
Al Christopherson Personal Real Estate Corporation

Office: 250-955-0307
Fax: 250-955-0308

3871A Squilax Anglemont Hwy, Scotch Creek, BC
VOE 1M5

www.northshuswap.com

Direct: 250-955-2188
Email: al@northshuswap.com

North Shuswap

2011 Year End Report – January 2012

For the purpose of this report the North Shuswap is defined as that part of land on the north side of Shuswap Lake between the Adams River Bridge and the end of the pavement in St. Ives.

Introduction

As most of you know I tend to be blunt and to the point ... no flowers, just the facts. My clients like that about me and this Yearend Report continues that theme. My comments are based on the best of my knowledge and my predictions are cautious. I do these studies for my own amusement but share the results with you to take as you will. If you need to know about the North Shuswap Real Estate market then I hope there is some worthwhile information for you here. I believe if you know where you have been and know where you are now you have a better understanding of where you may be going in the future. Much of this Yearend Report reads like a letter to myself because that's what it is. What I know is yours for the asking. I always look forward to your questions and comments about any of my reports.

Statistics

The Bare Lot

Buyer interest has been low for a few reasons. Many bare lots do not allow RV use and that stops many Buyers. The biggest reason for lower buyer interest is you can buy a small home or summer cottage for less than you can buy a lot and build a cottage. These reasons have caused Anglemont bare lots to suffer the most in both Buyer interest and sale prices. Lots in other villages are less affected. Buyer interest has shifted to the small cottage market and away from bare lots. Inventory of Lots continues to be high.

The Nice House

Buyer interest in the nicer home with the extra features is very low. Buyers are lowering their expectations and looking toward the smaller and low-optioned homes. Buyers have lowered their expectations and it's the nicer home that has suffered. Inventory of the nice homes is good.

The Cottage/Small Home

Interest in the under \$200,000 cottage will continue as Buyers look to see what they can buy for cash and no mortgage. In times past these Buyers would have mortgaged to buy a nicer place. Inventory of cottages continues low to medium and most of these will be found in Anglemont.

Al Christopherson Personal Real Estate Corporation

Office: 250-955-0307
Fax: 250-955-0308

3871A Squilax Anglemont Hwy, Scotch Creek, BC
VOE 1M5

www.northshuswap.com

Direct: 250-955-2188
Email: al@northshuswap.com

Lakeshore

When the market fell one of the indicators was the last waterfront home sale over one-million dollars was in August of 2008. By the fall of 2008 we were wondering what was going on. 2009 and 2010 saw no sales over a million. 2011 saw 3 waterfront homes sell at over a million. This is another indicator of market change. Inventory of waterfront continues at medium to high. Bare Lakeshore Lot interest and inventory continues low. Entry-level Lakeshore cottages made up the bulk of Lakeshore sales in 2011.

Acreage

There is buyer interest in acreage but only if the Buyer sees the price as very attractive. Inventory of acreage continues to be limited.

Commercial/Development

Interest in commercial or development property continues to be slow and the commercial inventory is low. A low spot in the market, like it is today, is when commercial/development property should be interesting to Buyers and Developers, but consumer confidence does not support the commercial Buyer or Developer activity. We have the same questions and concerns today as we had 5 and 10 years ago. This includes pollution; sewer systems; water systems; permits; road and bridge upgrades and more. Many North Shuswap developments are on hold for many reasons. Osprey Landing in Scotch Creek is taking the lead and marching ahead with their development plans. That development could be the tipping point to cause future activity by other Developers to make the commitment to move forward with their plans.

Blended Forecasts

An RBC Economics study forecasts Saskatchewan's 2012 growth at 4.5% with Alberta's growth at 4% and BC's growth at 2.1 % all above the Canadian average. BC's unemployed rate was at a 33-month low at 6.6% and Alberta's rate is the lowest in years. I anticipate the Alberta based Buyer interested in Shuswap Real Estate will grow in 2012. The BC Buyer is not as confident in the economy and will lag behind the Albertan's. Decades of statistics show a normal year will see 33% of North Shuswap Real Estate Buyers from Alberta, 33% from greater Vancouver and 33% from the Kamloops/Kelowna corridor. I can forecast the Alberta Buyers to be more than 33% in 2012. Every study I read indicates the worst of this economy is behind us but it's the Albertan that will take advantage of it. I see an active spring market with many Albertans' taking all the best offerings early leaving the other properties for sale to the slow-to-react BC Buyers.

