

March 2011

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Market Update

The last 10 years have seen a spectacular boost in home equity in Canada. More than half of the increase in Canadians' net worth since 2000 has been from home equity. The wealth of homeowners has been growing in recent years, while that of renter households has declined, according to Canada Mortgage and Housing Corp. (CMHC). But household debt is also rising at a pace faster than disposable incomes, and that is causing some concern. While low interest rates have been great for the housing market, and while the government's stimulus program to encourage renovation had its desired effect and kept contractors very busy, now Canadians have to pay their debts.

Recently the Vanier Institute of the Family, an Ottawa-based research and educational organization, warned that Canadian's debt-to-income ratio has been steadily climbing for the last 20 years, and the number of households that have fallen behind in their mortgage payments by three or more months is up nearly 50 per cent since the beginning of the 2008 recession.

The federal government has reacted to rising debt levels by tightening mortgage lending requirements, including the elimination of amortization periods longer than 30 years. The renovation subsidy program has also expired. While critics suggest that Canada's banks are guilty of promoting over-spending in the first place, a report from TD Economics says that "despite rising indebtedness, the falling cost of borrowing has been pulling down the share of income households have been shelling out to service obligations. Low interest rates have also helped to keep a lid on the share of vulnerable households in recent years."

The TD report says, "We do not believe that there is a household financial crisis in the making in any region. In particular, the stage appears to be set for a moderation in the pace of household debt growth. A combination of higher interest rates and recently announced changes to borrowing rules...should act to keep housing market conditions in check going forward."

Residential Sales by Price Year to Date

PRICE RANGE	2011	2010
\$0 to \$200,000	1	2
\$200,001 to \$240,000	6	4
\$240,001 to \$280,000	5	6
\$280,001 to \$320,000	18	8
\$320,001 to \$360,000	29	33
\$360,001 to \$400,000	41	42
\$400,001 to \$440,000	35	45
\$440,001 to \$480,000	14	31
\$480,001 to \$520,000	20	24
\$520,001 to \$560,000	19	24
\$560,001 to \$600,000	10	9
\$600,001 to \$999,999	20	41
\$1 Million and over	2	2

Summary of Residential Sales Year to Date

TYPE	2011	2010
Acreage	6	6
Acreage/House	15	15
Acreage (Waterfront)	0	1
Business	2	5
Townhouse	54	66
Condo	88	115
Duplex	7	12
Farms	2	1
IC & I	13	33
IC & Lands	1	1
Lots	9	33
Leases	3	5
Lots (Waterfront)	0	0
Multi-Family	0	0
Multi Plex	2	1
Mobile Homes	24	31
Recreational	1	3
Residential	220	270
Residential (waterfront)	7	5
Timeshares	0	0
TOTAL	448	592

Spring Cleaning???

De-clutter for a cause and help support Royal LePage's Shelter Foundation. Your kind donations will help end the circle of violence against women and children.

We need your help to collect:

- Gently used Toys
- Kids/Infants Clothing
- Household Items
- Books/Music
- Sporting Goods/Tools

Please Donate Your Gently Used Items!
Call your REALTOR® for drop off locations and/or to make a donation.
(pick up service available if needed)

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

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

All proceeds donated to the Shelter Foundation, Kelowna Women's Shelter and Kelowna Women's Resource Centre.
Call 250.717.2258 for details or visit www.royallepage.ca/shelter

A Few More Real Estate Stats

Average House Price Last month \$ 443,360
 Median House Price in Last month \$ 422,099
 Number of houses listed last month: 435
 Number of lakeshore homes sold last month: 2
 Average Mobile Home Price: \$ 119,038
 Dollar value of sales last mth 2011 \$ 90,126,643
 Dollar value of sales last mth 2010: \$ 121,440,541

Helping you is what we do.™



ACTIVE LISTINGS

Res.	Mobiles	Strata	Lots
1391	206	1416	550

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

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