

RENT OR BUY IN TODAY'S CRAZY MARKET

HUONG LUU PENG, PMP

APR 18, 2017

Disclaimer

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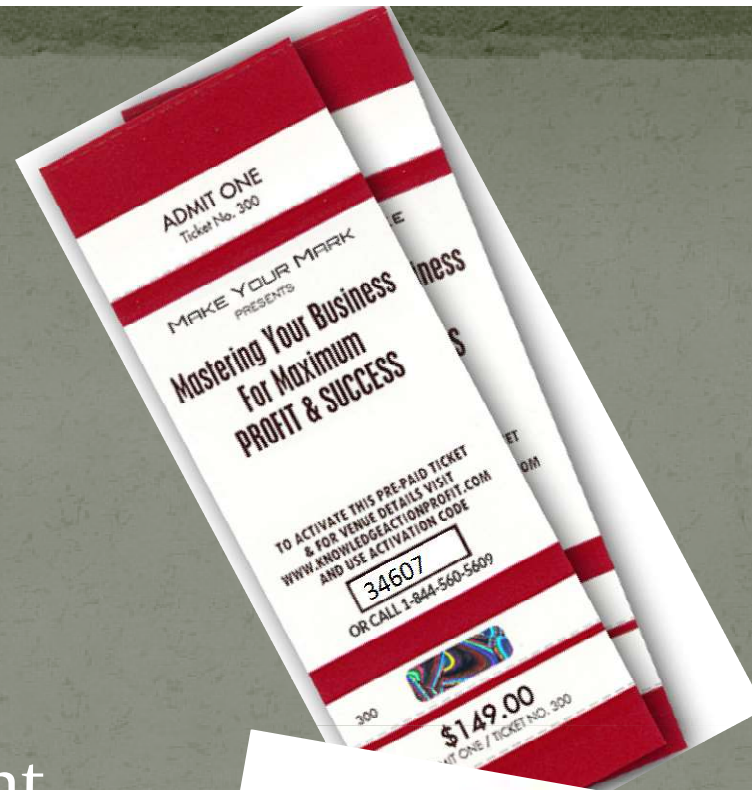
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This advice is for general information only. Before making financial decisions, you should seek independent advice from your financial adviser, lawyer or accountant.

Goal for tonight?

gifts

- Tickets
- Game Night



Agenda

1. Should you rent or buy?
2. Getting that Down Payment
3. Blah Mortgage Insurance
4. What's your number?
5. Mortgage Overload
6. Maximize 2017

Q & A

Should you rent or buy?

Property Search

Secure | https://www.realtor.ca/Residential/Map.aspx#CultureId=1&ApplicationId=1&RecordsPerPage=9&MaximumResults=9&PropertyType=Residential

AppsGetting StartedReal EstatePersonalMORTGAGESCottageNetworkingImported From EdgeTyshanJocelynInvest

REALTOR.ca

ResidentialCommercial

Residential

\$0 - \$550,000

Any

Any

More Options

For sale

Listed Since

Open Houses Only

132 Listings

Low to High (\$)

401 - 4062 LAWRENCE Avenue East,
Toronto, Ontario M1E4V5

\$85,000

MLS® Number: E3742264

Building Type: Apartment

43

RE/MAX REALTRON REALTY INC.
Brokerage

303 - 4064 LAWRENCE Avenue East,

1-9 of 132

Property Search

Secure | https://www.realtor.ca/Residential/Map.aspx#CultureId=1&ApplicationId=1&RecordsPerPage=9&MaximumResults=9&PropertyType=1

AppsGetting StartedReal EstatePersonalMORTGAGESCottageNetworkingImported From EdgeTyshanJocelynInvest

Residential

\$0 - \$550,000

Any

Any

More Options (1)

For sale


Listed Since

Open Houses Only

2 Listings

Low to High (\$)

Ontario M1E2R6



\$498,900

MLS® Number: E3761024

Building Type: House


2 + 1 2

ROYAL LEPAGE CONNECT REALTY

Brokerage

20 DOGWOOD Crescent, Toronto, Ontario

M1P3N6



\$525,000

MLS® Number: E3762075

Map

Map controls: North arrow, Zoom in/out, Road view, Scale bar (1 mile, 1 km)

Map area: Includes labels for Sheppard Ave E, Express 401, Collectors 401, Morningside, Ellesmere Rd, Kingston Rd, West Hill, Guildwood, Kennedy Park, Eglinton Ave E, St Clair Ave E, Warden Ave, Victoria Village, and various neighborhoods like BENDALE, SCARBOROUGH, and CENTENNIAL SCARBOROUGH.

