

May 2011

UNGARO ALBRECHT

Broker & Sales Agents

Joe Ungaro
250-317-1819

Terry Albrecht
250-862-6554

Market Update

Mortgage Rate Outlook

Mortgage rates have thus far evolved in-line with our December 2010 forecast, with the 5-year fixed rate reaching 5.44 per cent and the 1-year rate hitting 3.50 per cent in mid-February. Mortgage spreads (the difference between a fixed mortgage rate and the yield on Government of Canada bonds) have returned to historically normal levels and we expect these spreads to remain fairly stable in subsequent quarters. Therefore, the path of future mortgage rates will be largely determined by changes in government bond yields, which have moved significantly higher in recent months but are currently being pushed lower by world events. We anticipate that, barring a growth depressing and sustained rise in oil prices, yields will move gradually higher throughout the year as markets price in improving economic conditions and higher inflation expectations. Rising yields will in turn lead to higher mortgage rates, likely in the realm of 4.35 per cent for a 1-year and 5.90 per cent for a five-year fixed rate mortgage by the end of the year. Sentiment about the US economic outlook has improved dramatically in the two months since our last forecast. This is very good news for the Canadian economy and also very good timing as the economy is likely to face some headwinds in 2011 from potential consumer restraint, exchange rate pressure on exports and slowing residential construction. However, the increasingly positive economic outlook is already in danger of being swept aside by a looming crisis in the Middle-East and North Africa (MENA) region that is threatening spill-over to global markets and Canadian interest rates.

Residential Sales by Price Year to Date

PRICE RANGE	2011	2010
\$0 to \$200,000	3	5
\$200,001 to \$240,000	12	5
\$240,001 to \$280,000	14	16
\$280,001 to \$320,000	39	22
\$320,001 to \$360,000	65	72
\$360,001 to \$400,000	85	98
\$400,001 to \$440,000	91	107
\$440,001 to \$480,000	54	84
\$480,001 to \$520,000	50	64
\$520,001 to \$560,000	51	59
\$560,001 to \$600,000	20	28
\$600,001 to \$999,999	64	91
\$1 Million and over	12	10

Summary of Residential Sales Year to Date

TYPE	2011	2010
Acreage	7	18
Acreage/House	30	36
Acreage (Waterfront)	0	2
Business	6	8
Townhouse	147	185
Condo	195	262
Duplex	16	36
Farms	1	7
IC & I	41	54
IC & Lands	2	1
Lots	38	71
Leases	11	10
Lots (Waterfront)	1	0
Multi-Family	1	0
Multi Plex	2	3
Mobile Homes	66	72
Recreational	2	4
Residential	550	660
Residential (waterfront)	8	8
Timeshares	0	0
TOTAL	1115	1418

National Garage Sale for Shelter
Thank you to our sponsors who helped us raise over \$12,000!

National Garage Sale for Shelter
Thank you to our sponsors who helped us raise over \$12,000!

KidsCare
chop STEAKHOUSE BAR
ACCESS Signs
LendingMax
FORRELL LAW
GORD TURNER RENOVATIONS LTD
TERRY MOORE Mortgage Consultant
Atlas Canada
AMJ CAMPBELL VAN LINES
BigSteelBox.com
APM Associated Property Management (2001) Ltd.
AMERISPEX
news
TD Canada Trust
ADVANCE COMMISSION COMPANY OF CANADA
ROYAL LEPAGE KELLOWA

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

A Few More Real Estate Stats

Average House Price Last month \$ 477,652
 Median House Price in Last month \$ 434,500
 Number of houses listed last month: 448
 Number of lakeshore homes sold last month: 0
 Average Mobile Home Price: \$ 94,550
 Dollar value of sales last mth 2011 \$109,937,137
 Dollar value of sales last mth 2010: \$178,621,517

Helping you is what we do.™



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

ACTIVE LISTINGS

Res.	Mobiles	Strata	Lots
1627	240	1496	586

This newsletter is not intended to solicit properties that are currently listed for sale, or to induce the breach of any contract. Should you not want this publication please call me at 1-800-421-3214.