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Kathy Tripp, Broker

Business: (613) 332-2110

Toll Free: 1-888-432-2507

Fax: (613) 332-1211

Residence: (613) 332-2507

kathytripp@royallepage.ca

www.kathytripp.com

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Bank of Canada Signals Low Rates for Longer

The Bank of Canada announced on July 16th, 2014 that it was keeping its trend-setting overnight lending rate at 1 per cent.

The overnight rate has not moved in almost four years, and the Bank's July announcement and accompanying Monetary Policy Report (MPR) suggest the most likely scenario right now is that the overnight rate will remain parked where it is for at least another year and a half.

That said, the Bank made clear that it was "neutral" with respect to not only the timing but also the direction of any future change to the policy rate. The Bank is taking a wait and see approach at this point, saying that any future moves "will depend on how new information influences the outlook and assessment of risks."

With inflation having "moved up to the 2 per cent target in recent months, sooner than expected," talk of a rate cut has all but gone away; however, the Bank attributes the recent rise in inflation to temporary effects, specifically higher energy prices, a lower Canadian dollar, and other sector-specific shocks rather than to any change in domestic economic fundamentals.

As such, headline inflation

is expected to continue to bounce around in the 2 per cent range over the next two years, while under the surface there will be a symmetrical unwinding as the temporary effects currently pushing it up gradually fade away and the economic fundamentals currently holding it down, namely slack in the economy and elevated retail competition, also become less of a factor.

The Bank noted that global economic growth has been on a lower track than was forecast in the April MPR, and the forecast for global growth has been lowered accordingly, specifically this year but also for next year. The forecast for Canadian economic growth has likewise been trimmed from the 2 ½ per cent range this year and next to 2 ¼ per cent on average this year and next and into 2016 as well.

As a result, the economy is now not expected to get back to full capacity until mid-2016 compared to the April MPR's prediction of early 2016. As such, bets on when the first interest rate hike could come will likely be pushed from mid-2015 to later in the year and possibly even into early 2016. The bottom line is, once again, interest rates will be lower for longer.

The Bank still expects that



"the lower Canadian dollar and a projected strengthening in global demand will lead to a pickup in Canadian exports and business investment and, eventually, a more sustainable growth track," although this may take a little longer than expected to materialize with the Canadian dollar having recently popped back up a bit and the forecast for global growth, and particularly growth in the U.S., having been downgraded.

The Bank also re-iterated that "household imbalances continue to evolve constructively and recent data are broadly consistent with a soft landing in Canada's housing market."

As of July 16th, 2014, the advertised five-year lending rate stood at 4.79 per cent, unchanged from the previous Bank rate announcement on June 4th, 2014 and down 0.35 percentage points from the same time one year ago.

The next interest rate announcement will be on September 3rd, 2014.

Source: CREA

How Do Bidding Wars Work in Real Estate? By: Daria Kelly Uhlig

A home at the center of a bidding war may sell for well above market value.



The real estate bidding wars that delight sellers often leave buyers frustrated and disappointed. War can erupt almost as soon as a home hits the market in neighborhoods with strong demand and low supply. What happens next thrusts the seller into the line of fire, as frenzied buyers pull out the stops in an effort to be the last one standing.

Anatomy of a Bidding War

The first rumblings occur when two or more buyers present offers for the same home. The buyers' agents send the offers to the listing agent. The listing agent presents them to the seller. Most state laws require that listing agents present all written offers to their sellers, and present together offers that come in at the same time. This gives each

buyer a fair chance, and it makes it easy for sellers to compare the terms of the offers. The full-scale bidding war breaks out when there's no clear winner. In these instances, the sellers ask the buyers to sweeten the deal. Buyers then come back with better offers. Sellers may entertain several rounds of offers before making a decision.

Arm Yourself for Battle

If you're planning to buy a home in an area where there's high demand, preparing early can give you an edge. It's imperative that you get your finances -- and financing -- in order before you start looking at homes. Have your loan pre-approval in hand for your first appointment with a real estate agent. Proof of funds can help, too. Proof of funds includes bank and investment statements showing you have access to enough cash to pay the deposit and closing costs.

Preparing an Offer

Know what your bottom line is before you prepare the offer, then prepare your offer accordingly. In an area where competition is especially fierce, you may need to go in with

your highest and best offer if you have your heart set on buying the home. Otherwise, give yourself a little wiggle room, but show the seller you're realistic. The seller may reject your offer outright if it's not competitive with the others.

