

REAL ESTATE

the Record

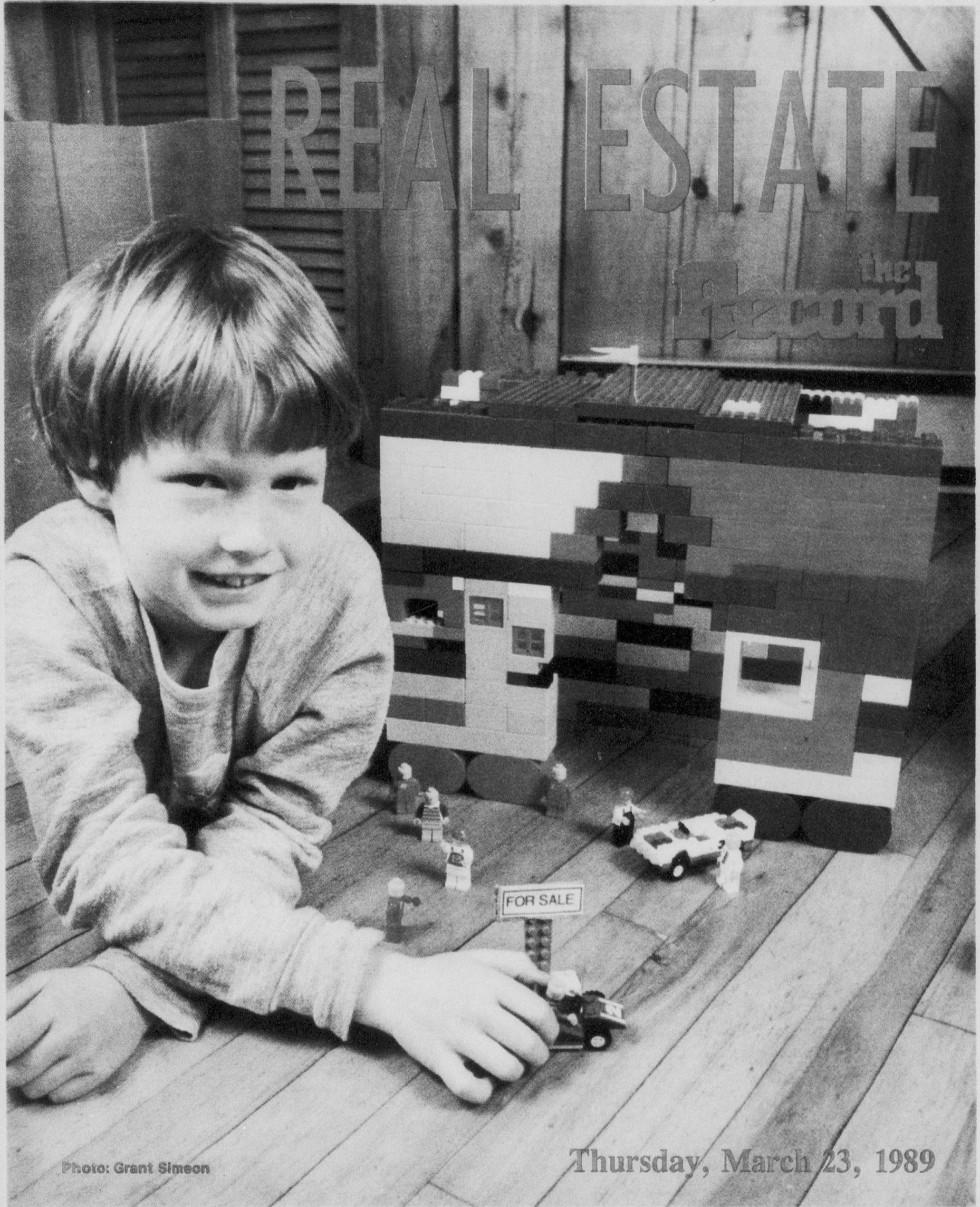


Photo: Grant Simeon

Thursday, March 23, 1989

CHMC predicts interest rates will tumble back

By Ann McLaughlin

SHERBROOKE — Housing starts are way down this year in the Townships for two reasons: too many new homes were built over the past few years and interest rates are on the rise.

But the Canada Housing and Mortgage Corporation (CHMC) sees the setback as temporary, predicting the interest rates will begin tumbling within a year and the market boom will take off again.

The CHMC is a Crown corporation and has as its main mandate to insure all Canadians can buy homes. In a nutshell, the CHMC in-

sures the mortgages people take out at commercial banks. If the agency did not carry these insurance policies, average Canadians would have to pay much more than the average 10-per-cent down payment on their new homes and bankers would demand about 25 per cent to protect themselves against default.

INTEREST RATES

Interest rates are on the rise and are expected to climb a few points higher than 13 per cent over the next year.

But the rise in the interest rate is only expected in the short-run. In

the long-run, or in about a year, it is expected to go down said CHMC director Claude Lafleur.

"The Bank of Canada is putting up the interest rate because of inflation," he said, adding that the bank rate is the interest rate at which the Bank of Canada lends money to the chartered banks. When the chartered banks make loans to the public they obviously want to make a profit and thus set their lending rates a bit higher than what they borrowed the money for.

Interest rates are up because the economy is running at full steam, Lafleur said. Consumer demand is exceeding what producers can supply and this is causing prices to go up.

"Production in industry is operating at full capacity, some are producing at 98 per cent," he said.

Lafleur explained that companies are not investing to increase production, but consumer demand is not slipping. So as inflation starts to climb, the Bank of Canada is trying to keep people from spending.

NO RECESSION

He adds though the Bank of Canada is worried about inflation, no one else is. Fears of a recession have faded away as consumer demand remains strong. In fact, added Lafleur, bank analysts are so confident with the economy they are trying to keep interest rates low in anticipation of further in-

vestment.

"The economy is predicted to grow about 2 per cent in 1989 and 1990," he said.

"For the first time ever, the long-term interest rates have been cheaper than the short-term ones," Lafleur said.

He explained that usually when an individual borrows money in the long-term, the rate will be higher because the bank must consider that the money will lose value in the long run and they cannot predict where the interest rate will be in five years. In case it soars they do not want to lose money so they charge a higher fee to begin with. Interest rates on short-term loans are more predictable and the bank risks losing less money.

BANK OF CANADA

But such is not the case now as bankers are acting differently than the Bank of Canada. They foresee interest rates going down as the economy keeps its beat.

BAD NEWS FOR MARKET

The temporary increase in interest rates is bad news for the real estate market.

New construction of houses as well as apartment buildings is way down compared to earlier years.

"An increase in the interest rate will increase a person's monthly payments. This makes some houses on the market out of reach to potential buyers," Lafleur said.

BUYING POWER

"Each time the rate goes up, the buying power of the consumer goes down," he added.

Egide Sasseville, market analyst at CHMC, explained that the effect of the higher interest rates on the Townships' housing market has scared away buyers of first homes.

"There is weak demand for the older house that a first-time buyer could afford, between \$60,000 and \$80,000," he said.

It is now cheaper for this category of buyer to remain in an apartment until the interest rates go back down, Sasseville added.



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CHMC director Claude Lafleur... Interest rate hike only expected in the short-run.

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CHMC analyst Egide Sasseville... Interest rates have scared off first-time home buyers.

down to 11 per cent this year

The lack of first-time buyers causes a domino effect on the rest of the housing market. Newly constructed houses are often purchased by second-time house buyers — persons who can later on in life afford their dream homes. But if they cannot find buyers for their dated bungalows, they too put off buying the new house. The end effect is a halt in construction until the market picks up, Sasseville

said, or until the new houses have been absorbed.

