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Market Update

Foreclosures - Are They a Good Deal?

Foreclosure sales quite often are thought to be really good deals, but are they?

Depending on your current situation, a sale on a foreclosure might be the right fit for you, but it is important to understand how the process works so that you can decide.

When a homeowner defaults on their mortgage here in Canada, the lender will commence the process that will result in a court ordered sale. Foreclosure proceedings must be commenced by a petition that sets out the relief sought and then sets out the factual basis for the relief, once the petition is served to all parties whose interests may be affected by the proceedings such as any registered owners, co-signers, 2nd mortgage holders etc.

Lenders then request an Order Nisi from the court; this order when granted commences a time frame where the owners can pay out the mortgage and retain ownership of the real estate in question. This is called the redemption period and the Supreme Court of BC has consistently stated that the usual redemption period is 6 months and that shortening this period is a matter of sound judicial discretion. During this period, the owner may continue to live in the property and cannot be made to leave except in exceptional circumstances. Technically, the property can be sold during this period, but the foreclosed upon owners could still payout the mortgage and regain control of the property.

Upon Expiry of the redemption period, lenders usually put the property up for sale with a Real Estate company via a Lawyer who is acting for the lenders. This is the time the property is made available to the public for a court ordered sale. Foreclosure sales have some very important cautions that all buyers need to know and understand. It is very important to have an REALTOR® that understands the process as it is different from your standard purchase. Foreclosure sales are generally on an "as is where is basis" and there is no guarantee as to condition on possession date, plus appliances and other chattels are not included. Oh, and there is no guarantee your offer will be the winning offer.

So, is a foreclosure sale right for you?

ACTIVE LISTINGS

Res.	Mobiles	Strata	Lots
1524	229	1438	572

Residential Sales by Price Year to Date

PRICE RANGE	2011	2010
\$0 to \$200,000	2	3
\$200,001 to \$240,000	9	5
\$240,001 to \$280,000	11	13
\$280,001 to \$320,000	31	15
\$320,001 to \$360,000	50	56
\$360,001 to \$400,000	62	70
\$400,001 to \$440,000	64	77
\$440,001 to \$480,000	36	59
\$480,001 to \$520,000	40	37
\$520,001 to \$560,000	31	35
\$560,001 to \$600,000	14	16
\$600,001 to \$999,999	47	65
\$1 Million and over	7	3

Summary of Residential Sales Year to Date

TYPE	2011	2010
Acreage	7	10
Acreage/House	21	25
Acreage (Waterfront)	0	2
Business	6	7
Townhouse	106	130
Condo	147	174
Duplex	12	21
Farms	1	4
IC & I	15	29
IC & Lands	1	1
Lots	26	52
Leases	7	6
Lots (Waterfront)	1	0
Multi-Family	0	0
Multi Plex	2	1
Mobile Homes	41	53
Recreational	1	4
Residential	404	453
Residential (waterfront)	8	7
Timeshares	0	0
TOTAL	806	979

National Garage Sale for Shelter
Saturday, May 14th, 2011
from 9 - 3

Orchard Park Plaza (Kelowna)
Westbank Towne Center (West Kelowna)

Royal LePage Kelowna and West Kelowna will be hosting a GARAGE SALE. Please donate and repurpose your gently used items — pick up service available if needed, call your REALTOR® or 250-717-2218.

Monday to Friday 10 - 3
Royal LePage Kelowna
1-1890 Cooper Road

Royal LePage West Kelowna
11-2475 Dobbins Road

All proceeds donated to the Shelter Foundation.
Kelowna Women's Shelter and Kelowna Women's Resource Centre.
Call 250-717-2218 for details or visit www.royallepage.ca/shelter.

If you are thinking of
BUYING or SELLING
please give me a call.

A Few More Real Estate Stats

Average House Price Last month \$ 486,609
Median House Price in Last month \$ 433,750
Number of houses listed last month: 478
Number of lakeshore homes sold last month: 1
Average Mobile Home Price: \$ 83,519
Dollar value of sales last mth 2011 \$129,339,844
Dollar value of sales last mth 2010: \$ 150,511,796

Helping you is what we do.™

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K E L O W N A
Ungaro Albrecht

This newsletter is NOT intended to solicit properties that are currently listed for sale, or to induce the breach of any contract.