmhouse or even a log cabin. Go for a simple way of decorating in the living area and use wide ribbon to "gift wrap" throw pillows like packages to give your couch a festive feel. Adorn your walls with indoor wreaths created from scarves and a little boxwood.

Dress up dining room chairs by attaching gold tassels to colourful fabric and draping it over the seat. Create a festive centerpiece by filling a crystal bowl with fresh cranberries and topping it with fresh flowers with cut stems. If your dining room features a chandelier, decorate it with ornaments to round out the holiday look.

Give your kitchen a touch of the Christmas spirit by putting your Christmas cards on the refrigerator door with magnets, or adding an advent calendar. If you are hosting the Christmas dinner this year, you can use old fashioned recipes for beverages and snacks that can be used as part of your holiday decor as well. Add candy canes to your cabinet handles, and drape a festive Christmas towel from one of your cabinet doors.

Go the Old-Fashioned way. One way to keep costs down this Christmas is to return to the simpler old times, when families traditionally trimmed the Christmas tree with homemade ornaments and

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Sold! Asking 1,299,000



Sold! Asking \$899,999

Top 10 Tips to Successful Home Staging! Getting to “Open House Ready”

Home Staging is a proven system for preparing properties for sale. Your aim is to present your home in the best possible light to win the hearts of prospective buyers. With Staging, the focus is shifted from the furnishings to the home itself, the views, the space and the unique features of the property.

In preparing your house for selling you need to take a step back and have the mind set that this is no longer your home but your investment. You want your home to stand out from the crowd and have a broad buyer appeal. Following these 10 tips will help you sell your house sooner and possibly for more money.

1. Curb Appeal – stand back and view your home as if you were seeing it for the first time. This is the ‘first impression’ stage. Depending on the season you may want to have pots of colourful and attractive flowers to greet buyers; a clean and inviting door mat; new and shiny door handles and/or knockers with a freshly painted door.

2. Declutter – start your pre-pack as soon as possible. You need to decide what you are going to keep, give away, sell or throw away. You may rent storage lockers so you can start to clear out what is not going to make the house look good.

3. Clean – you would think this one is common sense but let me assure you, I wish it was so! A clean home translates into “They must have really cared for their home.” Use environmentally friendly cleaners where you can and for hard cleaning areas, tsp is a good product. Bathrooms and kitchens must be sparkling clean at the very least.

4. Depersonalize – we know you love your family photos and your personal treasures and for living they are perfect. However, when it comes to selling your home, you want buyers to focus on the best features of the house and not your personal collection.



Pack personal items and photos carefully and store them away so you can showcase them in your new home.

5. A neutral colour scheme is the way to go for selling. Choose only three colours or less to paint your house for selling. If you have an open floor plan then paint the main floor all the same colour. Bedrooms look good in light sage greens or warm blues like the new aqua.

6. Highlight your home's best architectural features – place your furniture in each room so that you have very obvious focal points that show off the home's best selling features. For example, if you have a beautiful fireplace then place the furniture in a parallel grouping so that the eye is drawn to the fireplace.

7. Decide on the function in each room – if you were using your guest bedroom as your den for living, for selling turn it back into a bedroom with bedroom furniture in it. If you do not have the right furniture for each room consider renting it. There are more and more rental furnishing companies opening up every day. If you don't want to rent then borrow.

8. Lighting your home to its best advantage – spend money on new light fixtures in brushed nickel or stainless steel. Brass is out so don't fight it. There are many low-cost lighting stores to select from so no excuses for having dated light fixtures.

9. Use window treatments that sell your home – the most popular on the market are the 2" faux woods in a white tone to go with your trim. Decorative side panels will do the trick if you need to add warmth and colour.

10. Flooring needs special attention and is a good investment for updating the look of your home – tile or linoleum is great for entranceways, bathrooms, kitchens, laundry rooms; a good quality laminate or hardwood is perfect for living rooms and family rooms; bedrooms are attractive in a neutral carpet.

By planning and budgeting you can get yourself to the “OPEN HOUSE READY” stage.

Remember that over 79% of prospective buyers have already checked you out through the MLS listings. Will they like what they see?

Happy Selling!

