



# Dollars & SENSE

What's happening in Our Community

March 2023



BUY



RENT



## To Rent or Buy... That is the Question



Whether to rent or buy is one of those eternal questions that will be asked millions of Canadians in every generation. However, it's not a simple question, even with all the information available.

You may have heard the conventional wisdom that rent is "dead money" that you're pouring money down the drain unless you buy a home. It's not really a fair comparison though. The truth is that even a house that you own, with or without a mortgage, has a certain level of so-called "dead money" associated with it. So from a financial perspective, the "rent or buy" debate is a lot more complex than "buy a home as soon as you can afford it" (and that's without considering the drop in housing affordability in recent months).

### Renting vs. Buying a Home: Pros and Cons

The rent vs. buy issue is much more than a financial one. There can be big differences between the lifestyles of renters and homeowners that you need to consider alongside your finances. Here are some of the advantages of both renting and buying a home that take into account both lifestyle and financial issues.

#### ADVANTAGES OF RENTING

**1. Flexibility** Renting doesn't tie you down in any way. If you plan to move soon, or regularly throughout your life, renting lets you move out of a place as soon as your initial lease is over, typically 12 months.

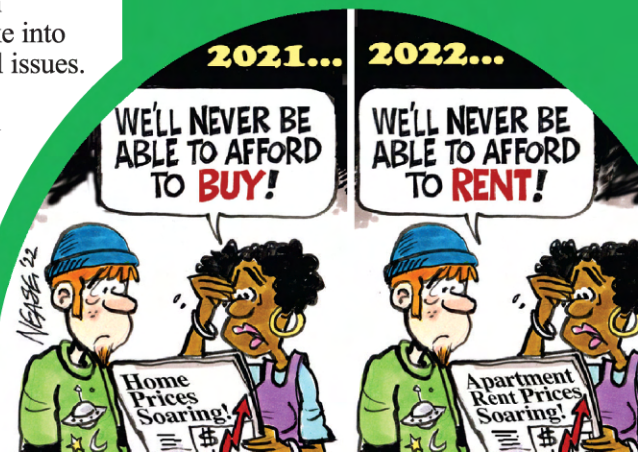
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### 3 Directors Elected

The three directors whose terms are expiring at the Annual General Meeting in 2023 are Dave O'Connor, Carol Warkentin and Julie Fraser. The official date for submitting nominations to the Ladysmith & District Credit Union closed on February 17, 2023. As there were no nominations submitted except for those of the incumbents, the Nominating Committee, as outlined in Section 4.14 of the Credit Union Rules, declares the three directors elected via acclamation. Please see below for their biographies and contributions to the Credit Union to date.

#### David O'Connor

David has lived in Ladysmith since 1985 and raised his family here with his wife Terrena. He joined the Credit Union in 1995 and became a board member in 2010. David practiced law in Ladysmith for 34 years as a self-employed lawyer, and is now retired from the practice of law. David has a strong commitment to community values which, together with his legal expertise, makes him well suited to serve on the Board. David has served on LDCU's Audit, Governance, Nomination, Investment and Lending, Bursary, and Conduct Review Committees. Dave is also a graduate of the Credit Union Director Achievement Program.





# DIRECTORS ELECTIONS

## Carol Warkentin

Carol moved to Ladysmith in 1983, and has been here since, raising her three children and now enjoying her grandchildren in this great community. After moving here and purchasing her first home in 1985, she has continued to be a member of the LDCU. She is grateful to have chosen a financial institution that assisted her with the purchase of her first home during a time when rates were very high and employment was scarce. Carol's passion and enthusiasm for real estate led her to becoming a licensed real estate agent in 2010. Feeling strongly that "giving back to community" is one of her core values, Carol joined the Board of Directors in 2020, and has served on the Investment and Lending, Governance, Audit & Risk, and Conduct Review Committees. Carol is also a graduate of the Credit Union Director Achievement Program.