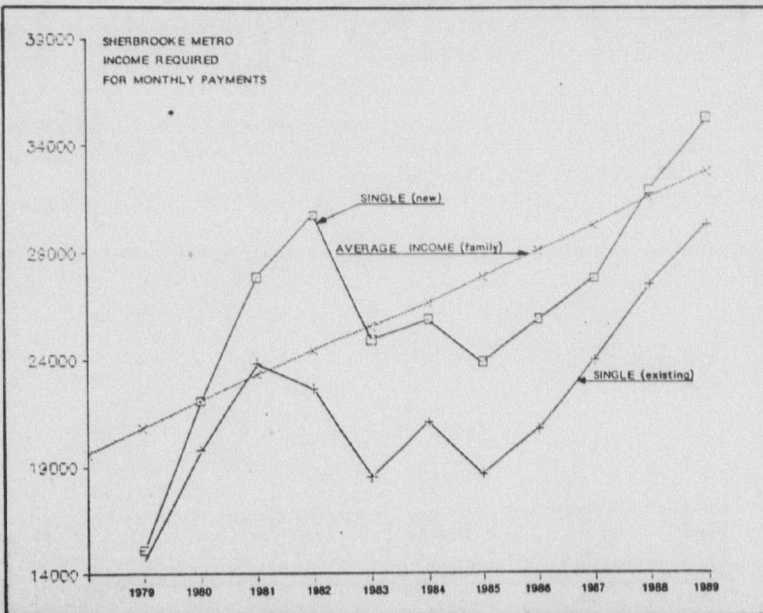
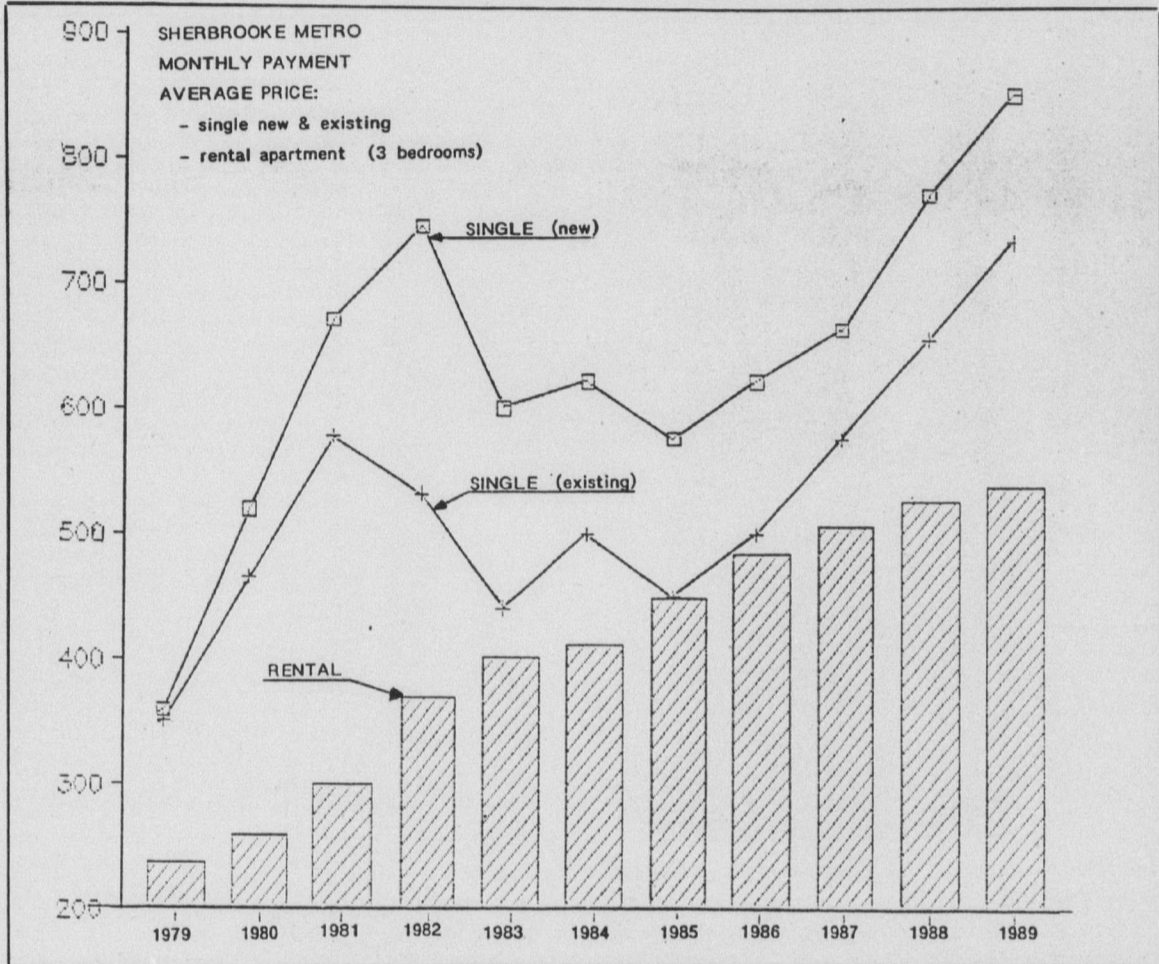
VACANCIES

Another phenomenon in Sherbrooke, which is not helping increase new housing starts, is a high apartment-vacancy rate. With the recent housing boom, including the construction of new apartment blocks, there are more apartments available than tenants to rent them. Rents are not increasing and

this encourages tenants to put off buying a new home.

"Inventories of apartments are up and it is hard for a contractor to justify any new construction in this area," Sasseville added.

"Construction is a cyclical, there has been overproduction. Even when the market picks up again, new construction won't start for another few years," the analyst predicted.



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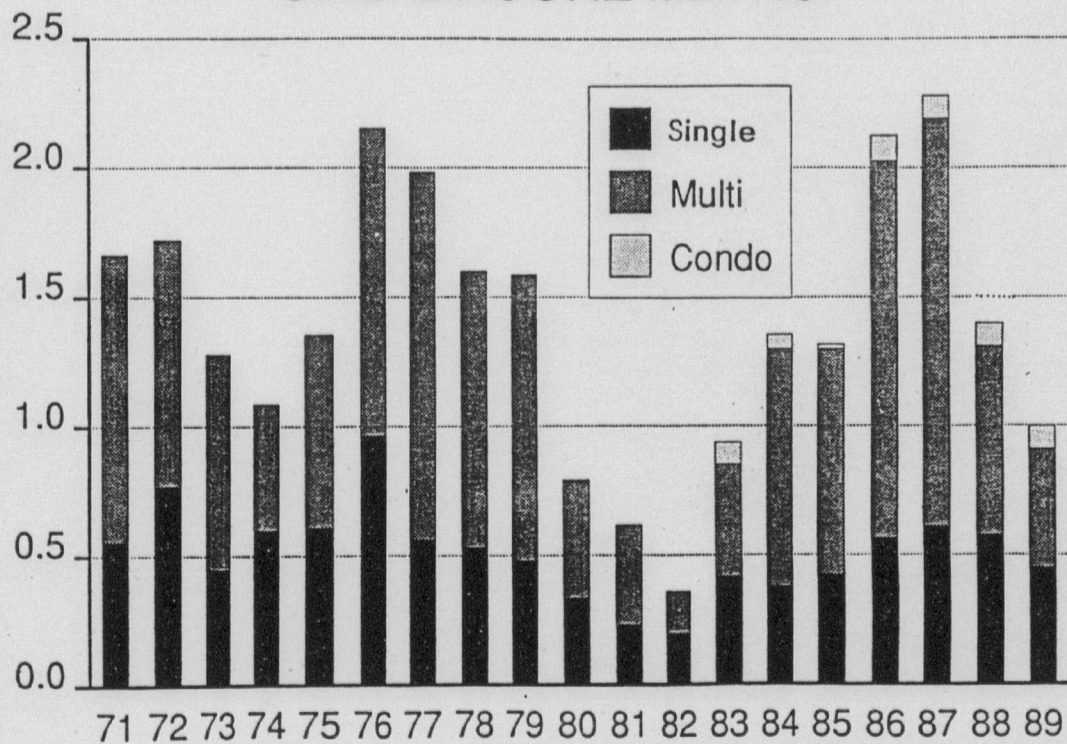
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Real estate agents in the Townships are so busy

By Ann McLaughlin

SHERBROOKE — Contrary to statistical rumors that the real estate market is experiencing a

slowdown, real estate agents in the Eastern Townships are being run off their feet.