Windows taskbar

Taskbar icons: Windows Start, File Explorer, Microsoft Edge, Google Chrome, and other applications.

+ More Options (1)

☐ Open Houses Only

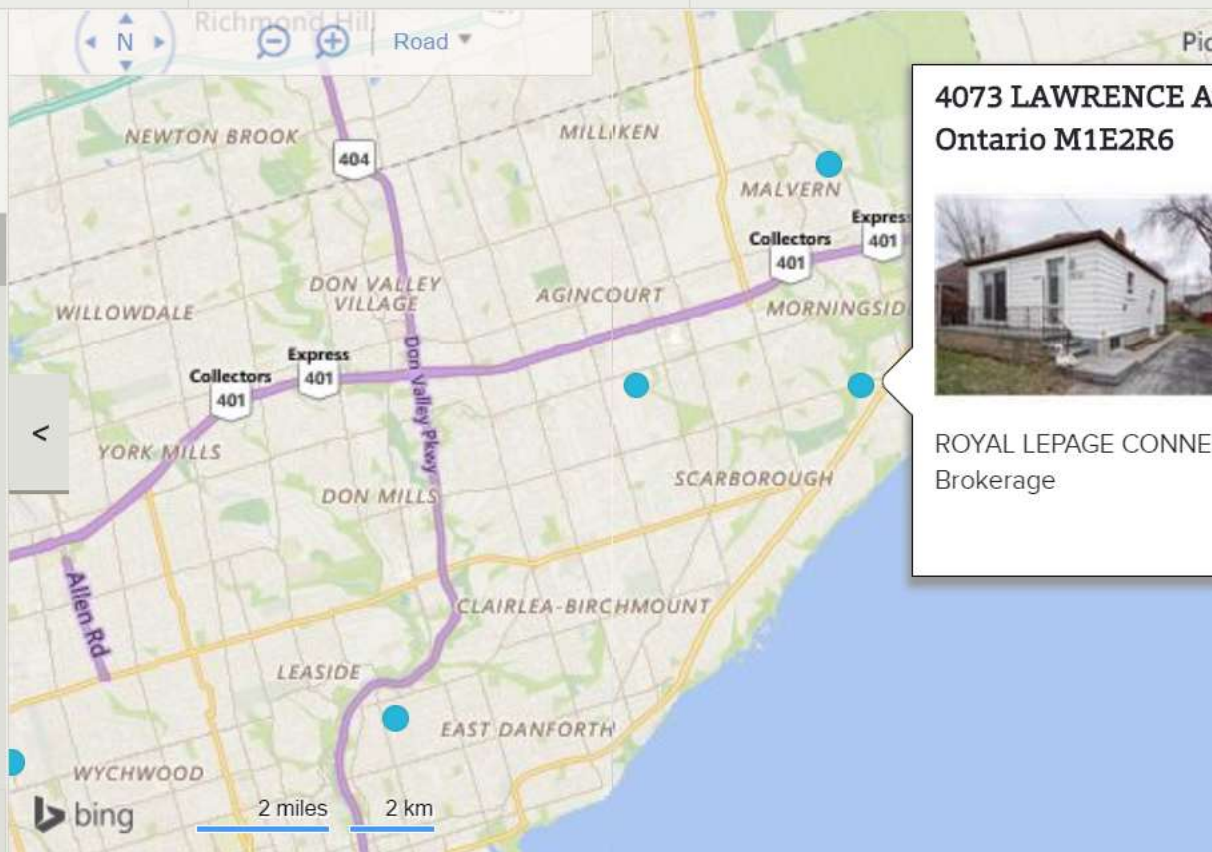
Low to High (\$)

