

## Are house prices really set to plunge?



Late last month the Nationwide building society reported a fifth successive month of falling house prices, the first time that had happened since the early 1990s.

One London estate agency, Douglas & Gordon, is retraining staff in how to sell in a downturn. Another, Savills, says 50% of properties at its Fulham office have had a price cut. A five-bedroom home valued at £2.15m three weeks ago is down to £1.95m.

For some people the falls mean actual losses, not just smaller gains than they might have expected. Janie Dix, from Manchester, was lured into the buy-to-let market and bought two apartments in Leeds three years ago for £300,000. When the rent failed to cover her borrowings, she had to sell. Last month the flats went for just £250,000.

Lenders, fearing losses themselves, are tightening terms or withdrawing altogether. Last week First Direct, part of HSBC, announced that it was closing its doors to new mortgage applicants, having been inundated with applications for its competitive deals. Others followed either pulling mortgage deals or raising interest rates because, thanks to the global credit crunch, they no longer have easy access to funds.

Some 20%-30% of house purchases are falling through because of the problems of obtaining finance, up from a norm of 10% to 20%.

The doom and gloom appears all-enveloping. Prices are falling in many areas and even those who want to buy cannot get a mortgage. It looks like a perfect storm - but is this really the start of the long-feared housing crash?

THE folk memory of falling house prices in Britain was established in the great housing recession of the early 1990s.

Its seeds were sown when Nigel Lawson, chancellor of the exchequer under Margaret Thatcher, unveiled his Budget of 1988. It cut taxes, but also the amount of tax relief allowed on mortgages (which was later scrapped altogether).

The government made a fatal mistake by announcing a five-month delay before the tax relief cut came into effect. The result was a mad scramble to take advantage of the relief while it lasted.

That scramble, together with the tax cuts and low interest rates (for the time), gave Britain a housing boom of Klondike proportions. Prices nationally rose by 34% over the course of 1988. In parts of the southeast they jumped by 50%.

It could not last. When interest rates rose sharply, the effect was devastating. House prices fell by 20% in the following three years, according to the Nationwide, and 12%-13% on the Halifax and government measures. By 1995, they had dropped 30% to 40% in

### Timeline: Quebec A chronology of key events:

**1534** - On July 24, Jacques Cartier plants a cross on Gaspé peninsula and claims it for France.

**1535** - Jacques Cartier's expedition sails along the St. Lawrence River in and stops in a little bay he names baie Saint-Laurent on August 10.

**1535** - On September 6, Jacques Cartier is the first European to discover the "île aux Coudres".

**1535** - Jacques Cartier continues to sail down the St. Lawrence River to the village of Hochelega on October 2.

**1537** - On June 9, Pope Paul III proclaims that since the Savages (Indians) are real humans, they must receive the Roman Catholic faith.

"real", or inflation-adjusted, terms.

Over the 1990-95 period 345,000 homes were repossessed and at least 2m households fell into negative equity, where the value of their property was worth less than their mortgage. It took until the late 1990s before this scourge came to an end.

Could history repeat itself? Nick Clegg, the Liberal Democrat leader, warns that the housing market faces "an almost identical situation to that in the 1990s". "The fact is we are on the cusp of what could be a housing crash," he said.

The International Monetary Fund said last week that UK house prices were "overvalued" by about 30% and that Britain, along with Ireland, the Netherlands and France, was "particularly vulnerable" to a further house price correction.

Source: <http://business.timesonline.co.uk>

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Mick McCafferty  
BEng(Hons)  
514 432 4986  
[mick@britclub.ca](mailto:mick@britclub.ca)

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## Immigration has reduced jobs for Britons

Since 2004, when citizens of eight central and eastern European countries were given the right to work in Britain, the number of UK-born people working here has fallen by 500,000, from 24.4 million to 23.9 million.

Over the period, the number of migrants in work, including people born abroad but now naturalised as British citizens, rose by 1.1 million - to 3.3 million. They now make up one in eight of the workforce.

