

# Okanagan's Home Team



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## Home Run Update

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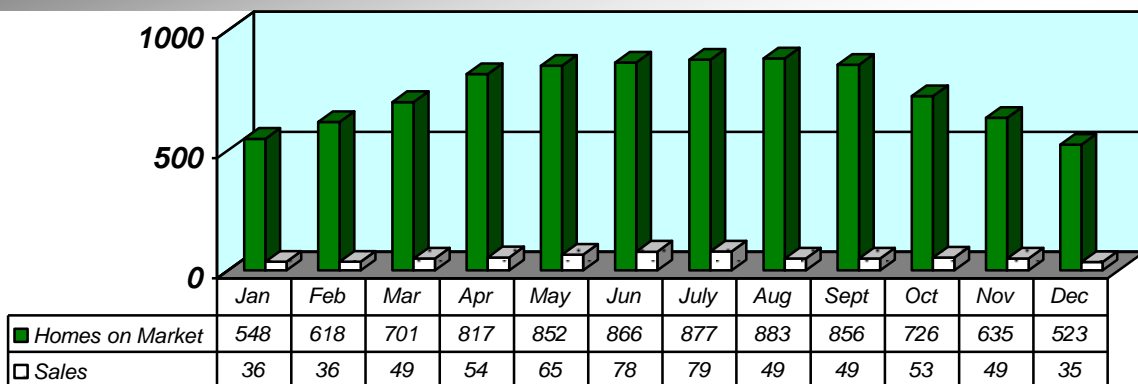


### MARKET UPDATE – 2011 IN REVIEW

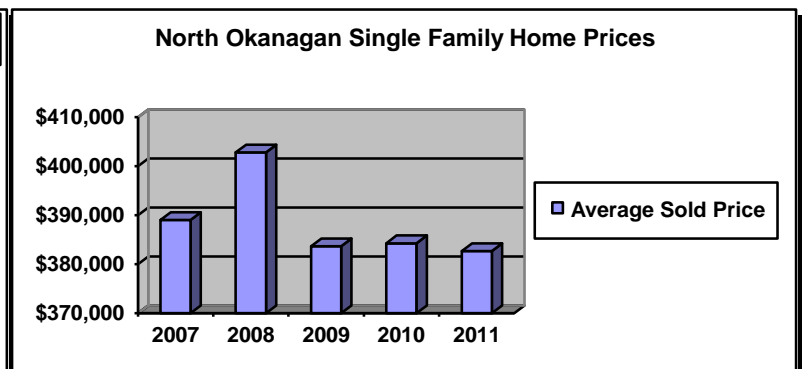
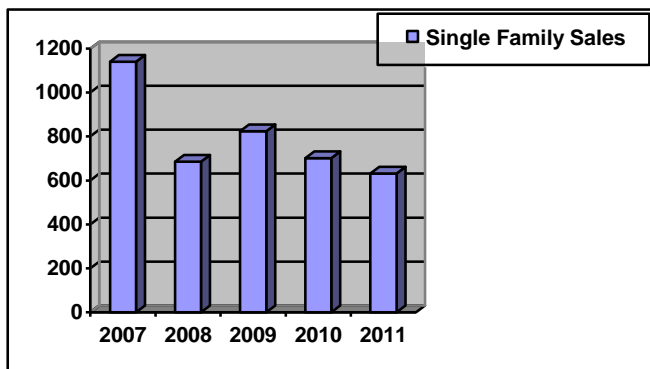
#### Single Family Homes

In 2011 there were more single family homes on the market and less sales compared to 2010. The chart below gives the reader a better idea of the monthly sales compared to the number of single family homes listed. The total number of homes on the market throughout the year remained high and never dipped below 400. The most homes on the market peaked in August at close to 900. Although that was not at the record levels of 1998; 900 single homes on the market is still a lot for the North Okanagan. The high number of homes for sale combined with the low number of monthly sales resulted in a **firm Buyer's market** throughout 2011.

North Okanagan Single Family Home Sales and Listings 2011



The **average price** of a single family home in the North Okanagan **fell by about 1% to \$382,665 in 2011** compared to 2010 (see graph below right). That is much less than anticipated considering the low number of sales this year and the high number of homes for sale. To give you some insight into the decline in sales activity this year compared to previous years please see the graph below left. It shows the total number of single family sales for each year since 2007. As you can see there were around 1150 single family sales in 2007 and then the hammer came down. There was a bit of a surge in 2009 when sales topped 820, but since then sales have declined to a low of only 632 in 2011. Essentially, sales have dropped off by almost half this year over 2007!