1 + 1 2



\$474 900

1-9 of 11



4073 LAWRENCE AVE
Ontario M1E2R6



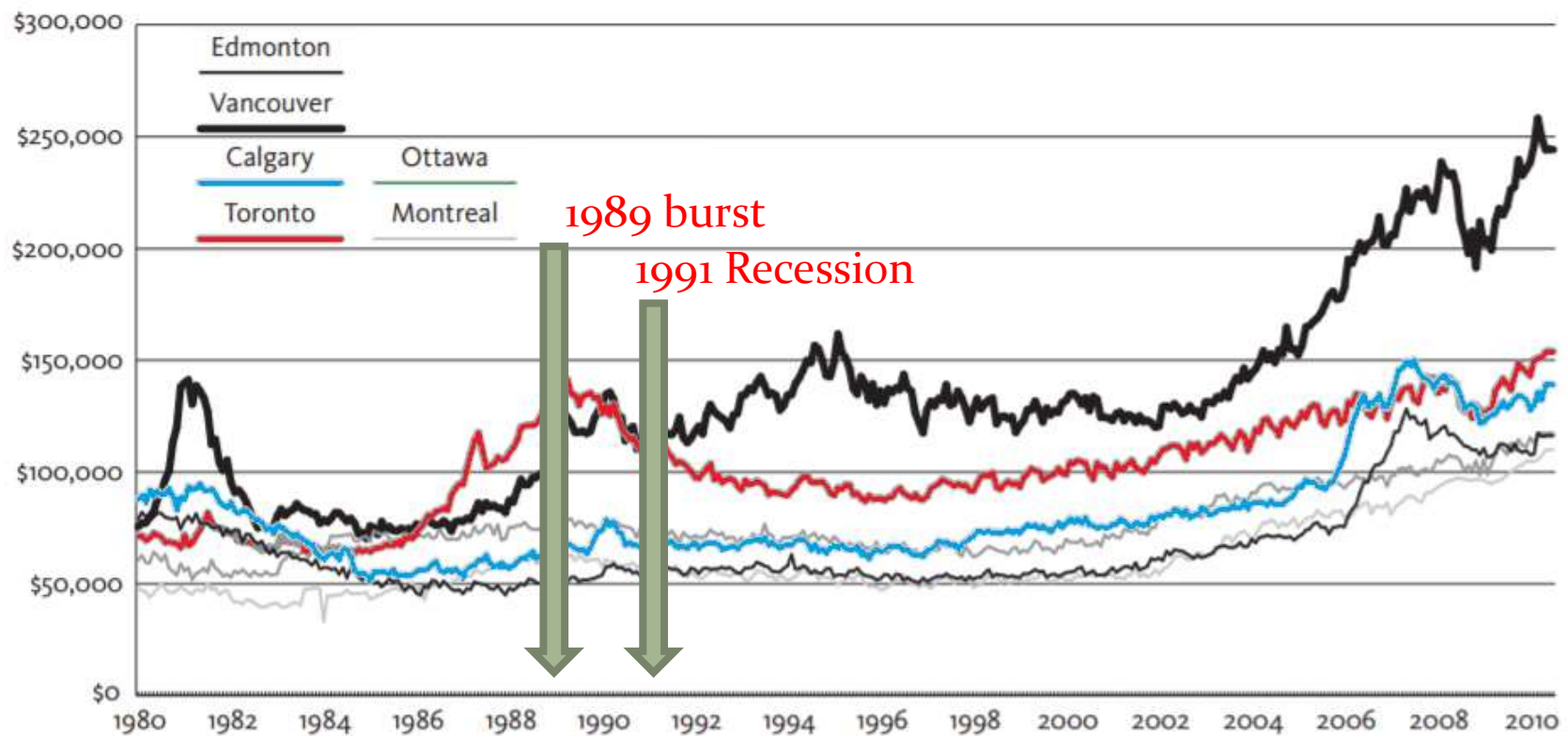
ROYAL LEPAGE CONNEC
Brokerage

Careful – the bubble is going to pop



Reduce Your Risk BUBBLE

FIGURE 2 Average Residential Housing Prices Adjusted for Inflation (1980\$)⁹

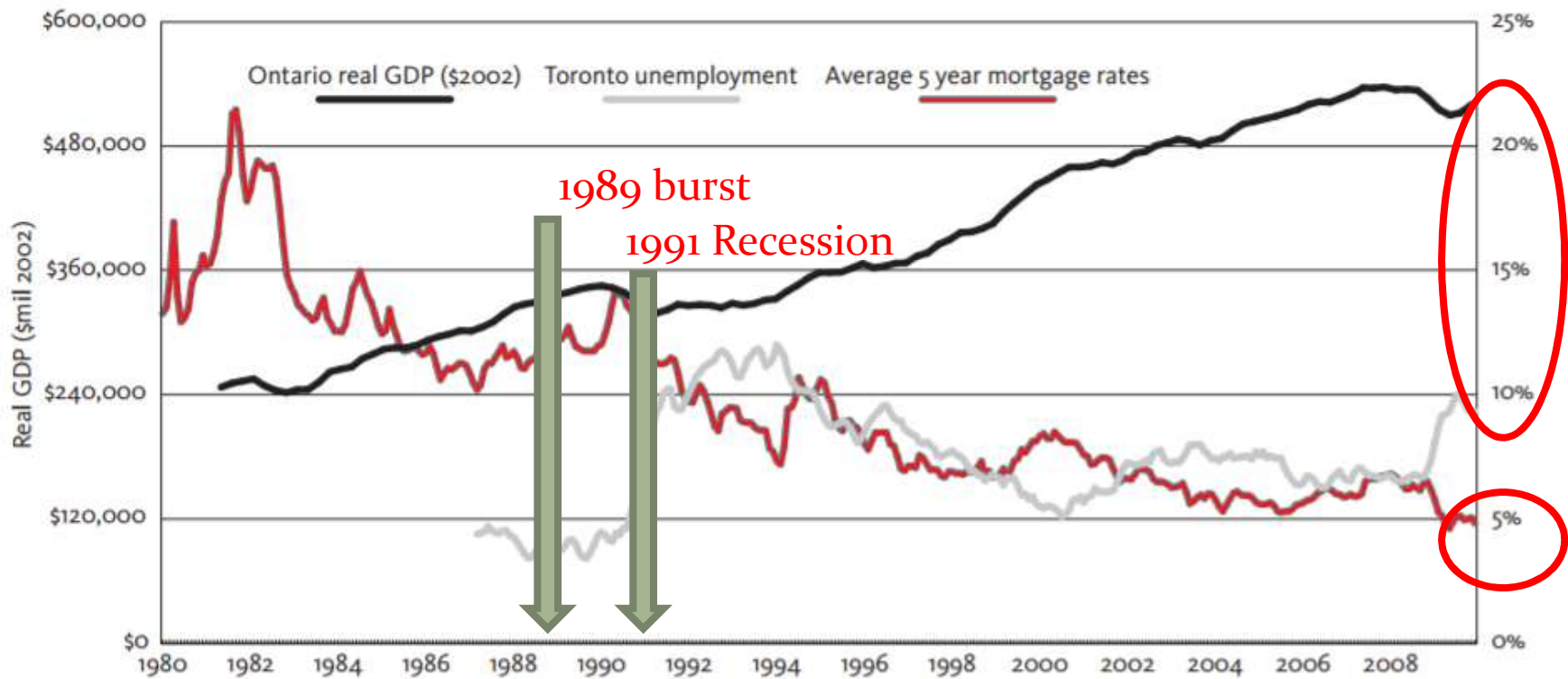


SOURCE CREA, GMREB MLS Barometer, StatsCan, Author's Calculations

Canada's Housing Bubble An Accident Waiting to Happen by David Macdonald

Reduce Your Risk BUBBLE

FIGURE 7 What Else Was Happening in Toronto



SOURCE Statistics Canada, CMHC, Ontario Ministry of Finance¹⁶

Canada's Housing Bubble An Accident Waiting to Happen by David Macdonald

Should you rent or buy?

BUY

- Equity (appreciation) growth = forced savings
- Emotional

RENT

- Invest in something else

<https://www.youtube.com/watch?v=KAMeI4uHAFE>

Q&A:

I will never get enough down payment to buy a house in Toronto. What suggestions do you have?

How to get your Down Payment

- Saving for a down payment
- Ask your parents
- Think smaller
- Team up with your Friends
- Buy out of town

CMHC

<https://www.cmhc-schl.gc.ca/en/co/moloin/>

Loan-to-Value	Premium on Total Loan	Premium on Increase to Loan Amount for Portability
Up to and including 65%	0.60%	0.60%
Up to and including 75%	0.75%	1.70% 2.60%
Up to and including 80%	1.25%	2.4% 3.15%
Up to and including 85%	1.80%	2.8% 4.00%
Up to and including 90%	2.40%	3.1% 4.90%
Up to and including 95%	3.60%	4.0% 5.65%
90.01% to 95% — Non-Traditional Down Payment**	3.85%	4.5% *

How to Pull your Credit Report

- It is really easy and fast
- Just fill out the form to request a credit report.
- It will not affect your score if you pull it yourself. If a company pulls it for you (like cell company, bank, car company, etc) your score will be slightly reduced.
- I recommend you check "YES to the get a score..." for \$11.95.

http://www.consumer.equifax.ca/home/en_ca

<https://www.transunion.ca/>

Example of credit report

Note: pg 2, 9

When to pull your credit report and score?