The figures, from the Office for National Statistics (ONS), provide the strongest evidence yet that Britons have lost their jobs to immigrants, says a leading expert on immigration.

The data emerged too late to be considered by the House of Lords economic affairs committee, which reported last week on the impact of immigration on the British economy. In their report, the peers found while immigration had an overall positive impact, the benefit to the average citizen was marginal. However, the report found no firm evidence that immigration had created unemployment.

The ONS figures, released by the Treasury in response to a parliamentary question, show that between 2001 and 2007 the number of UK-born British nationals in employment fell by 495,000. Most of the decline came after 2004.

The claim will fuel a political row over the prospects for a generation referred to as "Neets" (not in education, employment or training).

Other explanations for the decline in the number of UK-born workers include a rise in emigration to countries such as Canada and a growing trend for young adults to stay on in higher education instead of moving straight into the labour market at 16 or 18.

Over the same period, according to the ONS, the number of foreign-born naturalised Britons with jobs rose by 248,000; the number of eastern Europeans with jobs rose by 381,000; and the number of other foreign nationals with jobs rose by 480,000. The net result was a rise in employment of just over 600,000.

The former cabinet minister Clare Short commented that the Government had made a "very big mistake" in allowing large-scale immigration from eastern Europe. Speaking on BBC1's Question Time, she said: "It [immigration] does squeeze down wages at the lower end of the labour market and it pushes young people out of the labour market."

Source: <http://www.telegraph.co.uk> (Have your say send your thoughts to [mick@britclub.ca](mailto:mick@britclub.ca))

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## Britain is suffering from an epidemic of family breakdowns

Britain is suffering from an epidemic of family breakdowns affecting all levels of society from the Royal family downwards, according to one of the country's most senior judges.

Mr Justice Coleridge, who presided over the preliminary divorce hearings of Sir Paul McCartney and Heather Mills, accused Gordon Brown of prioritising the abolition of plastic bags over support for families, and say the Government is "fiddling while Rome burns".

### "Family breakdown is at all levels of society - from the Royal family downwards"

"Without being in any way over-dramatic or alarmist, my prediction would be that the effects of family breakdown on the life of the nation, and ordinary people, in this country will, within the next 20 years, be as marked and as destructive as the effects of global warming. We are experiencing a period of family meltdown whose effects will be as catastrophic as the meltdown of the ice caps."

Judges are witnessing a "never-ending carnival" of human misery, and almost all of society's social ills can be traced back to the collapse in family stability, he says.

Many single mothers do a good job, but thousands of children are being raised by women who have several children by several fathers, none of whom stick around.

The judge, who has 37 years of experience of family law and is Family Division Liaison judge in the south-west legal circuit, stretching from Hampshire to Cornwall, spoke in Brighton at the annual conference of Resolution, which represents 5,000 family lawyers.

His intervention - one of the most strongly worded of its kind by a serving judge in recent years - comes as new figures show marriage levels are at their lowest since 1862, and the number of children living with a single parent has doubled in 20 years.

Source: <http://www.telegraph.co.uk>



Momesso's in St Lazare now has Setanta Sports channel as well as Rogers, TSN, FOX and the Score. It's a great place for Brits to meet and watch great live sport. They also have Bass and Guinness on tap as well as some great food. "See you there - Mick" Complex Sportif in St. Lazare. 1850 rue des Loisirs, St. Lazare, Quebec, J7T 3B4. (450) 424-7797.

**FA Cup Final – 10am May 17<sup>th</sup> 2008 – Cardiff v Portsmouth**

## Finance

Have you filed your tax returns yet? If you are expect to have tax owing the deadline for individuals is 30<sup>th</sup> April 2008. Before you file take a look at our tax tips:

### **1. Charitable donations: One spouse should claim all the family donations**

The federal tax credit for donations is available in two stages. A low-rate credit is available on the first \$200 of donations made in the year and a high-rate credit is available on the remainder. Spouses and common-law partners can claim donations with respect to one another—therefore, it makes sense for only one spouse to claim all of the family donations. A tax saving results because the low-rate credit is only used once.