Although economic predictions

were shaky in the past year, with housing starts down and interest rates rising, Canada Trust/ Le Permanent real estate agent Phyllis Courtemanche said investors were not deterred.

"There is still an increase of activity on the real estate market," she said. Courtemanche is based in Sherbrooke but sells real estate in all areas of the Townships.

DRASTIC INCREASES

"There has been a drastic increase in prices over the last two years. The average house is up about \$10,000 to \$15,000. A house selling for \$49,000 three years ago can now be sold for \$79,000," she explained.

And despite the rise in interest rates, people still find it cheaper to take out a mortgage than to pay

On the other hand, some people won't come down in price because they put their house up for sale on the market to make a profit. It all depends on the seller and the specific market in which their house is located, Courtemanche said.

NORTH WARD

In Sherbrooke's north ward for instance, preferred by some people because of the majestic Victorian styles in the area, old houses can be hard to find and are rather expensive because of it.

"There are a lot of professional people living in that area and it will dictate what the market looks like," she said, adding that most old houses have already been renovated but that a few are still to be found. The north ward market should pick up in the fall however, said Courtemanche; "more expensive homes always sell better after the summer vacation," she added.

Generally in Sherbrooke, there is a good turnover of houses as people are transferred for work in the city or transferred out to another. This keeps the prices stabilized, she said.

"There are always homes up for sale as people change jobs. People always try to get as close to their place of work as possible," she said.

NEW HOUSING

In new housing developments prices don't fluctuate very much. Prices will not go down as the developer can afford to ride out waves in interest rates.


"New homes will be more expensive than older ones of similar construction," Courtemanche said. And taxes will be higher as the permanent works have yet to be paid off.

When buying a new home, owners have to indirectly assume the costs of sewage, waterworks, sidewalks, etc. in that area. It costs more to build the new homes and these costs are passed onto the buyer.

"Taxes are always cheaper for existing homes," Courtemanche said, adding the demand in this area is very high, especially in the smaller towns outside Sherbrooke.

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Real estate agent Phyllis Courtemanche... The real estate market is still booming.

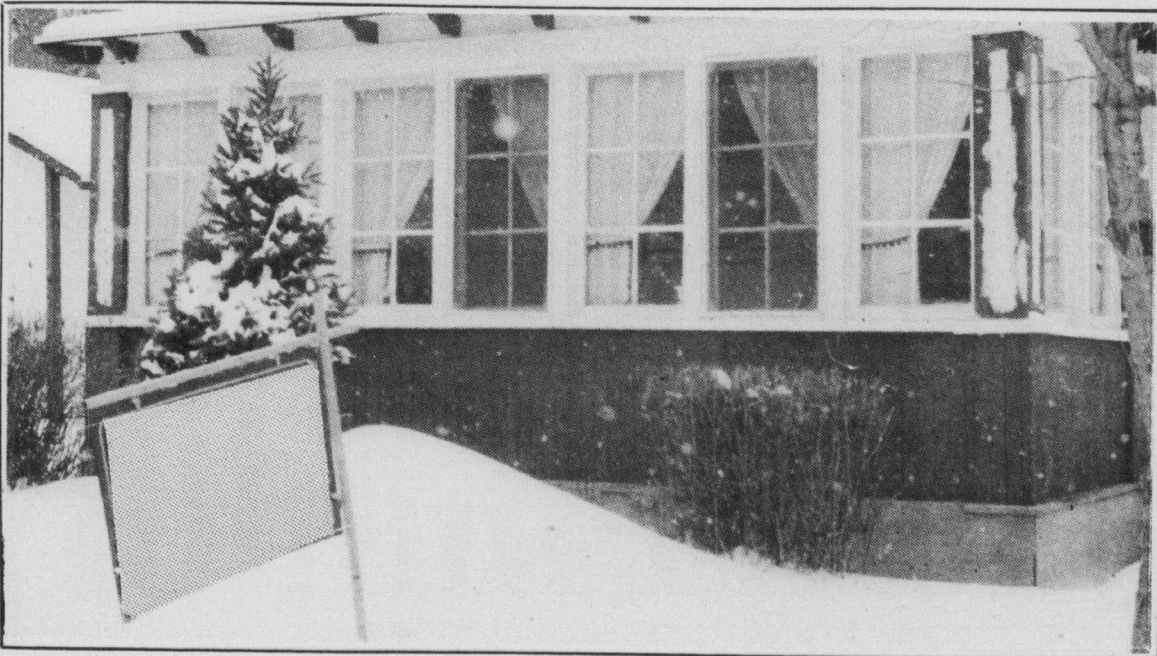
"People might have felt that investing in stocks and bonds was risky, but when you put your money into real estate the value is always there. People know it's a safe investment," Courtemanche added.

A 12-year veteran in the industry, Courtemanche said the upward trend in housing prices, which began about a couple of years ago, is showing no sign of petering off.

rent out the window, she added.

"Higher interest rates make houses more expensive to the buyer. But it won't necessarily make them postpone buying a house, although sometimes they have no choice but to look for a less expensive one," she said.

If owners really want to sell their homes, they will take the rise in the interest rate into consideration and lower the price accordingly, Courtemanche suggested.



they're being run off their feet

SMALL TOWNS

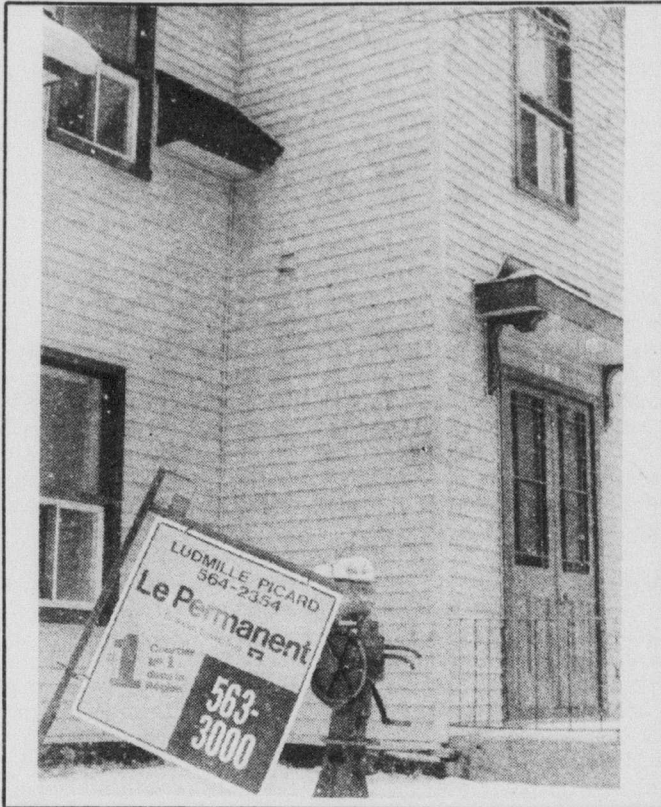
"People like living with small town atmospheres but with all the services of the city," she said, adding that many first-time home owners move to Fleurimont and Rock Forest.

Lennoxville is also very popular with individuals looking for the quaint small town lifestyle, but with the added benefit of acquiring a little more land to their property as lot sizes may be larger than in the city.