- You have no idea what your score is or what is on your report. By pulling it yourself, your score will not get affected. You can review your report and fix it or improve it if needed.
- When you are rate shopping. If you have your own report and score, you will be able to share that info with companies (like cell companies, bank, car companies, etc) so they don't have to pull the report until you decide to commit to them.
- If you have a track record of your report and score, you will be able to know when someone has tried to do something fraudulent with your financials. At least once a year, you should pull a report.

When to pull your credit report and score?

- When you are trying to clean up and improve your financial situation.
- In between your investment opportunities, it is good to make sure your report is clean. That way when you are ready to invest, you can proceed without any problems.
- Once you get your report, it will look a lot like morose code. Contact us to help you read and understand your report. We can also help you figure out how to clean it up and improve your buying power.

[< Back](#)



20 DOGWOOD Crescent, Toronto, Ontario M1P3N6

\$525,000

MLS® Number: E3762075



Favourite



Compare



Print



Financial

Property Type
Single Family

Building Type
House

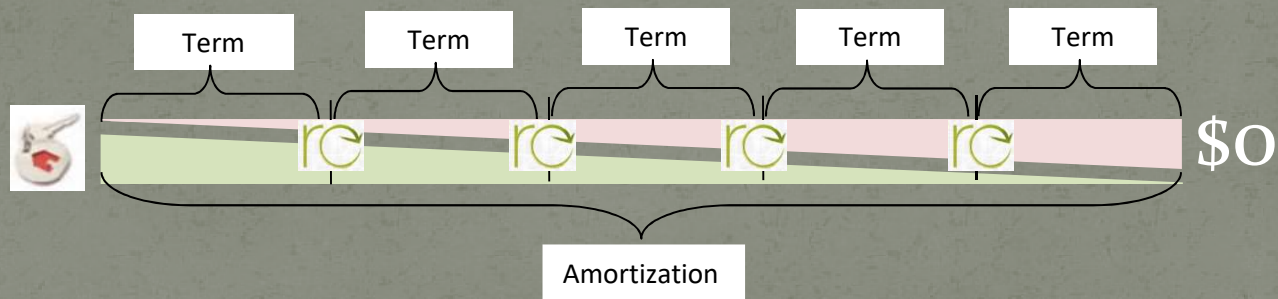
Storeys
2

Mortgage Overload

- (RATE) Fixed vs Variable
- (TERM) Open vs Closed (think tick-toc)
- 1 year, 2 years, 3 years and more

Term vs Amortization

- Amortization is the WHOLE time.
- Term is the 1 yr, 2 yr, 3 yr etc.



Payment options

• Monthly	• \$2,240	25 yrs	• 12 months = 48 wks
• Semi-monthly	• \$1,120		
• Bi-weekly	• \$1,033		
• Weekly	• \$516.50		
• Accelerated Bi-weekly	• \$1,120	22.4 yrs	• 52 wks
• Accelerated Weekly	• \$560		