## Julie Fraser

Julie and her family have lived in Ladysmith since 2008 and are active members of our community. Julie joined the Board in January 2023, and brings extensive experience in financial services, including: project and strategic management; coordinating service, product, and systems training programs; and corporate and branch audit and compliance. She has served as an Executive on two Ladysmith school's Parent Advisory Councils, and has helped local community organizations with volunteering and fundraising campaigns. Since joining the Board, Julie has served on the Investment & Lending, Governance, and Conduct Review Committees. Julie is currently working on the Credit Union Director Achievement Program and hopes to have all courses completed this year.

# Say "Hi" to Sunny



## RENT OR BUY...

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**2. Less hassle and maintenance** Owning a home requires maintenance and upkeep. Renting transfers this responsibility to your property manager and/or landlord, freeing up time and money for other investments.

**3. Cheaper** Renting is generally cheaper than a mortgage, at least in the short term. If your household income isn't high enough to afford a mortgage, then renting is typically a more affordable option.

**4. Access to alternative investments** Being a renter doesn't mean you have to forgo investing in your future. The additional cash you can save by renting can be invested in the stock market, a GIC, your own education or toward starting a business.

## ADVANTAGES OF BUYING

**1. Stability** Owning your home means you can live there without needing permission for changes. If you want to paint, replace the floor, renovate or add an ensuite, you don't need to ask a landlord or property manager. Owning your home also means you won't get suddenly evicted because your landlord decides they would like to live there or sell the property.

**2. You retain capital gains** If your home increases in value, being the homeowner means you will pocket the additional home equity, and realize the capital gains if you choose to sell. If you were to be renting, the only one to benefit would be your landlord. Of course, the flip side of this is that if prices fall, it's the homeowner that's on the hook, not the renter.



*CEO John de Leeuw presents the Ladysmith Chemainus Swim Club a cheque for \$1500 towards swimmeets and other competitions to raise their skill levels.*





# March is Fraud Prevention Month

In the past decade, technology has completely transformed the criminal landscape, making fraud easier to commit, more widespread, and more sophisticated than ever before.

In 2022, the Canadian Anti-Fraud Centre received fraud and cybercrime reports totaling an astounding \$530 million in victim losses. This is a 38% increase from the unprecedented \$384 million in losses in 2021. The actual numbers and number of total victims both declined. However, the actual cost to Canadians was a staggering amount. Unfortunately, the increase in loss isn't tied to an increase in reporting the Canadian Anti-Fraud Centre estimates that only 5 to 10% of people report fraud.

The 2022 top three frauds with the highest levels of reported victim losses were investment scams, particularly cryptocurrency fraud, romance scams, and spear phishing.

## **CRYPTOCURRENCY SCAMS**

Crypto scammers use many of the same tactics employed in other financial crimes, such as pump-and-dump scams that lure investors to purchase an asset with fake claims about its value or attempts to steal digital assets. The goal is always to manipulate victims into divulging personal data or transferring valuable digital assets like non-fungible tokens (NFTs) to the perpetrator's account.

## **ROMANCE SCAMS**

Romance scams, also known as online dating scams, are amongst the most common scams on the internet. Millions of people every year use dating apps or social media platforms to make connections and find love, but sometimes all they end up with is a broken heart and an empty wallet. Lurking among this sea of potential partners are scammers who establish your trust over several months with the intention of stealing your money or obtaining personal information about you to steal your identity. Oftentimes, romance scammers will keep up the act for years, stealing hundreds of thousands of dollars from their victims.

## **SPEAR PHISHING**

Phishing involves the manipulation of emails or text messages with a large group of victims, with the intent to lure them into sharing some sort of data or information, or into opening malware-infected attachments. Spear phishing is a type of phishing attack that is more tailored to its victim, making it more difficult to spot. Instead of a randomized victim pool, the



## RENT OR BUY...

**3. Building equity** With a mortgage, every monthly payment is helping you build equity in your home. While some of your payment goes toward paying the interest on your loan, the rest is paying off your mortgage principal. At the beginning, interest will make up more of your payment, but it will decrease over time.