## Strata Homes (Townhouses and Condominiums)

Strata home sales in 2011 were below 2010 levels and resulted in a **slip in the average sale price of about 10% to \$234,090** (see chart, below right). While prices held their own between 2008 and 2010, it looks like the high number of listings and the low sales per month have taken a toll on Sellers. It was again, a **Buyer's market for strata in 2011**.

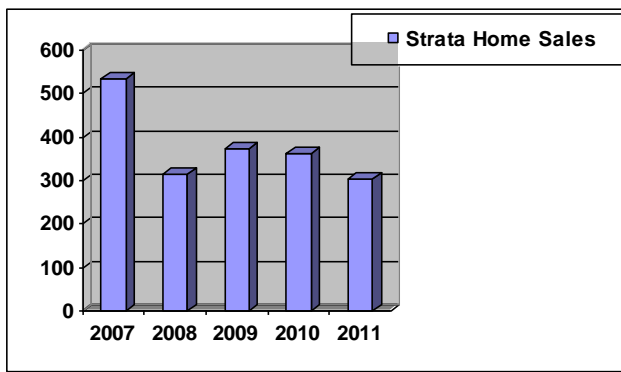
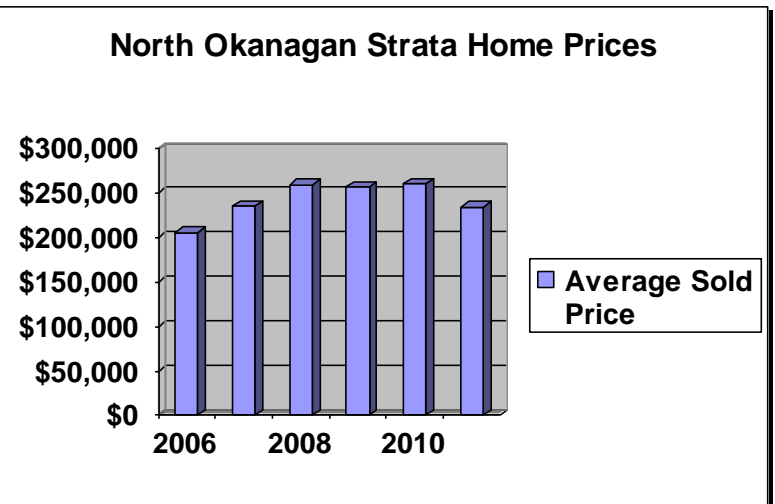
To help explain the reason for the lower prices this year, please look at the chart for the number of strata home sales per year since 2007 (below left).



### Conclusion and 2012 Prediction

It was not a

good year for sellers in 2011 with total single



family sales off 10% and total strata sales off 16% this year compared to last. The tenacity of sellers to hold onto their gains surprises me and speaks well of the view that North Okanagan Real Estate is still good value.

It was a great year for those people who bought homes, particularly strata. There were some investors who picked up large numbers of rental units for their portfolios last year. There were even some Realtors buying rental homes, which is always a good indication that it is a good time to buy!

The large number of foreclosures last year in the North Okanagan (91) is an indication that more people than in recent memory are not working enough to support their homes. While this is a large number for this community it is very small compared to the total number of homes owned. Still, high foreclosure numbers indicate lower community economic strength. When the number of foreclosures starts to decline, our housing market should begin to recover.

The CMHC predicts that in 2012:

1. Demand for new and existing homes will strengthen in 2012. Favourable mortgage interest rates coupled with stronger employment growth will support modest growth in demand for housing next year.
2. Sales of existing homes are expected to increase 11 per cent in 2012. Home buyers will continue to benefit from an ample supply of listings available for sale.
3. Expect existing home prices to edge up by three per cent as demand improves and the supply of listings is drawn down later next year.