How Offers Are Evaluated

Buyers likely to wind up in a bidding war should structure their offers to make the sale as quick and safe as possible for the seller. Sellers should evaluate multiple offers with an eye on the big picture. Although the purchase price is certainly important, so is the earnest money deposit. The higher the deposit, the less likely the buyer is to walk away from the sale. Money is not the only motivating factor, however. A buyer who has the home inspected before making the offer can offer to buy it as-is, assuming the condition is acceptable to the buyer and the buyer's mortgage lender. Similarly, a pre-offer appraisal may eliminate the need to make the sale contingent on the home appraising for a certain amount. The buyer might also offer a quick closing, if the seller is in a hurry, or allow the seller to remain in the home after closing if she needs more time. Finally, it's not unusual for a seller to be influenced, if not swayed, by a heartfelt letter from a buyer asking for special consideration.

Bancroft and District Real Estate Board Yearly Statistics



Year:	Total Listing Activity YTD:	Total Sales YTD:	Monthly Sales Volume:	Total Sales Volume YTD:
2012	930	244 Units	\$8,516,800	\$43,026,426
2013	956	240 Units	\$8,673,500	\$44,762,769
2014	871	246 Units	\$10,529,600	\$42,646,187

What's Happening in Bancroft

August 1st: Trout Trips Stirling, 1 Manor Lane.

August 2nd to August 3rd: Bancroft Art & Craft Guild Summer Show, Millennium Park.

August 2nd: Ambush, Bancroft Legion.

August 6th: Fish Hatchery Nature Discovery Tours, Bancroft & District Chamber of Commerce, 9:00 am.

August 6th: Mineral Capital Concert, Millennium Park.

August 8th to August 9th: Wilberforce Agricultural Fair, Wilberforce, gates open on Friday at 6:00 pm.

August 9th to August 10th: Highlands East Studio Tour, tour@highlandseasttour.com

August 9th: Gun and Sportsman Show, Bancroft Fish & Game Club, 9:00 am to 2:00 pm.

August 9th: Trout Trip Combermere/Maynooth, 1 Manor Lane.

August 12th to August 16th: Summer Theatre, Village Playhouse.

August 13th: Mineral Capital Concert, Millennium Park.

August 14th: Trout Trips Stirling, 1 Manor Lane.

August 14th: Trout Trips Lakefield, 1 Manor Lane.

August 19th to August 23rd: Summer Theatre, Village Playhouse.

August 20th: Forestry Tour Nature Discovery Tours, Bancroft & District Chamber of Commerce, 9:00 am.

August 20th: Mineral Capital Concert, Millennium Park.



Get involved in your community

August 21st: Scavenger Hunt & Nature Walk Silent Lake Provincial Park, Betty @ 613-332-3464.

August 21st: Trout Trips Lakefield, 1 Manor Lane.

August 22nd to August 23rd: Coe Hill Agricultural Fair, Coe Hill Fair Grounds.

August 22nd to August 23rd: Kitchis Sippi Music Festival, Wilder-

ness Tours Resort.

August 23rd: Arts and Crafts Festival, Lake St. Peter Cottage Resort, Amanda @ 705-828-7759.

August 24th: 8th Annual Pioneer Church Service, The Old Ormsby Heritage Church.

August 25th to August 29th: Canadian Canoe & Kayak Whitewater Championships, Madawaska Kanu Centre.

August 26th: Speaker: Deborah Middleton ~ Bonsai.

August 26th to August 30th: Summer Theatre, Village Playhouse.

August 27th to September 28th: Works by Anka Milligan, Art Gallery of Bancroft.

August 27th: Mineral Capital Concert, Millennium Park..

August 30th: Maynooth Madness Weekend, Maynooth Community Centre.

August 31st: Old Ormsby Heritage Church Pioneer Service, Old Ormsby Heritage Church.

For more information or to see other upcoming events visit the Bancroft & District Chamber of Commerce website: www.bancroftdistrict.com

Closing Up Your Summer Home

Many people will have to close up their summer home after Labor Day. There are several things that you will need to do before you close up your summer home. Below are some tips for closing up your summer home:

Clean And Empty Your Appliances—You will need to remove all of the food from your refrigerator and freezer and clean them out. You should also clean out your freezer, oven and washing machine. Additionally, the water heater will need to be drained. You will also need to either switch the water heater to vacation mode or turn off the gas.