"Many people like to buy the old houses in small towns and renovate them," Courtemanche said, adding that it takes a special kind of buyer for this market.

"The buyers are usually young couples. Fixing up an old home might require an outlay of \$30,000 for renovation work. It takes time and money," she said.

"There are still some deals to be found. Some elderly people sell after having kept the family home for as long as possible," she said, adding that the renovations can be quite extensive but many people find the effort worthwhile.



"Usually the electricity and the plumbing has to be completely redone. Heating has to be changed, the windows, bathrooms and kitchens too," she added.

Courtemanche added that recently people have been buying homes closer to the American border, in more isolated areas untouched by major developers.

"There is less demand for homes down by Stanstead, so prices will be a bit lower down there," Courtemanche said.

"People are going further from Sherbrooke now. Sometimes it's young people but often times they are older or retired couples looking for a change of lifestyle. They have more time on their hands. They want to plant gardens, it gives them something to do," she said.

As far as the Lake Memphremagog area goes, selling will be starting soon as people get the summer holiday bug in them. But Courtemanche warned that the market is quite saturated and homes are selling at around \$200,000.

Mortgage should not exceed 30 per cent of household income

OTTAWA (CP) — A national survey by the Canadian Real Estate Association indicates about 60 per cent of the 1,345 respondents, if paying a 12.25-per-cent mortgage rate under 25-year amortization, would be over-mortgaged.

The survey, done in January, is based on the respondents' reported income and their willingness on average to pay \$158,000 for a house.

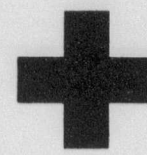
The association said it defined being over-mortgaged as paying out more than 30 per cent of total household income on mortgage costs.

The survey included both first-time and repeat potential home buyers.

Survey results on the percentage of respondents who are over-mortgaged, with the average maximum house price they

would pay in their area, for major cities were as follows:

St. John's Nfld. (\$107,000) 56 per cent; Charlottetown (\$106,000) 63 per cent; Halifax (\$127,000) 56 per cent; Fredericton (\$90,000) 75 per cent; Montreal (\$138,000) 62 per cent; Ottawa (\$146,000) 64 per cent; Toronto (\$234,000) 70 per cent; Winnipeg (\$112,000) 42 per cent; Edmonton (\$110,000) 61 per cent; Vancouver (\$172,000) 63 per cent.



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Survey shows who is buying the homes in Canada

MONTREAL — There were some significant changes in the type of people who have been buying homes in Canada recently, according to a new study by Royal LePage.

Montreal, for instance, had one of the highest proportions of Couples (without children) purchasing homes in the country and the lowest percentage of Move-Up (Multi-time) Buyers.

And in spite of a 13 per cent increase in the average price of a home in this city in 1988, 42 per cent of all home buying activity in Montreal last year involved First-Time Buyers. For the third year in a row, Montreal had the highest percentage of First-Time Buyers in the country in 1988, nine per cent higher than the national average.

Nationally, the Royal LePage study revealed that home buyers in 1988 were a little older, that the number of First-Time Buyers across the country declined, and that they preferred more affordable types of housing.

These are among a few of the findings in a survey released today by Royal LePage, Canada's leading realtor. The study analyzed

over 143,000 residential resale real estate transactions over the past three years.

Among the highlights:

MONTREAL

- Montreal had the lowest percentage of Move-Up Buyers (people who have bought more than two homes in their lifetime) purchasing real estate in the country. Multi-Time Buyers accounted for 29 per cent of all home purchases in Montreal last year, up from 22 per cent the previous year, but 11 per cent lower than the national average.

- Couples buying homes represented a significant segment of the market in Montreal last year. Accounting for 46 per cent of all home buying activity in 1988, the figure for Montreal was the third highest percentage in Canada. Only Halifax and Saskatoon surpassed that figure. The national average was 41 per cent.

- First-Time Buyers in Montreal were the most active in Canada in 1988, representing 42 per cent of all home purchases here. First-Time Buyers nationally dropped three per cent, to 33 per cent of the market last year.

- Although the percentage of singles purchasing real estate in Montreal remained at 21 per cent for the second year in a row, the figure is the second lowest in Canada. Only Halifax had less Singles purchasing property in 1988. The national average was 22 per cent last year.

- Baby boomers continued to dominate the market in Montreal. Purchasers between 20-39 years of age accounted for 62 per cent of home buying in Montreal last year.

- Montreal also has the lowest proportion of people over 50 years of age buying homes in Canada. Only 11 per cent of home buyers in Montreal are over 50 compared with the national average of 16 per cent.

CANADA

- Canadians wait to have children until after they've bought a home. Over 51 per cent of first-time buyers in 1988 were Couples (with no children) and a further 27 per cent were Single.

- Nationally, First-Time Buyers paid an average of \$113,700 for a home last year, almost \$32,000 less

than the average for all buyers.

- First-Time Buyers bought more condominium townhouses than the average (8.4 per cent compared to 6.2 per cent), more semi-detached homes (8.6 per cent compared to 6.4 per cent), and fewer detached homes (65.7 per cent compared to 68.4 per cent).

According to Gino Romanese, Executive Vice President, Royal LePage Residential Real Estate Services: "Some of the conclusions we can draw from the data are that First-Time Buyers adjust their expectations to the realities of their situation. Instead of choosing single-family detached homes, many First-Time Buyers are opting for more affordable types of housing, like semi-detached homes, townhouses and condominiums in more affordable areas."

"Although the average house price in Montreal is currently just over \$104,000, in an area like Duvernay, Laval, for example, a three-bedroom bungalow can be purchased for \$95,000 and a standard townhouse can be bought for \$81,500," says David Landry, Vice

President and Regional Manager, Royal LePage Residential Real Estate Services, Quebec and the Atlantic Provinces.

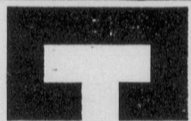
To illustrate, the monthly cost to carry a \$81,500 townhouse is approximately \$640.00 (assuming a 25 per cent downpayment and a five year mortgage at 12 1/4 per cent).

"Considering the rent on a two-bedroom apartment or three-bedroom townhouse here is in the \$600-\$1,000/month range, you can see why buying homes is so popular with first-time buyers," says Landry.

The Royal LePage survey of real estate consumer demographics is the largest on-going survey of its kind in the world. Started in 1985, the survey of the demographics of real estate consumers analyzed over 50,000 of the company's resale transactions in 1988, including close to 4,500 transactions in Montreal.

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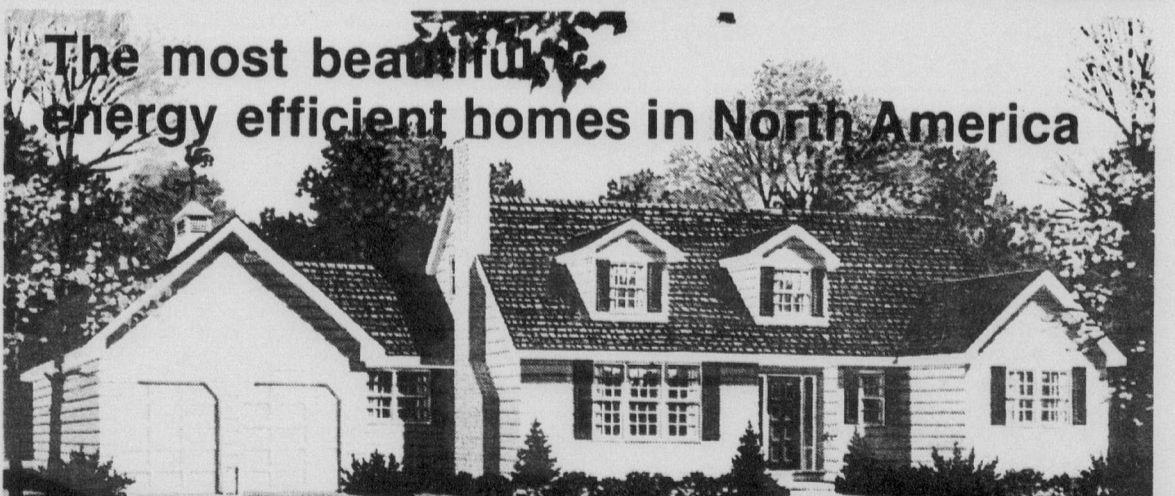
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Canadians looking to buy country homes in U.S.

