

## KEEPING PERSPECTIVE

It was announced this week that short term and prime interest rates have climbed up to one quarter percent of one percent. Please don't think this is reason to panic. One quarter of one percent increase in rates changes the monthly payment on a \$200,000 mortgage only \$28.00 per month.

It is a truism that the Canadian interest rates are heavily tied to the American economy. The fact that the American election is pending should likely mean there is motivation to keep rates down. Further to that, the Iraq war and the hurricanes in Florida are big burdens on the American purse. It is my opinion that these factors are reasons why nothing too drastic will likely be happening to interest rates.

## PACE OF THE MARKET

Current sales have eased off in comparison with the number of sales this spring but that is not in the least, surprising. In the spring we had a painfully low number of available listings and an incredible number of buyers. With record low interest rates, buyers were pouring onto the marketplace, as were investors and there were simply too few homes for the number of buyers. As a result, some homes were selling in a day and multiple offers were coming in on many of the listings. Some houses were selling for asking price and some for even higher than asking price. It was all about supply and demand.

Now, sanity has returned and we are now a more normal healthy marketplace. At this time we are seeing a more realistic ratio of listed homes to the current number of buyers. Competition for sellers is more normal. So, it is not totally the seller's market we saw in the April/May marketplace.

I do not see that prices are rolling back. The price reductions I see as only corrections. Prices are being adjusted for a more stable market rather than a rapidly rising market.

Over the next few years, I still absolutely believe that the Okanagan will see strong growth. Baby boomers, most notably from the Lower Mainland and Alberta, are wanting to retire and move here. Wisely so! I think they realize the Okanagan is the very best choice they could make! Remember, we have it all. We have the lakes, the golfing, the ski hills and the weather. Every week I get calls

and e-mails from boomers looking to retire here. This is why I remain convinced the demand is real and the Vernon marketplace is one of the better places to invest in real estate in the province.