Inspect Up Your Property—You

will need to inspect your property before you close up your summer home. Thoroughly inspect the inside and outside of your home in order to ensure that nothing has been damaged. If you find anything wrong, then you should create a list of things that need to be fixed.

Unplug Your Electronics—You should unplug your electronics before you close up your vacation home. Unplugging the appliances and electronics will help protect them from power surges. It will also protect them from lighting strikes.

Consider Getting A Security System—Vacation homes are often a tar-

get for burglars because they are vacant during the winter months. You can deter potential thieves by investing in a security system. You may also want to consider taking all of your valuable items with you before you leave.

Remove Your Outdoor Furniture—You do not want to leave your outdoor furniture outside. You will need to put the furniture inside of a shed or lock it inside of a garage. If you have a lot of furniture, then you may want to consider renting a storage unit. You can store small boats and bikes in addition to furniture in a storage unit.

Source: Consultative Insurance Group

Raisin Cookies

If any of you follow Facebook, we talked about how Bancroft was years ago. Everyone remembers Thompsons Bake Shop on the main street and Hyserts Bake Shop on Flint. Hyserts made THE best Chelsea Buns and Thompsons had the best raisin cookies. A friend of mine gave me the recipe for the cookies years ago and I shared it on the Hastings Heritage site. So here is a bit of nostalgia for all of you.



Ingredients

- 5 eggs, beaten
- ADD:
- 4 cups brown sugar
- 1 lb. crisco shortening
- 2 cups raisins
- 1/2 tbsp. salt
- 5-1/2 cups all purpose flour
- 3/4 tbsp. baking soda

Directions:

Mix together and roll out and cut with cookie cutter/glass, whatever. Bake at 350°F for 8-10 minutes.

This makes A LOT of cookies! Remember how big they were!? I have only made these once because they are too hard to resist!

Enjoy!

Inspiration

You fall, you rise, you make mistakes, you live, you learn. You're human, not perfect. You've been hurt, but you're alive. Think of what a precious privilege it is to be alive to breathe, to think, to enjoy, and to be with people you love. Sometimes there is sadness in our journey, but there is also lots of beauty. We must keep putting one foot in front of the other even when we hurt, for we will never know what is waiting for us just around the bend. — Ritu Ghatourey

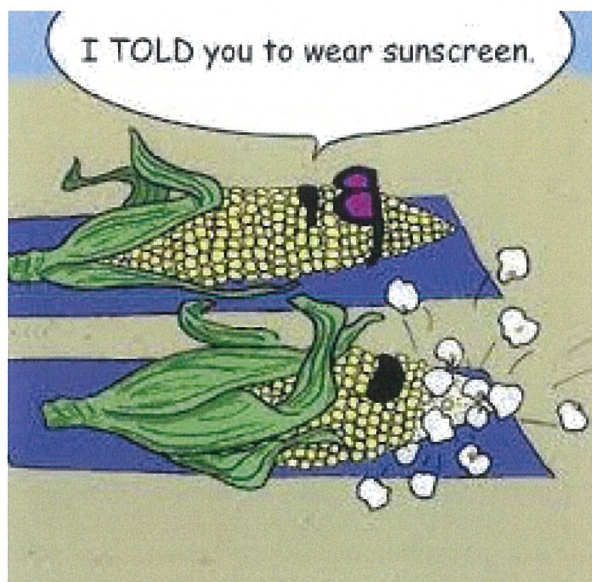
Murder Mystery

Adam killed his wife in front of so many people. Yet, no one has the power to accuse him of the murder and send him to prison for his crime. How?

Adam is a hangman by profession. His wife had been sentenced to death and he had to do it with his own hands.

Rx Laughter

always the best medicine



What did the pig say at the beach on a hot summer's day? I'm bakin'.

Why are gulls named seagulls? If they were by the bay, they'd be bagels!

What's the best day to go to the beach? SUNDAY!

Where does a ship go when it's sick? To the DOCK!

Why do fish swim in salt water? Because pepper makes them sneeze!

What do whales like to put on their toast in the morning? Jelly-fish!

Where do rocks like to spend summer vacation? Pebble Beach!

Where does a fish go to borrow money? A loan shark!

Where do ghosts like to swim? The Dead Sea.

What do you call a witch who lives on the beach? A sandwich!

What does a shark eat for dinner? Fish and ships!