By Ann McLaughlin

NEWPORT — In the past couple of years, American realtor Jim Campbell has noticed more Canadians venturing into the U.S. real estate market around Lake Memphremagog, in search of their ideal country home.

"As the exchange rates become closer, the Canadians seem to be coming back," said Campbell, who has been selling real estate for 12 years in the Newport area.

Campbell's firm, Memphremagog Realty Inc. sells everything from farms and lakeside cottages, to commercial establishments in the 30-mile radius around Newport City.

Though prices are not much lower and lakeside properties are equally as scarce as on the Canadian side of Lake Memphremagog, Campbell said there are other reasons Canadians come to the United States to buy real estate.

LIFESTYLE

"People come here for the lifestyle," he said, the gas is cheaper, and the food helpings larger.

"There is more of a country-type atmosphere here in north-eastern Vermont. The people have a different mentality and the houses are quaint," said Campbell, adding that there must be a lot more stone masons up in Canada as American homes are typically wooden.

"It's really country out here. The way people talk and dress gives you a feeling that life is a bit less formal. And that is what a lot of city people are looking for," Campbell said, adding that his customers come from Montreal, Sherbrooke and Granby.

"You know, you can still get your car fixed in a road-side garage and not worry about getting shafted,"

he explained of the good 'ole USA mentality.

Vermont did not maintain its rural appeal because developers passed it by, Campbell said, rather because strict environmental laws have slowed them down.

"If you want to build on under 10 acres of land in the state, you have to conform to so many sewage and water regulations, it's almost discouraging," he said of the reasons that have kept the developers away.

COTTAGES

So Newport sells what it's got, country homes and antiquated cottages nestled on mountain sides, hidden from commercial exploitation.

The four-season qualities of the area are what customers go for. Lake Memphremagog in the summer and the ski hills in the winter.

"Jay is 20 minutes away, Burke about 30 minutes and Stowe is an hour drive," Campbell said.

In the summertime, the city of Newport holds its Aquafest — an international race where swimmers from around the world attempt to swim the length of Memphremagog. There are also two 18-hole golf courses in the area.

Though property may be scarce on the Lake and "it's virtually impossible to find a cottage under \$100,000 on Memphremagog nowadays," Campbell said deals can still be found on the other lakes in the Vermont region.

SMALLER LAKES

"Lake Willoughby and Lake Seymour are two of the most beautiful lakes in this part of Vermont. They are not as big as Memphremagog, of course — about nine

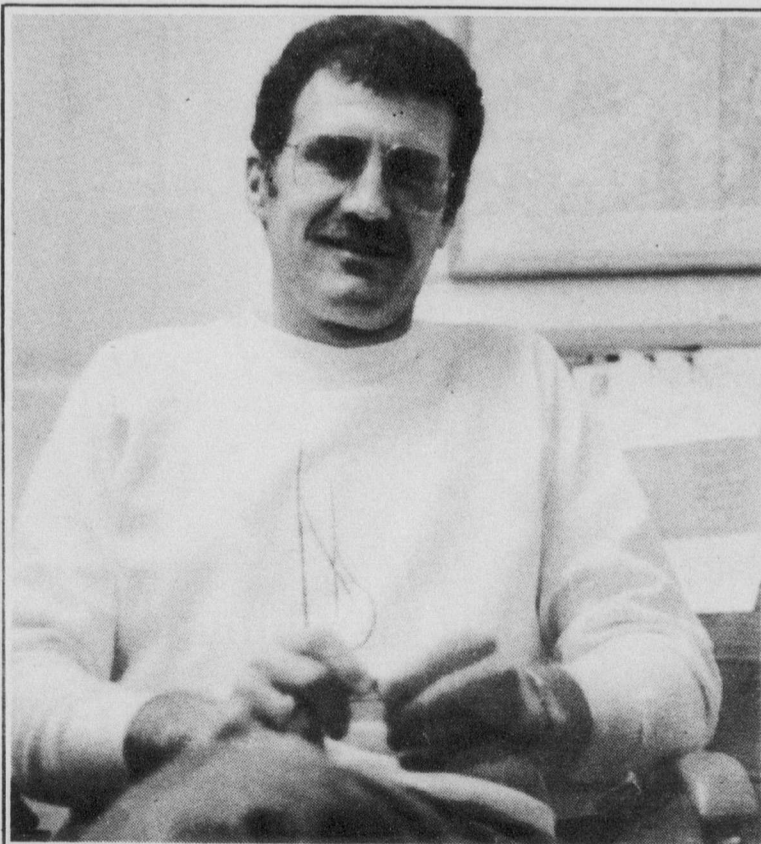
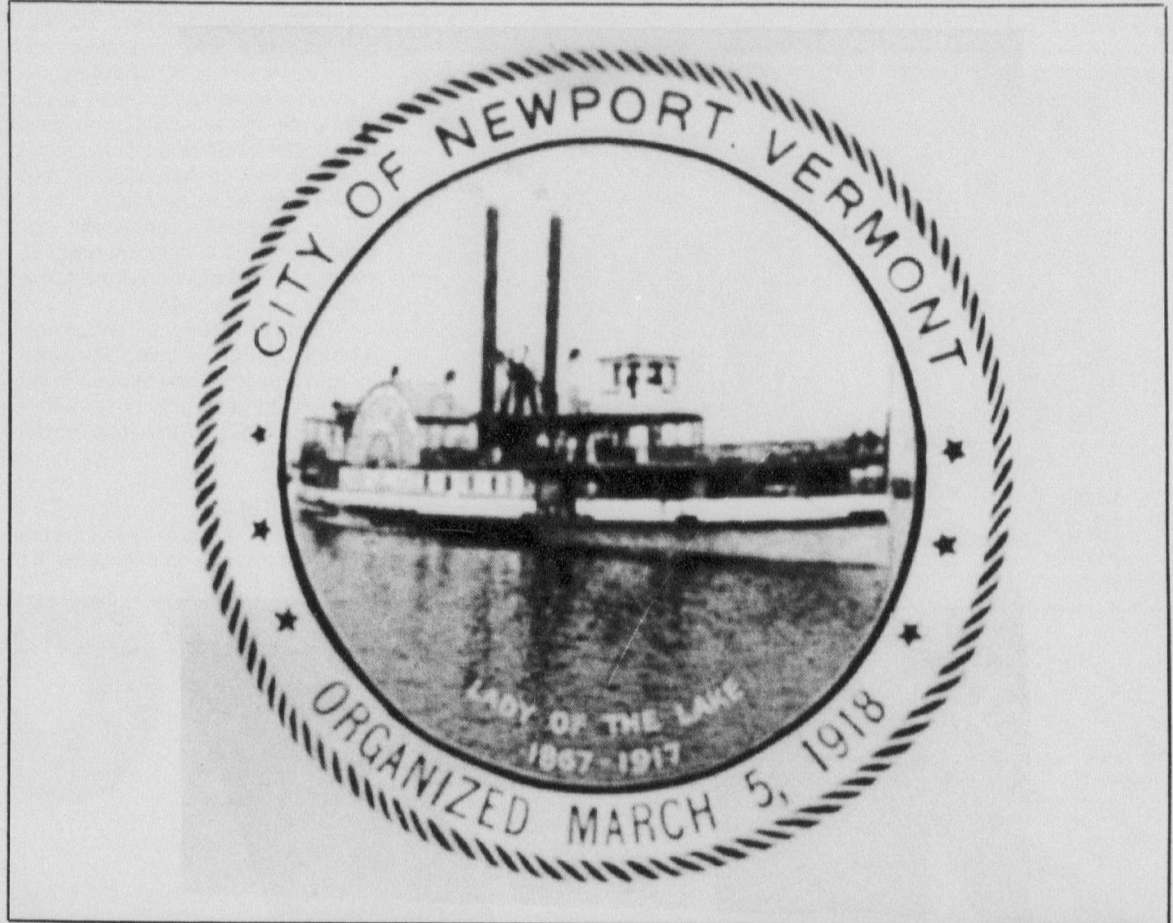
miles wide," he said.