**4. Simple investment** Part of the allure of homeownership is the fact that it makes investing in your future simple. Pay off your home and you'll have a guaranteed asset that can see you through your life no need to worry about stocks, bonds or other financial products (unless you want to). It's generally a safe bet, as property prices tend to be fairly stable (until they're not, but that's another story). If you want a simple long-term investment strategy, homeownership literally has one built in.

### THE BOTTOM LINE

The key thing to remember is that there may not be a better or superior alternative to renting or buying. Even a fully paid-off home represents has costs and overheads that you will need to pay in perpetuity. Renting can give you the flexibility to make other investments and be more responsive to opportunities that come up in your career, or in other areas of your life.

If you're confused about what the best choice is for you, we have an excellent rent vs buy calculators. You can find it at [www.ldcu.ca/business/toolsandcalculators/calculators](http://www.ldcu.ca/business/toolsandcalculators/calculators). You can also call Kendre Haugen our Mobile Mortgage Manager, or one of our other Lending Specialists. We're here to help.



*Alex Stuart presents John de Leeuw with a plaque recognizing the Credit Union's support for Aggie Hall 100th Anniversary celebration.*



*TOP: LDCU Board President Elaine Layman presents retiring Board member Tim Richards a painting celebrating his 18 years of contributions to the CU.*

*BELOW: John de Leeuw presents Jacquie Neligan from LAFF a cheque for \$1600 for their Family Pass Program*



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ICBC Appointed Agent

culprit will purposefully identify and target their specific victims oftentimes employees within the same company and will tailor their email with details intended to add credibility and lower suspicion.

At LDCU, we want you to experience safe and secure banking that you can depend on year after year. As part of our commitment to keeping you safe, here are 6 smart and simple fraud prevention tips that you can start using right now:

- Protect your personal information.** Unless you're communicating with someone you know, (and who has a good reason for asking), don't reveal any personal information over the phone, by email, or unfamiliar websites.
- Choose and store passwords wisely.** While remembering dozens of passwords can be a burden, it's never a good idea to use the same password multiple times, or to pick passwords that sophisticated cyber criminals can easily guess (such as your birthday, street address, and so on).
- Shield and protect your PIN.** It's a simple and smart habit that will help keep you safe.
- Shred documents.** Shredders are inexpensive, portable and easy ways to make sure that what you throw away stays thrown away!
- Check all credit card statements.** By spotting suspicious charges and reporting them immediately to your credit card company, you not only protect yourself and avoid liability, but your credit card company can investigate and hopefully thwart a would-be criminal.
- Get your credit report once a year.** Your credit report can help you identify any suspicious activity. You can order your credit report at no charge once a year by mail, fax, phone or in-person from either Equifax Canada or TransUnion Canada. If you're concerned and want to see your credit report instantly, you can order it online for a small fee.

If you or someone you know is a victim of a fraud, contact your local police service to report the crime and also report it to the Canadian Anti-Fraud Centre online or toll-free at 1-888-495-8501. Even if a financial loss did not occur, still report it to the Anti-Fraud Centre.

At LDCU, we're dedicated partners in your financial well-being. By following these tips, staying vigilant, and immediately reporting any suspicious activity to the proper authorities, you can help ensure that you aren't a victim of fraud and that your money is safe and secure.

Select LCU Insurance Agencies Ltd as your trusted Broker. We will be included in your renewal process and will reach out with our expert advice and recommendations once you complete your renewal.

Visit [www.icbc.com/renew](http://www.icbc.com/renew) to get started. For advice and assistance, call 250-245-2268 or visit [www.lcuinsurance.ca](http://www.lcuinsurance.ca)

## DID YOU KNOW...?

CHARLENE KONG, CAIB



Don't forget when purchasing a vehicle to make sure all forms are filled out in Black or Blue pen and are signed by all previous owners. Don't cross anything out! Altered documents won't be accepted.

Putting a storage policy on your vehicle when it is parked for the season is inexpensive and gives you protection for the vehicle when it is sitting.

Slow down! With the change of weather, pedestrians are harder to see. Slowing down will give you extra time to see others and stop.



ICBC Appointed Agent



driver services