How to pay off your mortgage faster

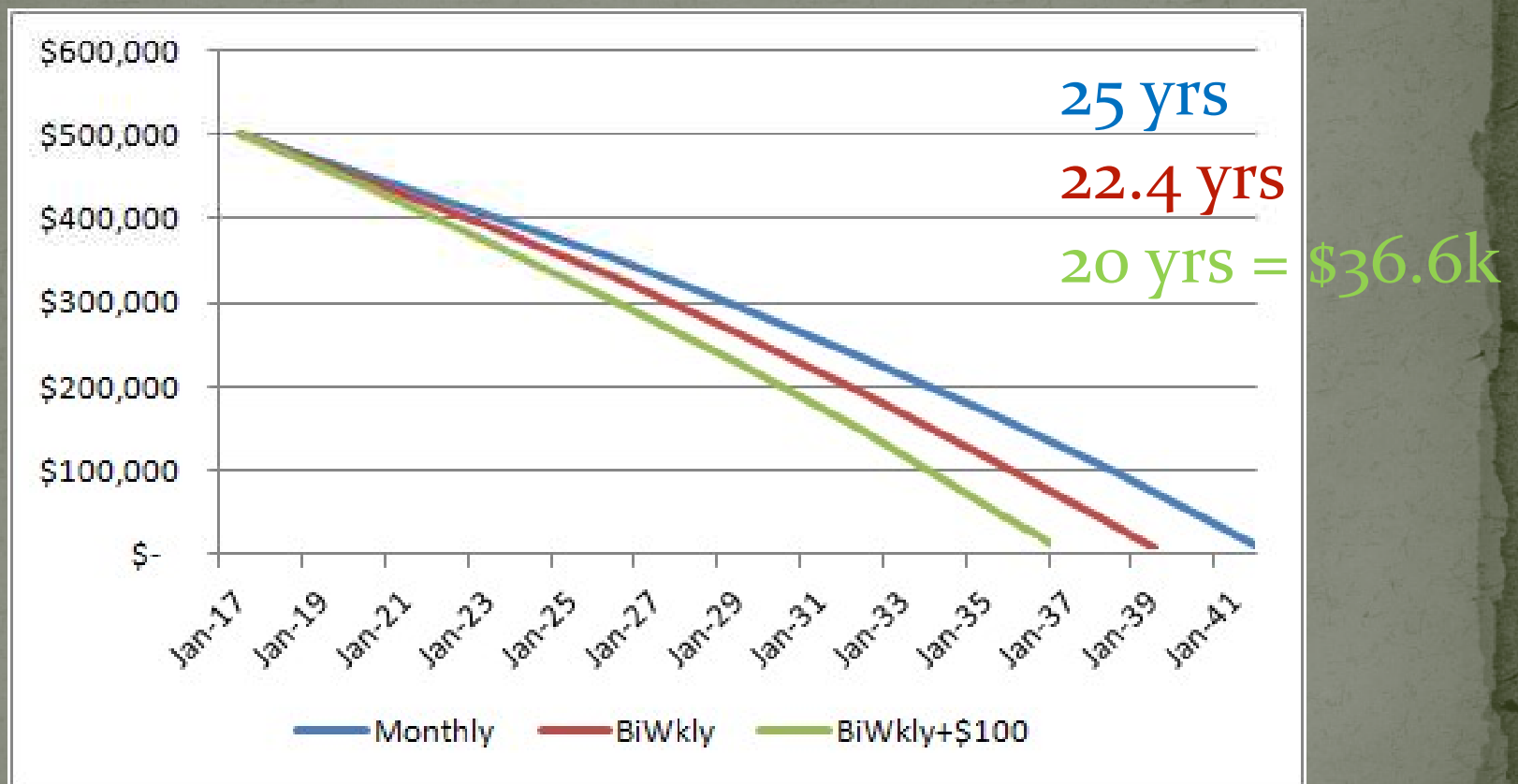
- | | | |
|-------------------------|-----------|------------|
| • Monthly | • \$2,240 | • 25 yrs |
| • Semi-monthly | • \$1,120 | • 25 yrs |
| • Bi-weekly | • \$1,120 | • 25 yrs |
| • Weekly | • \$560 | • 25 yrs |
| • Accelerated Bi-weekly | • \$1,120 | • 22.4 yrs |
| • Accelerated Weekly | • \$560 | • 22.4 yrs |

How to pay off your mortgage faster

1. Lump Sum (Annual)
2. Double Up (Anytime during the year)
3. Increase your amount (Annual)

How to pay off your mortgage faster

Double Up (Anytime during the year)



Working with Mortgage broker

- Past sales / price analysis
- Taking advantage of your mortgage terms

Cost of buying the WRONG home

- Closing cost (1.5% - 3%)
- Home inspections
- Over paying (go to open houses, know your area)

CONDO vs HOUSE

- Maintenance fee
- Special Assessment
- Resale value

Maximize 2017

- Pay tax return into RRSP/TFSA
- Buy before you get laid off
- Develop a plan with SMART goals
 - Look into company RRSP matching contribution
 - Research and pick a strategy (RENT or Buy)
 - Figure out how you will save the down payment
 - Build a team
 - Continuously educate yourself and join groups (relating to Real Estate, Investing)

<https://www.linkedin.com/groups/8541640> (Financial Wealth Builder Southern Ontario)

<http://www.cashproperty.ca/packages/> (Passive Income Packages)

- Take advantage of repayment options
 - Double ups
 - Annual lump sum
 - Annual increase