### **2. Medical expenses: The lower-income spouse should claim all medical expenses**

The lower your net income, the more you can claim in eligible medical expenses. Because one spouse or common-law partner can claim medical expenses on behalf of the entire family, claim all expenses in the lower-income spouse's return.

### **3. Business owners: Ensure you benefit from the many available deductions**

As a self-employed individual, ensure that you have taken advantage of all available deductions, including automobile expenses, parking, business association fees, home office expenses (if you qualify), entertainment, convention expenses (a maximum of two per year), cell phone, depreciation on your computer and salaries paid to assistants, including family members. In most cases you can deduct private health-care premiums as a business expense instead of a medical expense and one-half of CPP paid in respect of self-employed earnings is deductible instead of creditable.

### **4. Old receipts: Certain deductions can be carried forward beyond the year incurred**

In sorting through your papers, you might stumble across older receipts you think are garbage, but that actually still have value in your 2005 return. Charitable donations can be carried forward and used in any of the five years after the year the gift is made. Medical expense receipts can be claimed for any 12-month period that ends in that year if they have not been claimed previously.

### **5. Moving expenses: the cost of travel, meals and lodgings if you moved to a new job or went away to school can be claimed**

If you moved during 2005 to start a new job, a new business or go to university or college, you might be able to claim expenses relating to the move. In addition to the actual cost of moving your personal effects, you can claim travel costs, including meals and lodging while en route.

### **6. Tax returns for kids—Filing a return for children establishes room for RRSP contributions for future years**

It is often not necessary for your children to file a tax return, but in many cases it makes sense to do so. If they had part-time jobs or have been paid for various small jobs, such as baby-sitting or snow removal, by filing a tax return they report earned income and thus establish contribution room for making RRSP contributions. Contributions can be made in any future year.

### **7. Business investment losses: Money lost investing in a small business corporation may be claimed**

If you've invested money in a small business corporation, perhaps to help a friend or family member get started, and all you have to show for it are shares or a note of a worthless corporation, you may be able to claim a loss on the invested funds. This loss, referred to as a "business investment loss," is like a capital loss in that only one-half is deductible; unlike a capital loss, however, it can be claimed against any income in the year, not just capital gains.

### **8. Capital losses: Carry them back**

Capital losses can only be applied against capital gains—and if you have a net capital loss for the year, it can be carried back three years and/or carried forward indefinitely, to be applied against capital

gains realized in those years. If you realized a net capital loss in 2005 and have realized net gains in any of 2002-2004, file a form T1A to carry the loss back to those years and recover the related tax.

## 9. Go digital: Use tax preparation software to save time and maximize deductions

There are a number of inexpensive income-tax software packages you can use to prepare your return. These programs often provide step-by-step instruction and helpful tax-filing hints based on the information you input.

## 10. E-file: Electronic filing is as much as three times as fast as submitting a hard copy

Electronically filed returns are generally quicker and easier to prepare and are less prone to mechanical errors. The processing time of electronically filed returns is substantially shorter than that associated with paper returns. If you are getting a tax refund, you can expect it within two weeks if you file electronically (as opposed to six to eight weeks for a paper return). Electronic filing options include Netfile, Efile and Telefile. In order to Netfile, you will have to use approved tax-return software. Alternatively, you can have your return filed electronically by using an approved Efile agent who will charge a fee for this service. Telefile is available for simple returns.

Britclub.ca now offer a tax preparation service see below.