And there is also the smaller Lake Salem, where Campbell said affordable properties can still be

found.

"The fall here is probably the prettiest time of year," he concluded.

"Vermont basically offers young couples, and older ones as well, an alternative lifestyle to what they are used to in Canada."



Realtor Jim Campbell in Newport... People come here for the lifestyle.

LES COURTIERS AFFILIÉS



Ginette Rodrigue

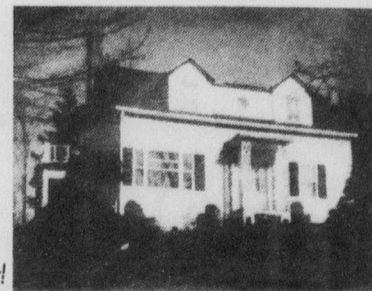
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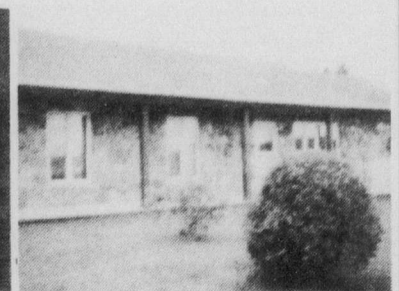
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Montrealers buy retreats on Brome Lake

By Sharon McCully

BROME LAKE — Clayton Campbell says he has to think twice before going out to mow the lawn around his modest cottage on

Brome Lake on a warm summer day.

"I'll be out cutting the grass and people will stop and ask to buy the place," Campbell says.

Campbell is one of a handful of residents who own property on the coveted lake.

"It's just ridiculous the prices some people have offered," Campbell said in a telephone interview from his home in St. Lambert.

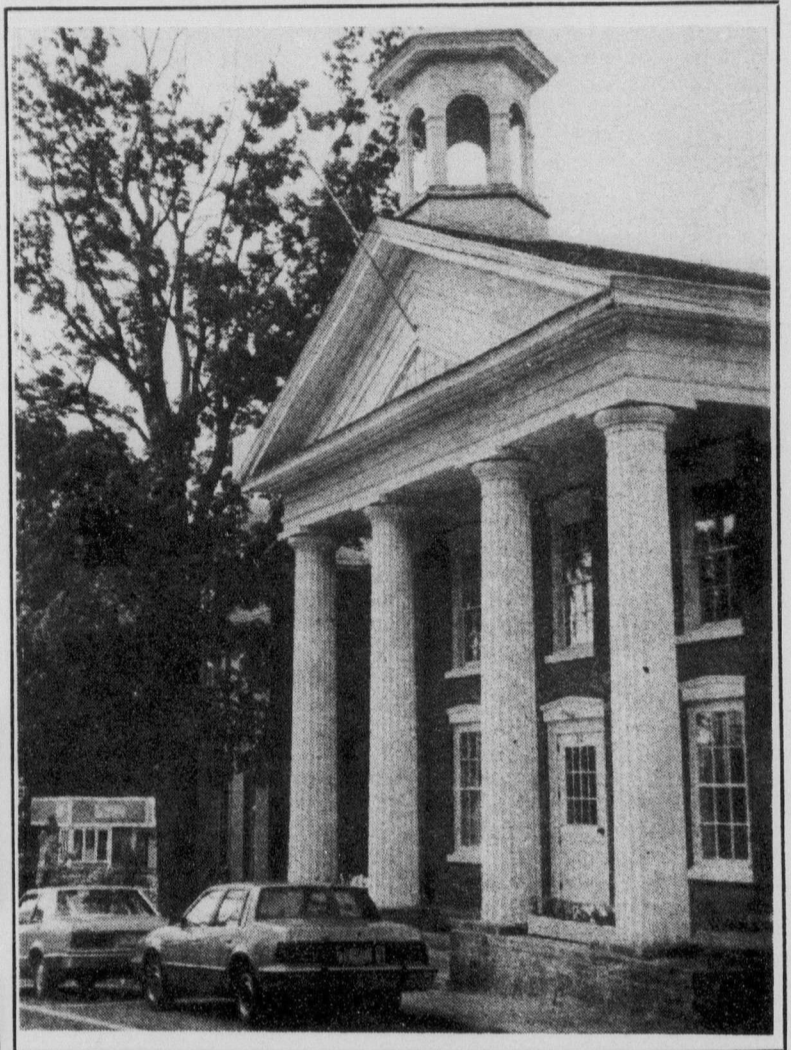
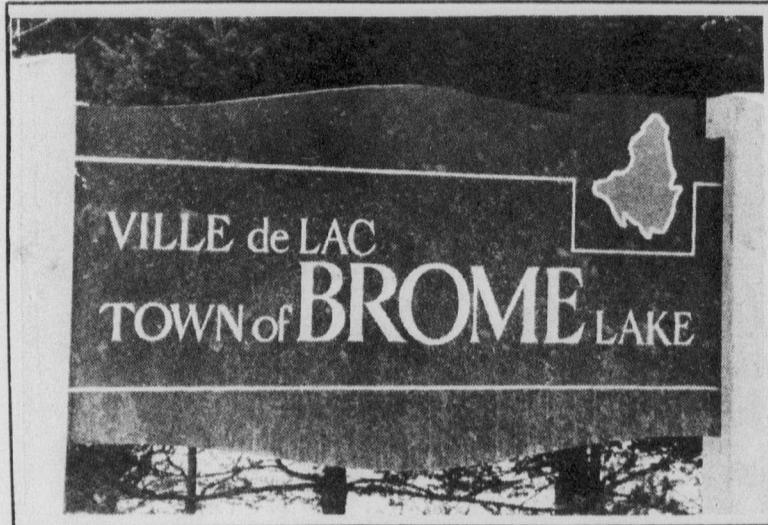
"Just to give you an idea, lakefront property is selling anywhere from \$750 to \$2,000 a foot, and I have 150 feet of lake frontage and 19,000 square feet of land."

The Campbells bought the cottage as a home away from home 43 years ago, and are not interested in selling it at any price.

"There's more to life than money," Campbell said. "My family and I enjoy the cottage. What good would money do me?" Other lakefront owners have gone for the cash.

PRICES SOAR

Last year, a small two bedroom lakefront cottage on a 50' by 60' lot



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They're buying the lifestyle they've earned

sold for \$101,000. Chris Thom, a real estate agent with Royal LePage for the past 15 years, said real estate prices soared about three years ago in Knowlton. Land, and particularly lakefront land, suddenly became a precious commodity.

