

Real Estate Report

ROYAL LEPAGE
KELOWNA

DAVE
DOMELJ
and
Associates
A Name You Can Trust



House prices forecast to fall in 2011

New figures show the real estate market is cooling off across Canada, including the Okanagan with home sales down more than 30 per cent from that very high [winter] level. Prices have basically leveled at this point with disincentives to buyers including higher interest rates, tighter credit and high housing prices leading to the prediction that the number of sales in B.C. will drop by about 22,000 to about 80,000 according to the Canadian Real Estate Association which forecast Wednesday that home prices will fall in 2010/2011. A slowdown in Ontario and British Columbia, the two largest housing markets in the country, will drag the national average down. "Canada is widely believed to be entering a typical demand-driven downturn due to recent price increases and rising interest rates,"

CREA chief economist Gregory Klump said, causing forecast sales activity to slow. CREA now forecasts that 490,600 homes will be sold on its Multiple Listings Service this year, much lower than the original forecasting for 2010. In 2011, an 8.5 per cent drop to 448,700 is expected. New mortgage rules unveiled by Finance Minister Jim Flaherty in April aimed at curbing speculation are expected to "marginally impact" activity, the agency said. Although mortgage rates are expected to rise further, a slow and measured pace expected during a new era of government spending restraint should keep home lending within reach for many homebuyers," CREA president Georges Pahud said.

National averages from our first quarter report are not particularly useful in painting a picture of the country's

neighbourhood real estate stories. House sale data from the past two year period shows tremendous variances in terms of how different cities reacted to the recession. In Vancouver and Toronto, for instance, the dramatic unit sales fluctuations exhibit a significant degree of market irrationality: inordinately fearful when faced with poorer markets; and overly enthusiastic when the tables turned. Montreal is an example of a city where the market has been much more stable and homeowners there seem quite happy with the relatively slow pace of change. Even in our most frenzied pockets of market activity, the inevitable rise in interest rates coupled with home price appreciation will rein in demand as affordability erodes. Expect house prices to continue to rise, but the rate of appreciation should ebb steadily, month by month, throughout the remainder of the year, as balance returns to the industry.

Summary of Residential Sales Year to Date

Sales by Type Year to Date

Price Range	2010	2009	Type	2010	2009
\$0 to \$200,000	5	3	Acreage	20	7
\$200,001 to \$240,000	7	9	Acreage/House	45	27
\$240,001 to \$280,000	19	15	Acreage (Waterfront)	3	1
\$280,001 to \$320,000	30	44	Business	9	5
\$320,001 to \$360,000	87	95	Townhouse	247	164
\$360,001 to \$400,000	126	107	Condo	329	243
\$400,001 to \$440,000	132	86	Duplex	42	31
\$440,001 to \$480,000	106	60	Farms	8	5
\$480,001 to \$520,000	89	68	IC & I	59	38
\$520,001 to \$560,000	73	34	IC & Lands	1	0
\$560,001 to \$600,000	42	31	Lots	86	21
\$600,001 to \$999,999	115	60	Leases	24	24
\$1 Million and over	17	3	Lots (Waterfront)	0	0
			Multi-Family	1	0
			Multi Plex	3	2
			Mobile Homes	94	57
			Recreational	3	2
			Residential	849	620
			Residential (waterfront)	8	6
			Timeshares	0	0
			TOTAL	1800	1224

ACTIVE LISTINGS

Res.	Mobiles	Strata	Lots
1831	217	1195	667

If you are thinking of buying or selling please give us a call... 250-717-2214



A Few More Real Estate Stats!

Average House Price in May 10:	\$509,472
Median House Price in May 10:	\$460,000
Houses listed last month:	528
Lakeshore homes sold last month:	0
Mobile Home Price:	\$110,427
\$ value of sales in May 10:	\$158,468,080
\$ value of sales in May 09:	\$157,359,232

How you find a great real estate agent:

Helping you is what we do.



**ROYAL LEPAGE:
BREAKING RECORDS TO
BREAK THE CYCLE OF
VIOLENCE.**

Thanks to your support on Saturday May 15th Royal LePage Kelowna raised over \$3,500 between the Kelowna and West Kelowna garage sale locations. Nationally over 120 Royal LePage offices hosted record breaking garage sales in support of the Royal LePage Shelter Foundation, raising more than \$300,000 to end violence against women and children in communities across Canada. In 2009, the National Garage Sale For Shelter raised \$120,000.

DAVE
DOMEIJ *and Associates*
A Name You Can Trust



CMHC REPORTS
Kelowna area housing starts and sales of existing homes will move higher in 2010. Expect demand for both new and existing homes to pick up as the BC and Canadian economies record stronger growth.



**JASON
DOMEIJ**
Licensed
Representative



**BRUCE
DOUGALL**
Licensed
Representative



**SHERRILL
SCHOOLER**
Office
Manager

Royal LePage Kelowna
1 - 1890 Cooper Road
Kelowna, B.C V1Y 8B7

Direct 250-717-2214
1-888-238-SOLD (7653)
Fax 250-717-2252

daved@davedomeij.com
www.davedomeij.com



Dave Domeij and Associates are a team of highly experienced professionals led by Dave Domeij; a residential real estate specialist with over 35 years of experience in the Kelowna area.

Whether first time buyer or executive lakeshore client, the Dave Domeij & Associates team delivers top quality service and first class representation — for all of your real estate needs.