Property Search

224 COSBURN Avenue

20 DOGWOOD Crescent

4073 LAWRENCE Avenue

Sent Mail - luuhuo@gmail.com

Secure

https://www.realtor.ca/Residential/Map.aspx#CultureId=1&ApplicationId=1&RecordsPerPage=9&MaximumResults=9&PropertyType=Residential

AppsGetting StartedReal EstatePersonalMORTGAGESCottageNetworkingImported From EdgeTyshanJocelynInvest

Residential

\$0 - \$550,000

Any

Any

More Options (1)

For sale


Listed Since

Open Houses Only

11 Listings

Low to High (\$)

9 LUCAS Lane, Ajax, Ontario L1S3P7



\$399,999

MLS® Number: E3748992


Building Type: House

1 + 1

2

RE/MAX COMMUNITY REALTY INC.
Brokerage

16 MEDLEY Lane, Ajax, Ontario L1S3P6




\$474,900

1-9 of 11

2 Listings

832 SHEPPARD Avenue, Pickering, Ontario L1V1G5



\$499,000

MLS® Number: E3751721


Building Type: House

2

1

RE/MAX WEST REALTY INC.
Brokerage

882 MARINET Crescent, Pickering, Ontario L1W2M1



\$519,999

MLS® Number: E3758591

Building Type: House

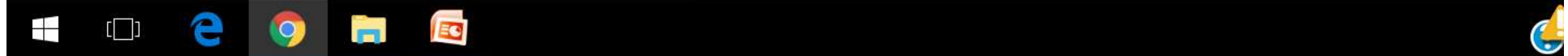
4 + 2

2

bing

2 miles

https://www.realtor.ca/Residential/Map.aspx#



Gifts for You

- **GAME NIGHT ** CASH FLOW ** Boardgame**
- Register on-line at Eventbrite
- Fri April 21

Text: 647 202 7528

Message: CASHFLOW



Gifts for You

- Tickets:
**Mastering Your Business for
Maximum PROFIT & SUCCESS**
 - Intro Seminar
 - use code 34607



Text 647 202 7528
Message: MYM

(<http://events.mymsuccess.com/calendars/event.html>)

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Contact

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Email: mortgage@huongluu.com

Mortgage Agent #M16001476

Dominion Lending Centres (Bedrock Financial) #12275

www.huongluu.com


www.cashproperty.ca

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Need Mortgage Help?

For a **FREE** consultation contact

Huong Luu
Cell: 647 202 7528
mortgage@huongluu.com



Huong's WHY

Being from a traditional Chinese family, working hard was a must. I saw this from my parents who came to Canada with no money but was able to purchase a variety store in hopes of building steady income and financial security for the family. Without realizing it, I started buying real estate in my 20's to get passive income and to build financial security.

Once I had 4 properties, obtaining additional funding for more real estate endeavours was impossible. Even though I was making a great income as an Engineer, lenders would not approve me for any more mortgages.

When the opportunity came to retire from engineering, I wanted to figure out how to grow my real estate portfolio to build financial security. And I have. Now, as a mortgage agent, I help people finance their dream homes and grow their real estate portfolio to build financial security.


LOAN APPLICATION

[Home](#) [Reports](#) [Contact Us](#) [Packages](#) [Webinars & Training](#)

Need Mortgage Help?

For a **FREE** consultation contact

Huong Luu
Cell: 647 202 7528
mortgage@huongluu.com



Keep your full time job while investing in Real Estate with our help. We will send you information about great deals to increase your passive income.

Take control of getting financial secure.

KICK START PACKAGE

You Get:

- +Positive cash flow properties up to a listing price of \$1.5 million
- +Cash flow analysis results
- +2 calls any time during the year to strategize, go-no go, etc (30 mins in duration each)
- +Tax receipt

COMPLETE PACKAGE

You Get:

- +Kick Start Package

Plus:

- +Positive cash flow listings of properties with no cap limit
- +Positive cash flow listings of apartment buildings and commercial buildings
- +Access to training and Webinars
- +4 calls any time during the year to strategize, go-no go, etc (30 mins in duration each)
- +Accountability call

ELITE PACKAGE

You Get:

- +Complete Package

Extra Plus:

- +2 Accountability calls
- +Network of Joint Venture Contacts
- +Network of Legal Contacts
- +Network of Private Lenders
- +Network of Rent-to-Own applicants
- +Annual Network Gala

Kick Start Package

Complete Package

Elite Package