My advice for Sellers is to make your home as attractive in price, marketing, and appearance to get the sale that you want in 2012. My advice for Buyers is to shop around and look for those gems that are out there with motivated Sellers that will negotiate for a fair price. **It is an awesome time right now to get into Real Estate ownership, particularly if you are a first time home buyer.**

## GREEN TIPS OF THE MONTH

According to the people at [www.greenandsave.com](http://www.greenandsave.com) there are definite, measurable savings to retrofitting your home with selected energy saving devices. Here are some ideas for your consideration:

Upgrade	Payback in Yrs.	Added Costs	Annual Savings	10 Year Savings	1 Year ROI
Programmable Thermostat	0.6	\$115	\$180	\$1,800	156.5%
CFL's	0.8	\$60	\$80	\$800	133.3%
Hot water heater jacket	0.8	\$25	\$30	\$300	120%
Low flow shower heads	0.9	\$180	\$300	\$3,000	111.1%
Heating system tune up	1.1	\$200	\$180	\$1,800	90%
Duct sealing	1.5	\$450	\$300	\$3,000	66.7%
ENERGY STAR dishwasher	1.5	\$20	\$13	\$130	65%
Water filter vs bottled water	1.9	\$200	\$104	\$1,040	52%
High efficiency toilets	2.0	\$50	\$25	\$250	50%
<b>Total savings and Average Payback/ROI</b>	<b>Payback Time in Years:</b>	<b>Added Costs over standard products</b>	<b>Annual Savings</b>	<b>10 year Savings</b>	<b>ROI:</b>
	<b>1.2</b>	<b>\$1,300</b>	<b>\$1,212</b>	<b>\$11,120</b>	<b>93.8%</b>

Please note that these figures are from an American source and our costs may be higher. The message, though is clear, these simple home renovations can save you money in the very short term. In the examples provided above, you can reasonably expect to get your money back in short order from the initial investment. You will also be using less energy in the long run and saving our valuable resources.

## 7 SAVINGS STRATEGIES FOR THE NEW YEAR

**Like many people today, you may find “too much month left at the end of your money”—especially after the holidays. Implementing both short- and long-term strategies to strengthen your family’s economic foundation this year makes good cents (and dollars, too!)**

1. **Don’t take your bills at face value.** Too often, we assume our credit card bills are accurate and pay them without taking a good look at the detail. It’s a smart idea to spend some time each month ensuring the itemized charges on your bills are legitimate. Many consumers find that they have been double-billed, fraudulently charged or have questionable entries—especially following the holidays. A little investigation up front can save you a lot of money in the long run.
2. **Check the fine print.** Before moving your high-interest credit card balances to one of the “all new low-interest cards” featured to save you from holiday debt, be sure to check the fine print. Many of these “deals” come with hidden clauses that escalate your interest rates astronomically if you fall behind or are late making even one payment.



3. **Know your options.** Telephone and cable companies are forever adding to and changing their service options. Routinely contact your service providers to find out what options are available to you. Eliminating services or channels you don't need could make the savings "connection" you are looking for.
4. **Look into refinancing.** With today's low interest rates, mortgage refinancing is on the rise again. Contact me or your mortgage professional to find out how you can save on your monthly mortgage while still building for your financial future.
5. **Update insurance policies.** Call your auto and homeowner's insurance agents to find out what policy changes you can make to lower your monthly debt. Raising your auto deductibles on collision to at least \$500, especially on older vehicles, may help. For mortgages, make sure you are only insuring your home, not the land, and see if raising your deductibles will help your monthly costs, as well. It's a good idea to have a credit card set aside to use only for deductible purposes on both your home and your auto.
6. **Become a savvy grocery shopper.** Even if you are not a "coupon clipper," you can save on your weekly grocery bill by planning ahead and making a list. Take some time this month to learn about the grocery stores in your area, and tap into the ones that offer great "two-for-one" specials or bonuses such as "\$10 off your next purchase of \$75 or more." Make your list, check it twice, and stock your freezer with "two-for-ones!"
7. **Do a home energy check.** Check your home for energy savers such as setting your thermostat at 71 degrees, setting your water heater to 120-140 degrees, setting your refrigerator at 38 degrees, and setting your freezer at 10 degrees. Also have your home checked for the proper insulation. A small investment in the right insulation now will save you thousands in air conditioning and heating costs over the lifetime of your home. Please see the article above for more information on energy saving updates.

**HOME OF THE MONTH – 1602 POTTERY ROAD- \$325,000 – MLS 10039046**

Here is an ideal family home that has lots of bedrooms (4), bathrooms (3), space and updated comfort. The home is located close to downtown and schools in popular East Hill. The new VSS High School is just around the corner!



There were some updates done in 2009 and the home is in very good condition. All you would have to do is move in. The flat back yard is fenced and backs onto a lovely green space for additional privacy. There is a lovely deck that affords open views to the south and west. The parking is generous with a large single car garage and more parking in the driveway. Call Greg at 250-503-3758 to have a great tour of this fantastic home!



**OH BY THE WAY, I AM NEVER TOO BUSY FOR ANY OF YOUR REFFERALS!**



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