

# ANNUAL MARKET REPORT

January 2009



I hope that everyone had a great Holiday season and I wish you and your loved ones all the happiness and success in the new year.

## What the Analysts say about B.C. Real Estate for 2009

In Kamloops, I continually talk to clients regarding the local real estate market and the factors contributing to the recent downturn. There are many predictions and opinions about the market. Below I have compiled a series of analyst opinions on the BC and national real estate market which in turn directly apply to Kamloops real estate. Hopefully you will find this information useful to your search, whether you are a home buyer, seller or just looking for some clarification.

Scotiabank's senior economist Adrienne Warren says Canadian real estate prices will drop 10-15% nationally, with B.C., Alberta and Saskatchewan taking the brunt of the downturn. They predict that much of the run-up in prices seen this decade will remain intact.

Canadian Association of Accredited Mortgage Professionals (CAAMO) report states that despite the traumatic American mortgage fall out, Canada has managed to steer clear of deflated markets. The Canadian system is supported by low and steady interest rates, better underwriting processes, different products and normal



re-sale activity levels. "Canada is a financially conservative country where consumers are able to meet the terms of their mortgages and buying decisions are based on affordability," said Dunning. "This contributes to a solid real estate market that will not experience the same drop off we see south of the border."

Cameron Muir of BCREA believes BC could see an upswing in housing markets as early as spring 2009. This doesn't necessarily mean that housing prices will increase. Consumer confidence in the market is predicted to stabilize and buyers will become more active in the market place.

CMHC see a further drop of up to 9% in 2009. Home prices in Kamloops and district have fallen so far anywhere from 10% and above to date.

Ozzie Jurock sees increased activity in Spring and sales lower in 2009 and calls for us to start thinking positively.

### Other points of interest:

- Across the country, downward movement of house prices are only 3% year-over-year in the third quarter (compared with a 5 to 15% decline in the U.S.)
- Canada's housing market is also much less vulnerable given the very limited sub-prime mortgage activity (5% of outstanding mortgages compared to approximately 14% in the U.S.)

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## Kamloops and District Statistics

### Year to Date Statistics (to Dec. 31/08)

	2008	2007
Number of residential units sold	2,235	3,414
Number of new listings	5,566	4,582
Dollar value of units sold	\$686,969,213	\$941,027,244

### Monthly Statistics (to Dec. 31/08)

	2008	2007
Number of residential units sold	60	121
Number of new listings	195	145
Dollar value of units sold	\$16,369,850	\$34,930,840

Kamloops and District Median Residential Price \$315,000  
(Includes all areas in and around Kamloops)

- This does not include condominiums or mobiles

Kamloops Only Median Residential Price \$340,000

- This does not include condominiums or mobiles

Keep in mind that these numbers can be skewed by the number of high valued properties sold during any given month. There were 2 properties sold in the Kamloops and district in December that were over \$550,000. See the reverse for detailed sales.

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- Housing affordability – which had deteriorated over the past two years – will improve with the recent significant rate cuts by the Bank of Canada and softer house prices.

They all agree that consumer confidence is one of the real estate market's biggest challenge. There is a lot of uncertainty locally in Kamloops and in the world as a whole. Predictions are never certainties. There are a number of factors that affect consumer confidence and unfortunately this confidence is not only a local and national feeling but also a world wide concern.

## Residential Sales by Category for December 2009

UNDER \$40,000	2	\$320,000 TO \$359,999	8
\$40,000 TO \$79,900	1	\$360,000 TO \$399,900	7
\$80,000 TO \$119, 999	3	\$400,000 TO \$439,900	4
\$120,000 TO \$159,999	5	\$440,000 TO \$479, 999	2
\$160,000 TO \$199,999	4	\$480,000 TO \$519,999	0
\$200,000 TO \$239,999	8	\$520,000 TO 559,999	0
\$240,000 TO 279,999	8	\$560,000 TO \$599,999	0
\$280,000 TO 319,999	7	\$600,000 +	1
<b>TOTAL UNITS SOLD IN DECEMBER 2008: 60</b>			

Compared to December 2007 Sales

## Residential Sales by Category for December 2007

UNDER \$40,000	2	\$320,000 TO \$359,999	7
\$40,000 TO \$79,900	6	\$360,000 TO \$399,900	7
\$80,000 TO \$119, 999	5	\$400,000 TO \$439,900	10
\$120,000 TO \$159,999	9	\$440,000 TO \$479, 999	6
\$160,000 TO \$199,999	6	\$480,000 TO \$519,999	9
\$200,000 TO \$239,999	4	\$520,000 TO 559,999	7
\$240,000 TO 279,999	7	\$560,000 TO \$599,999	7
\$280,000 TO 319,999	5	\$600,000 +	16
<b>TOTAL UNITS SOLD IN DECEMBER 2007: 121</b>			



**Free Home Evaluations.** Are you thinking of selling or just wondering what your home is worth in this current market? I offer free home evaluations with no obligation. Call to book an appointment.

**All statistics have been acquired from the Kamloops and District Real Estate Association.**



**If you have any questions or require further market information please do not hesitate to contact me anytime.**

Opinions have been expressed in this edition of the market report and are to be taken as an opinion. Further research is always recommended when buying or selling real estate.

Not intended to solicit home owners already under contract.

## What is with this market?

This New Year brings with it a lot of uncertainty about the housing market.



The world economy is a major factor contributing to this uncertainty. In Kamloops we have seen the effects of this volatile market. Housing prices have been on a continuous decline since October 2007. We however did not begin to feel this decline until about September 2008.

Today, there are not enough buyers for the number of sellers currently trying to sell their homes. The sellers that do sell their homes typically have priced right from the beginning and did not hesitate to correct their price to suit the present market conditions.

As much as we don't want to admit it, we are strongly tied to the United States and the condition of their housing market. Fortunately for Canada, we don't have the extensive mortgage issues and ever continuing mortgage defaults. The default rate in the US is expected to get much worse before it gets any better.

There is optimism out there, with the new president coming into office in January, Americans and Canadians alike are hopeful for change and stability.

There are a lot of views out there about the future of the housing market in Kamloops and Canada in general. Some are of the view that the Spring will definitely be better than the last few months, while others in the industry believe that things will not be getting any better any time soon.

I am of the belief that we will not see the market that we experienced over the past few years for a very long time. We will be in this declining market for in my estimation until approximately mid 2010 and then we should see stability return. I am hopeful that

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## I have moved....again!

Last month I received an offer I could not refuse. Realty Executives wanted me to return to their office. I accepted their offer and as of January 1st I am back at Realty Executives.

RE/MAX was a great company to work with, but I came to realize that it really isn't the company name that will make a Realtor successful. It is the level of service and care a Realtor provides to their clients that ultimately makes clients return to that Realtor and also refer friends and family members.

I look forward to working with you in the future and if you have any real estate questions don't hesitate to contact me anytime.

If you know of anyone who would like to buy or sell real estate I have a great referral program which rewards my referring clients. I feel that it is important to thank you for referrals as I enjoy working with people much like yourself.

Have a great 2009!



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For up to date real estate information visit my blog.

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this prediction is not correct, but from studying the statistics from many major indicators, I find that we will have challenging times in the future.

On a positive note, many home owners have made an extraordinary amount of capital gains on properties purchased over the past few years, and decades. If you are considering selling your home consider these gains and price realistically. The last thing you want to do is chase the market down. Getting under the curve is the only way to go.

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