

2006 OFF AND RUNNING

Perhaps it is the mild winter we are enjoying that is the cause or perhaps it is the buoyant economy but in spite of the diversion a federal election usually causes, the real estate business seems to be off to a brisk start.

Quoting from a bulletin recently released to it's members by the Canadian Real Estate Association "Resale housing activity in Canada's major markets began 2006 on a strong note. According to statistics released by CREA seasonally adjusted home sales via the Multiple Listing Service in Canada's major markets totaled 28,840 units in January 2006, up 3.1 percent compared to December. This is the highest monthly level posted since September 2005 and is just 2.4 percent below the highest monthly level on record, which was reached last August."

Locally, we had 69 residential units sell in January 2006 as compared with 62 the previous year. This shows a noticeable increase in this category. But, perhaps the real news here is that last January the number of listings of all types of real estate was 1139 and this year it is only 1025. While the number of residential listings rose from 257 in January 2005 to 297 in January 2006, the overall inventory is definitely down.

I would be surprised to see prices increase as much in 2006 as 2005 because of the slight increase in mortgage rates, but I think values will go up some. Remember this is the magical, sunny Okanagan and property here is likely to be in high demand for the next several years.

If you are a buyer and you have been actively looking for the last few months but are still waiting for just the right property to come onto the marketplace, please be aware this is not likely the time to procrastinate. If you ease up on your desired criteria and accept a property that is roughly what you want, rather than exactly what you want, you will probably be glad you did. The reason being simply that if you buy later you will likely pay more. Most analysts are predicting 9-10 percent increase in values this year. On an average price home, say in the mid \$200's that will cost you some \$25,000 if these forecasts are correct. That is a serious amount of money, is it not?

I looked back to see the value of homes in December 2004. The average price then was \$221,548 as compared to \$284,528 in December 2005. The median price for December 2004 was \$201,000 but rose to \$249,798 by December 2005. It will be interesting to see what that value figure is by mid 2006.

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