



THE REDMAN REVIEW

ISSUE 18, JANUARY 2004

Greetings from the snowy Okanagan,

Although there hasn't been much press about it, many of you are already aware of the new Privacy Legislation that came into effect in 2004. We're still trying to understand all of the implications of this new law on our industry. One of the issues still under debate is whether information about the selling price of sold properties is considered "private" and therefore, unavailable for public knowledge. This is being debated now so I'll let you know if I am able to continue to provide this service to you.

One of the key elements of this legislation is the protection of personal information. What that means to you is that any personal information shared during a real estate transaction must be protected and kept confidential (which is standard practice for me anyway). Another component of the legislation is the option of control. We are now required to provide our clients with the option of being removed from any kind of solicitation. For example, this newsletter is considered solicitation and, as such, optional. If you prefer not to receive it, simply let me know and your name will be removed from my mailing list.

Now, on a lighter note, I'd like to extend my warmest wishes to all of you and wish you a healthy, happy and very prosperous 2004.



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Previous issues of this newsletter can be found at

www.jerryredman.com

The Year in Review



Wow, what a year in real estate 2003 was! There were fewer homes sell but they sold for much more money.

The number of residential units listed in 2003 was down 2.5% over 2002. The active inventory of homes for sale was down 9.6% over 2002. The number of units sold was also down 1.1% at 2576 versus 2604 in 2002.

However, in spite of that, the value of sales was up 14.3% in 2003. The average price of a residential home in Kelowna was \$237,265 in 2003, up 15.6% over the 2002 value of \$205,334. For waterfront homes, the average price was \$714,168, up 6% over the average price of \$673,797 in 2002 .

The average number of days on the market for a residential home was 59, 118 days for a lot and 80 days for a condo.

As we approach the end of January, the market remains strong. Stay tuned for updates in the next issue of this newsletter.

| | # Units Listed | | # Units Sold | | \$ Value of Sales | | Inventory | | Average Price | |
|------------------|----------------|-------------|--------------|-------------|----------------------|----------------------|-------------|-------------|--------------------|--------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Jan | 286 | 301 | 156 | 150 | \$34,319,003 | \$28,851,300 | 663 | 808 | \$219,994 | \$192,342 |
| Feb | 316 | 298 | 180 | 212 | \$39,989,877 | \$41,333,237 | 755 | 836 | \$222,166 | \$194,968 |
| Mar | 346 | 318 | 239 | 251 | \$53,274,667 | \$48,814,087 | 778 | 836 | \$222,907 | \$194,478 |
| Apr | 319 | 388 | 241 | 292 | \$56,348,923 | \$57,900,426 | 828 | 848 | \$233,813 | \$198,289 |
| May | 319 | 361 | 241 | 283 | \$53,553,844 | \$58,605,299 | 819 | 841 | \$222,215 | \$207,086 |
| Jun | 325 | 321 | 281 | 234 | \$67,247,770 | \$49,268,651 | 794 | 861 | \$239,316 | \$210,550 |
| Jul | 348 | 340 | 291 | 245 | \$67,247,770 | \$51,556,875 | 751 | 831 | \$234,124 | \$210,436 |
| Aug | 284 | 318 | 213 | 216 | \$52,278,853 | \$43,369,114 | 714 | 829 | \$245,441 | \$200,783 |
| Sept | 282 | 283 | 223 | 217 | \$52,668,896 | \$45,791,059 | 676 | 790 | \$236,183 | \$211,019 |
| Oct | 316 | 295 | 205 | 210 | \$54,174,472 | \$43,714,149 | 692 | 744 | \$264,266 | \$208,163 |
| Nov | 212 | 228 | 160 | 177 | \$39,148,032 | \$38,454,966 | 616 | 698 | \$244,675 | \$217,260 |
| Dec | 165 | 159 | 146 | 117 | \$38,264,416 | \$25,579,880 | 541 | 625 | \$262,085 | \$218,631 |
| YTD Total | 3518 | 3610 | 2576 | 2604 | \$608,516,523 | \$533,239,043 | 8627 | 9547 | \$2,847,185 | \$2,464,005 |

Favourite Family Recipes

With Valentine's Day less than 2 weeks away, I thought I'd share our favourite chocolate fondue recipe for all those guys out there looking for a special way to spend a quiet evening with that special someone in your life (and bank enough brownie points to last the rest of the year). We all know that the way to a woman's heart is with romance and thoughtfulness but I've learned that chocolate is a short cut.

TOBLERONE DARK CHOCOLATE HONEY-ALMOND FONDUE

- 6 TB Whipping cream
- 1 TB Honey
- 2 3.52 oz. bars Toblerone bittersweet chocolate or 7 ounces semi sweet chocolate, chopped (we actually use the regular Toblerone milk chocolate bars and it's awesome)
- 1 TB Kirsch (clear cherry brandy)
- 1/4 tsp Almond extract



Bring cream and honey to a simmer in heavy medium sauce pan. Add chocolate. Whisk until melted. Remove from heat. Whisk in Kirsch and extract. Pour fondue into bowl or double boiler; place on platter. Surround with a selection of fruit. Serve with skewers. We made this on Christmas Eve this year and added biscotti for dipping. It was awesome. This serves 4—6 and, believe me, the leftovers won't go to waste. My wife ate these leftovers for almost a week following the fondue. That's a lot of mileage guys. Here's your opportunity.

Have yourselves a very Happy Valentine's Day.

Mortgage Rate Dilemma



This is an article that was sponsored by ManuLife Financial showing the benefits of choosing floating rate mortgages or secured lines of credit as opposed to locking in 5 year rates, no matter how tempting they seem. At the time of printing, ManuLife was lending up to 90% with a secured line of credit and their Variable Rate Mortgage was Prime less .7%, which, at the time, was 3.8%.....

Historically, consumers would have been better off with prime rate vs. 5-year fixed rates and could have saved an average of \$22,000 on a \$100,000 mortgage. A comprehensive mortgage study that compares prime (floating) versus fixed interest rates brings helpful advice to the thousands of consumers who plan to purchase or refinance a home this year. They are more likely to be better off financing a mortgage with a short-term floating interest rate compared to a long-term fixed rate. The report shows the benefit of a floating strategy and concludes that 88.6 per cent of the time, consumers would have saved more by borrowing at prime versus a five-year fixed rate. They also could have saved about \$22,000 in interest payments on a \$100,000 mortgage amortized over 15 years.

"The main message is quite simple," says Dr. Moshe Milevsky, Associate Professor of Finance at York University's Schulich School of Business, who completed the report for Manulife Financial with assistance from the Individual Finance and Insurance Decisions Centre (IFID) at the Fields Institute for Research in Mathematical Science.

"Long-term stability has its price. Consumers pay for mortgage stability by incurring higher interest costs in the long run. I conclude, given the track record through five decades, that the odds favour floating rate interest payments as a cheaper alternative to long-term fixed rate financing."

"Canadians are generally conservative and have a tendency to lock in to a fixed long-term rate, especially when interest rates are considered low," Dr. Milevsky said. "Moreover, consumers have a hard time quantifying the consequences of paying half a percentage point more, or less, on a mortgage over long periods of time. My advice to them is to resist the temptation to guess where interest rates might be heading, and go with the floating rate - provided they can tolerate fluctuations in monthly mortgage payments."

If you or someone you know are planning a move or a real estate investment in Kelowna or at Big White, I would be happy to help. Please call or email me with your needs.

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