

The Complete Communicator

AUGUST 2009

Inside This Issue:

- 1 The Renovation Contract
- 2 Tips for Turning a First Home to an Income Property
- 3 Vegetable Gardening for Beginners

The Renovation Contract

One of the major reasons for disputes over renovation work is the lack of a contract. The best way to avoid this is to draw up an agreement describing the work to be done and the cost of this work. This contract becomes a legal document, binding both parties once they have signed it. Don't sign anything until you are fully satisfied it describes exactly what you want and contains everything you have agreed upon.

According to **Canada Mortgage and Housing Corporation's (CMHC) About Your House** fact sheet, the contract should include:

- The correct and complete address of the property where the work will be done;
- Your name and address;
- The renovator's name, address and telephone number;
- A detailed description of the project, plus sketches and a list of materials to be used;
- The type of work that will be subcontracted;
- The right to retain a construction lien holdback as specified under provincial law;
- A clause stating that work will conform to the requirements of all applicable codes;
- Start and completion dates;
- An agreement stating whether it is the homeowner or the renovator who is responsible for obtaining all necessary permits, licenses, and certificates;
- The requirement that the renovator be responsible for removing all debris as soon as construction is completed;
- A statement of all warranties; explaining exactly what is covered and for how long;
- A statement of the renovator's public liability and property damage insurance;
- Price and terms of payment

No matter how well you plan your project, changes will probably be necessary. These can result in increased and cost delays. To protect yourself and the renovator, changes should be made only through a written change order detailing what's involved and the associated cost differences. Do not accept verbal assurances; always have it documented in writing.



complete
mortgage services

THIS NEWSLETTER IS
COMPLIMENTS OF TERRY MOORE

Phone: 250.215.2862

Fax: 250.861.2906

Email: mortgages@terrymoore.ca

Web: www.terrymoore.ca



In order for renovations to be worthwhile, the cost of renovations has to be able to pay itself back within two years rent.



Don't turn your house into a home... right away. If a long-term investment is what you seek, turning your space into a home right off the bat isn't going to help pay those accumulating bills.

Tips for Turning a First Home To a Income Property

For the past ten years, Scott McGillivray, a 30 year old real estate entrepreneur, has made a living by transforming houses into income properties. Today, he manages 18 properties with over 100 tenants and here he shares his top tips for creating legal income suites that will help you offset your rising mortgage payments.

1. Make sure it's worth it

The cost of renovations has to be able to pay itself back within two years rent. Scout out local markets or get a professional opinion.

2. Tag team, if you can

To use a cliché, two heads are better than one, and home-owning is no exception. Getting to your desired final product is a journey, and having a teammate to share frustrations, anxieties and costs with is invaluable.

3. The best way to learn is to go through the experience

You can read as many books as you want, but you have to experience it. Every home is unique, and every home will reveal its own problems and potential solutions.

4. Whatever you budget, add 25 per cent

When renovating your space, despite what a professionally quoted budget says, add 25 per cent, just in case. If you don't go over, nothing lost. But if you do, at least you were expecting it.

5. Houses are like onions

The more layers you peel back, especially while demolishing, the more problems you're going to find. Count on hidden gems like mould, live wires and any other hidden costs, just in case.

6. Consider all the options

If you have a 3 story plus basement house, why just rent out only the basement? Doubling the space not only allows you to live mortgage-free by increasing the rent, it also increases the value of the home.

7. Make sure the space is livable

If the kitchen has zero counter space and the bedroom can only fit a bed, not only is it going to be hard to find someone to rent out your unit, but think of the types of people who might be wanting to rent out your unit.

8. Don't skimp on the drywall, especially on the ceiling

Not only do you want a fire barrier between you and your new housemates, you might be thankful for a little bit of sound-proofing in the long run.

9. Start on the outside

A separate entrance is key when renting out a basement, especially if you don't want to mingle too much with your new tenants. And you might want to make sure there are no potential lawsuits hanging around – such as slippery stairs or rotting wood.

Vegetable Gardening for Beginners

If you're thinking about wading into vegetable or herb gardening for the first time, take courage. With a little reading and research, you can be successful! If you're ready to start, remember this: It's better to be proud of a small garden, than frustrated by a big one.

The Very Basics

Here are some very basic concepts on topics you'll want to explore further as you become a vegetable gardener extraordinaire:

- Vegetables love the sun. They require six hours (continuous, if possible) of sunlight each day, at least.
- Vegetables must have good, loamy, well-drained soil. Most backyard soil is not perfect and needs a helping hand. Check with your local nursery about soil testing, soil types, and soil enrichments.
- Placement is everything. Vegetables need proper nutrition. A vegetable garden too near a tree will lose its nutrients to the tree's greedy root system. On the other hand, a garden close to the house will help discourage rabbits, raccoons, deer, mice, and opossums from nibbling away your potential harvest.
- Vegetables need lots of water. At least 1 inch of water a week. In the early spring, walk around your property to see where the snow melts first, when the sun catches in warm pockets. This will make a difference in how well your vegetables grow.
- Study those seed catalogs and order early.

Deciding on the Size of Your Garden

A good-sized beginner vegetable garden is 10 x 16 feet, and features crops that are easy to grow. A plot this size, planted as suggested below, can feed a family of four for one summer. For the plan below, your rows should run north and south to take full advantage of the sun. Make your garden eleven rows of 10-feet of each of the following:

- Tomatoes – 5 plants staked
- Zucchini squash – 4 plants
- Peppers – 6 plants
- Cabbage, Bush Beans, Lettuce, Beets, Carrots, Chard, Radish
- Marigolds to discourage rabbits!

Leave 2ft. between bush beans, one half foot between bush beans and lettuce, and one foot between all the rest.

(Source: Almanac.com)



One of the most common errors for beginners starting their own vegetable garden is planting too much too soon and way more than anybody could eat or want. It's best to start small and expand with the years of experience.

***It's better to be
proud of a small
garden, than
frustrated by a big
one.***