## Great money-saving tips

- **Pay yourself first.** One of the best money-saving tips there is. You work for you so pay yourself before you pay for other things.
- **Buy inexpensive alternatives.** Do you need the \$4 coffee every day? Twice a day? Or will the free coffee at the office do the same job? One of the easiest ways to save money is to look for little ways to cut costs. Why not brown bag your lunch? Small savings really add up!
- **Curb impulse spending.** No one likes a budget, but everyone likes to get the things they really want. Give yourself a fixed amount each month for variable expenses like entertainment and stick to it. A large part of what you could save each month is spent impulsively. Before you buy, ask yourself, "Do I really need this?"
- **Be patient.** Everything goes on sale. Wait a month or two. The difference between what you pay now and what you pay later could be significant and that puts more money in your HSBC Direct Savings Account™.
- **Keep an eye on your dream.** Tape a photo of that dream vacation to the corkboard at work. It's easier to say no to a mid-mid afternoon latté when you've got a reminder of why you're saving.

### **\*\*\*New Financial Services Offered by the BritClub.ca\*\*\***

We are constantly enhancing and improving our services. Our qualified professionals are waiting to help you with:

- **Tax preparation, advice and planning** - for British ex-pats and new immigrants
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- Future Prosperity - RRSPs, Mutual Funds and Investments
- Need a second opinion - Financial "Health Checks"
- Transfer of UK private pensions to Canada

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## Other News & Events

### Blizzard Britain

Blizzards swept across Britain on the first Sunday in April, leaving one motorist dead and a trail of travel chaos. A 4in blanket of snow covered much of the country – the most seen in April for 19 years. Temperatures hit a 2008 high of 18.9C the previous Thursday as spring finally arrived. But they soon plummeted back to zero as winter returned with a vengeance.

A man in his 20s died after his Peugeot car skidded off an icy road and hit a tree before plunging into a river.

Brave passers-by jumped into the freezing River Gade and managed to pull a female passenger to safety, but the driver was pronounced dead at the scene off the A4146 in Hemel Hempstead, Herts.

Minor accidents were reported right across the country. Parts of the M56 near Warrington, Cheshire, had to be shut after a series of crashes.

More than 100 flights were cancelled at both Heathrow and Gatwick Airports as staff worked to clear snow from the runways.

A British ex-pat living Montreal, Quebec was reported to say "Welcome to my World!"

<http://www.dailystar.co.uk>

### British Airways cancels 126 flights

British Airways said it had cancelled 126 flights due to have flown to and from London Heathrow because of heavy snowfall and persistent problems with the airport's new terminal.

A BA spokeswoman said 114 flights had been cancelled because of snow and 12 owing to computer glitches at the recently opened Terminal 5.

<http://www.news.com.au>

### Alberta's British bobby invasion surpasses expectations

What started as a simple made-in-Alberta plan to poach foreign coppers to fill massive job vacancies sparked something of a British bobby invasion. But now that expat officers account for roughly 10 per cent of Calgary's police service, forces in the provinces want to slow down foreign recruiting programs and instead redouble efforts to find more home-grown talent.

Desperate for recruits, Edmonton and Calgary police services have been aggressively wooing experienced officers from the United Kingdom and beyond. It has been as simple as offering the lure of a sunnier, quieter existence compared with the dreary weather, regular clashes with football hooligans and ceaseless terrorist threats faced by such forces as London's Metropolitan Police.

<http://canadianpress.google.com>

### Canada's killing of seals angers British MP

The commercial seal hunt currently taking place in Canada is "unacceptable cruelty" and should be stopped.

That is according to Charlotte Atkins, the local MP for Biddulph, Cheshire who has voiced her concerns over the hunting, which began on March 28th and will result in the deaths of over 750,000 seals.

Ms Atkins welcomed the government's pledge to push for a ban on the trade of seal-fur products but believes that the EU may find a way around it, should a ban be enforced.

The MP is planning to write to the Canadian High Commissioner in protest at the country's cull of young seals, [thischeshire.co.uk](http://thischeshire.co.uk) reports. Ms Atkins is also going to write to

trade minister Gareth Thomas, asking for an immediate ban on seal products being imported into the UK.