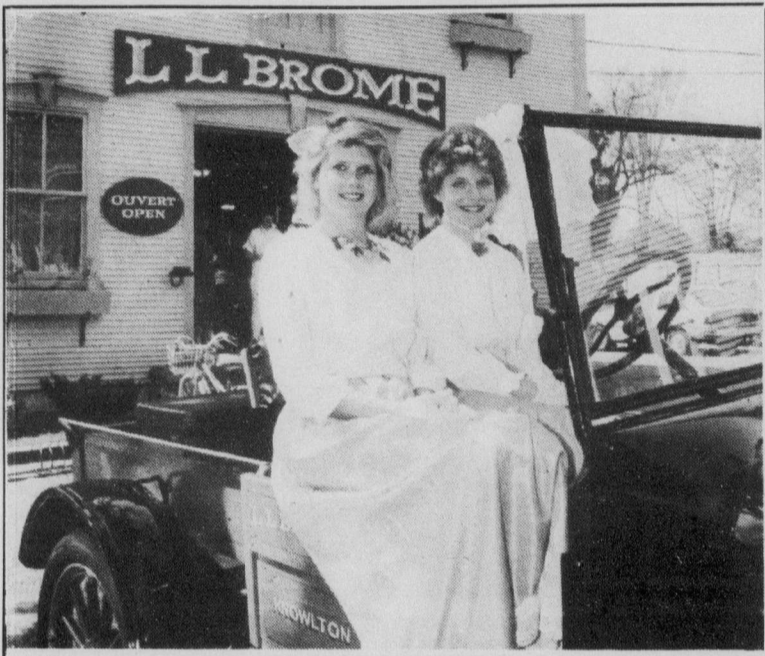
Since that time real estate agencies report increases of 50 to 100 per cent in the market value of properties.

Thom attributed the upsurge in prices to a combination of factors,

chief among them, a flourishing economy and development in the town itself.

LIFESTYLE ADVERTISING

"Lifestyle advertising" has also been a factor in the sudden desirability of the Victorian community of 4,800. Like the merchants in the fashionable boutiques which line Lakeside drive, realtors are selling more than the wares displayed.



According to Thom, the majority of buyers are Montrealers buying weekend retreats in the country. They're buying the lifestyle they've earned.

Steve Tryhorn, business manager at the *Auberge du Lac* condominiums, says at least 90% of the 104 Lac Brome condo units are owned by Montrealers who have purchased the units as a second home, "their country retreat".

The year and a half old condos range in price from \$100,000 to \$200,000. Each is equipped with a fireplace, and feature front and back patios, four tennis courts, a 40 by 80 pool, a gazebo, and 500 feet of waterfront.

Tryhorn said the average purchaser is a professional, 40-50 years old, and looking for an alternate lifestyle.

CONDOS

"The condos fill a void that wasn't there before," Tryhorn said in an interview. "Ten years ago there wasn't a demand and there wasn't the money around for a second home." He said the original project by promoter Maurice Pinsonnault called for the construction of 200 units.

"The market has dropped off a bit, the interest rates have gone up a bit, so the project is temporarily on hold," Tryhorn said.

"The area is still very attractive to people and more condos will be

built," he said, "it's just a question of time. We're telling interested buyers we may build in the spring.

Tryhorn says the kerfuffle over the sewage question with the town of Brome Lake has not really had a negative impact on sales of the condos, although he believes the condo owners have had to take a lot of flack from townspeople on an issue over which they have no control.

Lois Hardacher, a nine year veteran of the real estate business says she is beginning to see a levelling off of prices in the village.

"At one point, people wanted to buy here at any price," she noted. "There is still a big demand for commercial properties or large properties with lake front, but generally, housing prices are remaining even." And what is even? Hardacher says a two or three bedroom bungalow in Knowlton could go for \$80,000-\$90,000.

If you're looking for a "nice" house in a "nice" neighbourhood, be prepared to part with \$150,000, she advises.

Very nice homes can sell for up to \$350,000, but you only sell a few at that price, Hardacher says.

BUYERS ARE PROS

Any kind of building on the lake can expect to bring in the going land price of \$1,000 a linear foot. The price escalates if its a large lot.

The majority of buyers and sellers are professionals, trading up or down, Hardacher said.

"This is very much a bedroom community," she noted. Professionals who want to live in a less commercial and industrialized community choose to live here." More and more professionals are working three day weeks and the second home here is rapidly becoming home base for this group as well, she added.

The average residential property in Knowlton remains on the market for 58-72 days. The majority sell within two months of a listing.

While realtors agree the market is stabilizing in Knowlton, neighbouring communities are beginning to share the wealth.

FOSTER

Rumors of major league investment in the adjacent municipality of Foster have been circulating in the past week. While no deals have been nailed down, observers agree it's only a matter of time before promoters and developers break new ground.

Says Tryhorn of the *Auberge du Lac* Condominiums: "Positive things are happening here. The people who are investing and settling here will eventually make the difference. They are the people who will ensure that local people will be able to stay and live and work in their home community."



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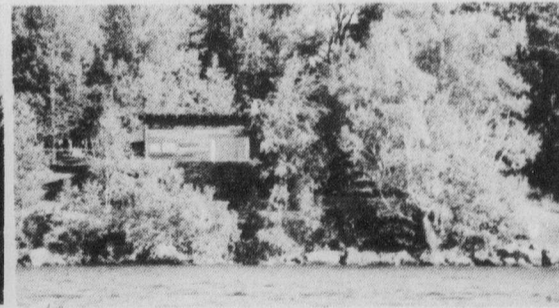
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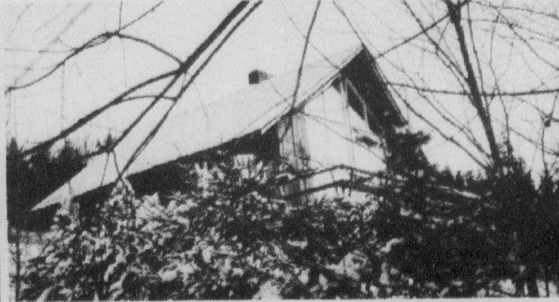
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Landscaping makes new house feel more like home

By Stephen Barrington

The furniture has arrived, pictures are finding their way on to the walls and the newly built house is finally starting to feel like a home.

Inside, that is. Outside, the recently seeded lawn has yet to come

up and the few trees and shrubs planted by the subdivision's developer look lonely and forlorn — hardly homey at all.

Yet new-home owners across the country can take that virtually blank canvas of a property and landscape it into a work of art — if

they know the best approach and common pitfalls to avoid.

"The first consideration people should have is trying to blend their landscaping with their home," says Arthur Allen, a Vancouver home landscape design instructor.

"They should take stock of their family's activities and need for outdoor seating areas, play areas and garden areas. They want to stand outdoors a lot and get a feeling for the property."

Plan landscaping as if you were adding an extension on to your house, advises landscape architect Gerry Eckford.

DIVIDE UP AREA

Just as the various rooms of the house have their own uses, the landscape should have distinct areas with specific functions. The kitchen and dining room are usually adjacent or in close proximity; extending that plan, the barbecue-patio area should be near the kitchen for convenient outdoor entertaining and summer meals.

A house isn't one big open space, and the garden shouldn't be either. Hedges, trees or flowerbeds act as walls to separate adjacent areas; like hallways, garden walkways link the areas together.

When do-it-yourself landscapers see barren garden space surrounding a new home, they often try to put in too much — a pond, spacious patio, separate barbecue area and sizable flower beds, for instance.



New-home owners across the country can take that virtually blank canvas of a property and landscape it into a work of art.

Strong economy keeps construction on move

OTTAWA (CP) — Housing starts remained strong in February despite continued interest-rate increases, Canada Mortgage and Housing Corp. reported Thursday.

Starts for the month stood at 228,000 units at a seasonally adjusted annual rate, a five-per-cent drop from 239,000 units in January, but ahead of the 203,000 built in February 1988.

"Despite a steady upward movement in interest rates, the continuing strength of the Canadian economy and a high level of consumer confidence continue to keep total housing starts strong," the federal agency said.

