

# FINANCIAL POST

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## Even in eternity, it's location, location, location

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The last thing I want to do is move to the suburbs - every moment out there seems like an eternity.

But with real estate prices climbing over the last decade and space getting tighter in cities, that could be the last move many of us make.

There is a good argument to buy now.

I'm talking about my very last real estate move, the one that comes with the pine box.

Most people do not want to start planning for their death. My mother, upon seeing this column, will probably be spitting, to scare away the evil spirits who might read this, and knocking on wood.

There is a serious and valid financial argument for planning your burial in advance. For starters, you can lock in your costs up front and beat the inflation monster that might be lurking. Plus, you have better options of where to pick your final resting place.

"They are not running out of space [in Toronto]. But old cemeteries are closing and new ones are opening - and the new ones opening are not in the core of the city," says Michael Benjamin, president of Benjamin's Park Memorial Chapel, one of Toronto's renowned Jewish funeral homes.

"It's the old adage, location, location, location," when it comes to how much it will cost for your gravesite, he says. Prices range from \$3,000 to \$6,000.

That's why prepaying makes some sense. Not only do you lock in your costs, but the money is put in a trust and the interest accrued is tax-sheltered. The principle and interest held in the trust are then applied against the cost of your funeral and any excess cash is given back to your estate.

Funerals are not cheap. Someone on social assistance in the Toronto area gets \$2,500 toward funeral costs if they die, but that doesn't cover the true cost, Mr. Benjamin says.

Of course, in the age of credit, the industry will also let you amortize your funeral costs over 10 years if you decide to buy a package.

"We have a complete department dedicated" to people who want to pay for their funeral now, Mr. Benjamin says. As part of the package, for a one-time payment of \$485, you can add travel insurance for life - make that death.

The insurance will fly your body back from anywhere in the world. It also allows for a companion to fly. Try and get that deal from Air Canada.

Mark Halpern, a certified financial planner who runs [www.illnessprotection.com](http://www.illnessprotection.com), says he tries to encourage clients to think about estate planning.

"If you take a survey of 10 people in a room, the statistics say all 10 of them will die," he jokes, adding that most of them won't plan for the end. He has seen siblings fight over who will pay for the funeral costs of a parent.

"I have witnessed brothers actually spitting on each other. You have to plan for the inevitable. By doing that you are saving your family a tremendous amount of pain. You can save a lot of peace in your home by planning."

To me, it comes down to wanting to stay in the city. In Manhattan, space got so tight new cemeteries were banned on the island in the 1800s.

British Columbia's housing market may be crashing, but not its burial market. A centrally located cemetery in Victoria had to hold a lottery when some of its spots "came on the market" - and that was at a price of about \$20,000.

Glen Hodges, manager of city-owned Mountain View Cemetery in the heart of Vancouver, says he has not had a spot for burial since 1986, but expects to reclaim some unused spots soon. Demand will be strong for the spots, which are being dedicated for cremated remains.

His cemetery has 150,000 people buried or cremated in 102,000 burial plots. In fact, in some cemeteries in B.C., people, have been doubling up in graves for years.

Can you imagine? Who goes on top, husband or wife? That's an argument for the ages.

Dusty wallet A follow-up to last week's column on what will save you more money, a fixed rate mortgage or a variable rate mortgage. Moshe Milevsky, author of the famed study that found variable performed better than fixed 88% of the time over the last 50 years, has some new thoughts: "Now that Canadian banks have changed the rules of the variable rate mortgage business, some of the results in my 2000 study are no longer valid," Mr. Milevsky wrote in an e-mail. Starting in October, the interest on a variable rate mortgage was prime plus 100 basis points or one percentage point. It was 60-90 points below prime when Mr. Milevsky conducted his study.

"For those who are currently looking for mortgage financing - and good luck to them - I can definitely see the benefits of securing a long-term fixed rate at 5.5% versus getting prime plus 100 points."

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