<http://www.iar.org.uk/>

### Briton travelled from South Africa to lead airline bomb plot

A British prosecutor said Monday that one of eight men accused of a plot to blow up seven passenger planes had travelled from South Africa to Britain to lead the group and was "no ordinary foot soldier." Prosecutor Peter Wright, speaking at a court in London, said Mohammed Gulzar, 26, took a flight to Britain in July 2006 while the other men in the group were working out the details of their plan to destroy planes leaving Heathrow Airport.

"Mr. Gulzar was no ordinary foot soldier," Wright said. "He was a major figure within this plot."

Details of the inner workings of the group are being revealed in the case, which began Thursday at the Woolwich Crown Court.

The eight, all Britons, are on trial to face charges they had plotted to blow up seven flights from London to the U.S. and Canada at the height of the summer vacation season in 2006.

The planes targeted by the alleged bombers were headed for Montreal, Toronto, New York City, Washington, D.C., and San Francisco. The Canadian planes allegedly targeted were Air Canada flights.

The court the men planned to carry small bombs in plastic drink containers on board the planes. The bombs were to be made with liquid explosives using a hydrogen peroxide base.

<http://www.cbc.ca/>

## *And Finally*

### **Bill 101 - The best thing since sliced bread!**

The Charter of the French Language, an important statute adopted by the Quebec National Assembly in 1977, is popularly known as "Bill 101" from its designation on the order paper when it was first introduced by the Parti Québécois government.

The Parti Québécois therefore deserve a huge "Pat on the back" for giving us, the British Immigrant, the opportunity to learn the French language for **FREE**. There is a saying, "You get nothing for nothing in this life". Not true! Come to Quebec and you get to learn French for **FREE**. Simply register you kids with a French school and they bend over backwards to help them speak French. Once more, this is at the same time as learning all the other subjects required for a well rounded education.

Let's think about it. I have three children and they all attend French schools. Each receives around 5 hours tuition in French per day plus extra French called "Frenchisation". However, let's say five hours a day. Now, private French lesson cost anywhere between \$20 to \$40 per hour so let's take the average \$30 per hour. So that's a saving of  $5 \times 30 \times 3 = \$450$  per day.

The school year is about 35 weeks per year multiplied by 5 days a week is 175 days. So each year my kids attend a French school I am saving \$78,750 on tuition fees.

My eldest must do three years in the French system before he can revert back to the English CEGEP system. My other son has to do seven years and my daughter nine years. Altogether this is 19 years and 19 multiplied by \$78,750 is \$1,496,250.

And that's not all. My kids are surrounded by kids from Québécois families and are immersed into the culture. At home we teach them all about British culture and at school they learn about Québécois culture and the TV and Anglophone friends teach them about Canadian culture.

All in all they will be well armed for the future; bilingual, able to relate to others from different cultural groups and empowered.

"Empowered?" I hear you say.

Bill 101 makes it even easier for my kids by forbidding francophone families from attending English schools. Therefore many do not learn to speak English. When my kids go for job interviews in the future their chances of getting the job are much greater. Even with Bill 101 in place since 1977 it is widely recognised that, to get on in business, English is essential. My kids will be bilingual, the Québécois kids won't - simple as that.

I would like to personally thank the Parti Québécois, the separatist factions in Quebec, the Canadian Federal Government (For being gutless and for turning a blind eye) and anyone else who supports the Bill for **empowering** my kids and saving me **\$1,496,250**.

-Ed

*(Have your say send your thoughts to [mick@britclub.ca](mailto:mick@britclub.ca))*

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## **Westwood High School Girl's Rugby Team**

*There are a group of girl's at Westwood High School that love to play Rugby. They need knowledgeable and willing volunteers to coach them and help them to raise the standard of their game. If you can spare a little time to pass on your knowledge of Rugby to the girls please contact [mick@britclub.ca](mailto:mick@britclub.ca) and I'll pass on your details to them. Thank you.*