

## RISING VALUES HERE TO STAY?

I have heard lately of a couple of homeowners who are selling their homes at a good price and then just renting. Another couple is planning on selling and taking off on several months of travel. Upon returning to Vernon they will see prices have gone up and they no longer will be able to afford to buy a home of the caliber they were expecting. That decision certainly will make their trip very expensive.

Do not put yourself in this position, even if it means buying a property that is not precisely what you want. In order to protect your finances you must buy and sell at the same time.

People ask me if this rising market is here to stay. Well, of course it is not. But, I do believe it is going to last a good while longer. Demographics still point to a strong retirement market. The baby boomers are still coming to the Okanagan in impressive numbers. That source of new buyers is not expected to change until roughly 2010 when the boomer born in 1945 retires at age 65 and the one born in 1950 turns 60.

Another major factor that I predict will influence our marketplace are high end projects like the Outback and The Rise. They have the potential to reset the benchmark here as they offer a more global appeal and will be priced accordingly. Vernon will gain a lot of recognition and publicity over these higher caliber developments.

The point I want to make is that I do not see prices levelling off or decreasing yet. It is my opinion that there is no reason for such a change.

Of course, interest rates are not a local matter. If they were to go up significantly, then it would slow sales activity in all areas including the cities and towns our buyers have been coming from. If those buyers were then unable to sell what they currently own, they could not free up their equity to buy in our area and sales would slow down.

I am not too worried about the interest rates, at least not yet. The bankers I have talked to foresee some increase coming in the next several months but fairly modest increases are in that forecast.

I can not promise that my opinions are exactly correct but I do base them on extensive local market knowledge and my confidence in the appeal of this desirable Vernon area.