Ontario showed the largest drop in February starts compared with the previous month,

an 18-per-cent decline that was mainly due to a sharp drop in condominium construction.

Total starts in Quebec increased by 17 per cent due to greater construction of condominiums and rental accommodation.

Alberta saw a 22-per-cent jump, largely because of building of rental units.

Total starts in all other provinces were the same as January levels.

Construction declines in multiple-unit housing were widespread throughout Ontario, especially in Toronto where they dropped by 24 per cent.

However, in Montreal they were 19 per cent higher than a year ago despite high vacancy rates.



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North Hatley: Domaine 17 acres. Private, swimming pool.

North Hatley: Waterfront property, also waterfront lot 95' frontage.

For free market opinion please call the above agents.

"A big mistake is getting too complex for the size of the space," says Eckford. "You get a lot more out of landscaping if it's simple."

In planning a landscaping scheme, consider the largest spaces first — you'd plant the trees before putting in flowerbeds, for example. There's no point in planting a flowerbed only to discover that it's heavily shaded by a hedge or tree planted later.

Choose your growth with more than a short-term view. Deciduous

trees are great for spring and summer, for instance, but they're less than attractive when they lose their leaves later in the year; include evergreens to provide winter greenery and texture.

STAGGER BLOOMS

Keep blooming times in mind. A garden filled with plants that all bloom at the same time will be a short-lived blaze of color. Instead, select plants so there will be blooms — and beauty — from spring to fall.

Land clearing and home construction can spell trouble for landscaping plans. Topsoil may have been stripped away; cement dust and other building debris may have leached into the soil, making it acid or alkaline.

Have the soil tested before selecting plants — a good nursery should be able to point gardeners to reputable testing facilities in the area, Eckford says. Armed with the results, you can add soil conditioners as necessary.

When things go wrong in the garden, it's usually because the original landscaping was done with immediate results in mind.

For example, young plants grouped into pleasing clumps "look compatible," Allen notes, "but when they get bigger they're all competing for the same space."

Keep that in mind when planting trees as well. A common landscaping fault is planting saplings too close together without considering their size at maturity.



The pink flamingo may be tacky but swans add panache to lawn.

RRSPs, pension funds should help mortgages

OTTAWA (CP) — First-time homebuyers should be able to use RRSP and pension funds to invest in mortgages and equity on their main residence, the Canadian Real Estate Association said today.

In a pre-budget submission to Finance Minister Michael Wilson, the association said the government should relax regulations that effectively prevent investment of registered retirement

savings plan holdings of \$25,000 or less in a principle residence.

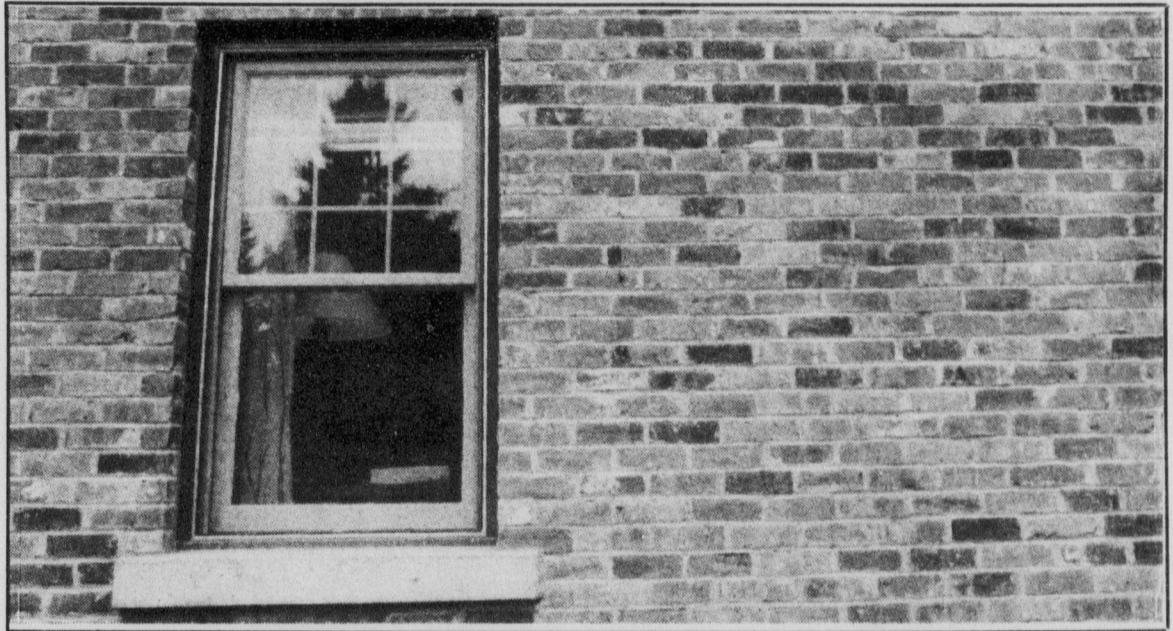
High mortgage administration fees and a requirement that all mortgage loans made from retirement accounts be insured by the government make the investments worthwhile only at amounts over \$25,000, it said in a submission on housing affordability.

Results of a January national survey show affordability prob-

lems are not restricted to hot housing markets such as Toronto and Vancouver.

"In 19 of 27 market areas surveyed, potential buyers would be overmortgaged if they tried to buy a house based on reported income and the maximum price they would be willing to pay for a house.

"First-time homebuyers are in trouble everywhere," the association said.



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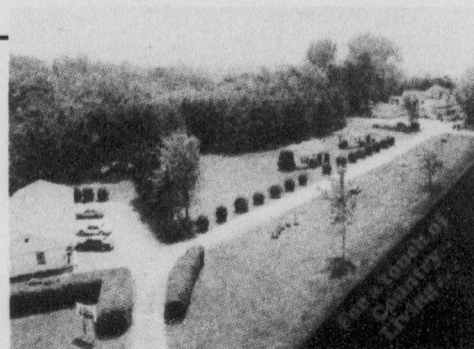
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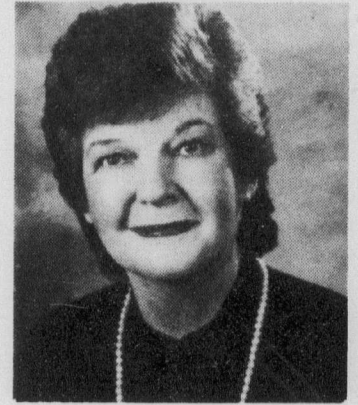
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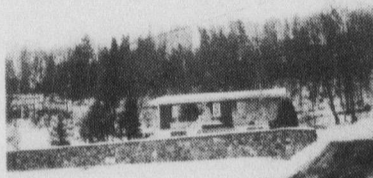
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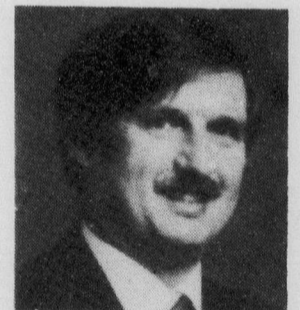
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North Hatley: A step above, New England style cedar home. There are many extras in this quality 3 bedroom home.



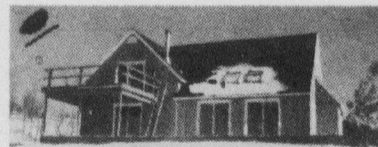
North Hatley: Sliding door from family room to patio, 4 bedroom bungalow, spacious living, panoramic view.



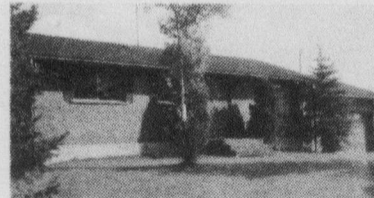
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