Condominium Frequently Asked Questions

What exactly is a condominium? A condominium is quite frequently confused with a building type when actually it is a type of ownership. Parts of the property (the units) are owned by individuals, and other parts (the common areas) are owned by all the unit owners. All of the owners are members of the condominium corporation which is the entity created by the registration of the condominium plan. Ownership of a condominium means you own your specific unit, plus you have individual interest in the common property. You have ownership over all the space and improvements within the walls of your unit.

What are condo fees? A condo fee is a sum collected from the unit owners to pay for the management of the common property and facilities outside the units such as elevators, heating and electrical systems, recreation rooms, landscaped areas, insurance and so on. Each owner will pay a different amount of condo fee based on their "unit factor" which represents their share of the common property as found on the condominium plan. This unit factor can be based on the unit's square footage or the initial market price of the unit in comparison to the rest of the complex.

What happens if a unit owner does not pay his or her common expenses? If a unit owner fails to pay his or her common expenses, the condominium corporation is entitled to place a lien on title to the unit in the amount of the arrears, together with all interest owing and all reasonable legal costs and reasonable expenses incurred by the corporation in connection with the collection or attempted collection of the unpaid amount.

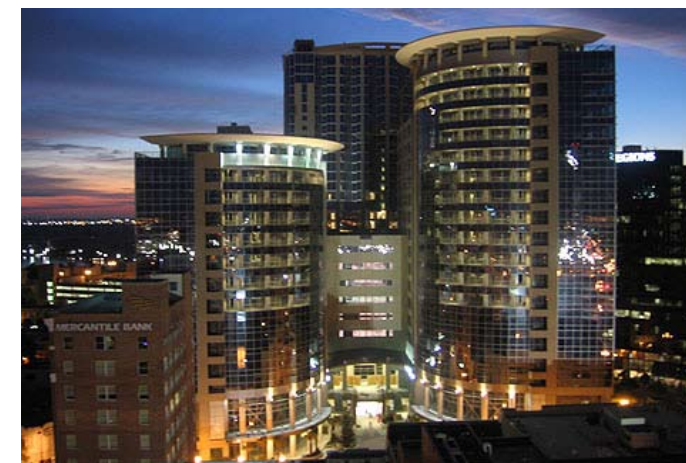
Who manages condominium complexes? The owners of the condominium either hire a management company, or the owners set up their own management group and manage the complex themselves.

What about property taxes? A condominium is a piece of property, and condominium owners pay property taxes, they are calculated by using the unit factor.

What is a reserve fund? It is a fund where money is set aside to use for repairs, maintenance, or improvements of the common areas. Usually the contributions made to this fund are taken from a unit owner's portion of their condo fees. Condominium corporations usually plan for their future expenditures accordingly for their reserve fund.

What about having pets in condominiums? Some condominiums allow pets with the permission of the Condominium corporation. The Condominium Bylaws for the complex will specify if pets are allowed or if they meet certain criteria, eg., dogs under 25 lbs are permitted, or cats only.

Does a condominium owner need insurance, or is it covered in the condo fees? The condominium corporation must carry a master insurance policy on the buildings and common areas. This policy provides



liability coverage and for structural loss such as due to fire, winds, water damage and other coverage. The corporation's insurance excludes the contents of each separate unit and any improvements owners make to the units. therefore the owner of each unit should carry their own insurance to cover the contents of their unit.

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relied on their own handcrafted stitchery, baking and woodworking skills to adorn their homes for the winter holidays.

Look in dollar stores for inexpensive rustic tree ornaments or rummage through your old boxes of Christmas decorations for ornaments your parents or grandparents may have handed down. Consider adding a new twist with glittery snowflake ornaments that combine the majestic look of cream and gold. Or try out the innovative musical instrument ornaments showing up this year, including gold trombones, clarinets and trumpets.

Your holiday decorating colours should complement the color scheme of your home interior; if you have a neutral wall colour you'll have a lot of freedom in choosing colours for your holiday decorations. However, if you have painted the walls with a brighter colour scheme, you'll want to use holiday decorations that accent that scheme and do not clash or compete with the room décor.

Holiday lighting can really warm the modern home interior. White lights are always a great choice for the more contemporary look, but you can also go with all red, blue or green lights on the Christmas tree to add some colour.

However you decide to decorate your home this holiday season, make it your own and have fun with the project, getting everyone involved. Trimming the tree and putting out the Christmas decorations should be fun for the whole family. Have a very happy Christmas!