The bar graphs of our market over the decades show the cycles of market activity rise and fall in 7 to 10 year cycles. The tops of the cycles fall fast but the bottoms are a slower, upward recovery. Of interest this time is this bottom of the bar graph is a long extended bottom. My point is, I cannot indicate to you the exact day or month we hit the bottom like I have in times past. Of note also is every peak to the bar graphs is higher than the previous peak. Investors and I know this.

Al Christopherson Personal Real Estate Corporation

Office: 250-955-0307
Fax: 250-955-0308

3871A Squilax Anglemont Hwy, Scotch Creek, BC
VOE 1M5

www.northshuswap.com

Direct: 250-955-2188
Email: al@northshuswap.com

2011 was a funny year to get an idea of just what was going on. January through March was slow (like normal) with many Buyers and Sellers feeling out the market. Spring was great with many motivated Buyers and Sellers giving me the opinion that we had a market turn around. By June the market fell flat and it stayed that way until late September when a few offers started to take place. Activity in the fall was below normal but still acceptable. Late fall and early winter of 2011 was surprisingly good when compared to the summer of 2011. Yes, November and December were more active than July and August and that was *not normal*. It does hopefully indicate what the activity will be for the spring of 2012.

Other indicators are the high level of Buyers researching now for a trip to the North Shuswap in the spring. Also of note is the continued low interest rates Buyers will find should they need a mortgage. I also see web site traffic gaining momentum as the numbers grow every month. Many Buyers now suspect the bottom of pricing is past us or soon to be past us and have become more motivated to act. I see the bottom as behind us but I'm not the Buyer, it's the Buyer that must believe the bottom has passed. Buyers are asking more direct questions rather than general questions, again, an indicator to the future. One that caught me off guard was the number of Sellers asking when they could bump their prices up? It seems many Sellers see an improved economy as well. My response to Sellers who ask to bump their price is *don't*, but instead be grateful Buyers are showing interest. The fact is some Sellers still need to get their asking price in line and that's a bit lower not a bit higher.

Buyers

It's clear some Buyers feel an angst at being held back with their plans. Yes, we have had Buyers in the wings for 3 years wondering when to jump in. Many are changing from "I'm afraid to make a move" to "I have to get on with my life plans". I predict the Alberta Buyer will lead the way with this movement in 2012. However, we still see many Buyers that won't offer on a Shuswap property until their other property in another place sells. That caution is still there. Before the recession a Buyer would have financed or found the cash to buy here until the other place sold, not these days. It's always been true and remains true today, that everything we have listed for sale are properties a buyer *wants* but does not need, therein is the very low lack of motivation on the Buyers part. Buyers live in a nice house in a city in western Canada and *want* a place at the lake.

Sellers

I think most Sellers have reached a tolerance level and are at the point of not selling rather than lowering the price to a number that will sell. Remember most Shuswap property has no mortgage on it. To emphasize this point - the last North Shuswap freehold; free-standing lakeshore residential foreclosure was in 1988. A typical Seller of any North Shuswap property will look at the cost to hold on to the property, and in most cases that's just the taxes, and compare that to what their REALTOR® suggests they lower the price to if they wish to sell. It's easy math for a Seller to say "I will hold off for a few years". I think many Sellers better understand the market now and won't re-list in the spring. So far it's been a Sellers position to say "it's for sale at my price. Otherwise it's not for sale". Buyers smile and walk on to other properties they see as *truly for sale* not *sort of for sale*. Most Sellers live in a nice home in a city in western Canada and have a place at the lake. If and when the place at the lake sells is of lower concern to the Seller. If it sells, then fine. If it doesn't sell, they are okay with that too. The kids get to use it for another year, big deal. Sellers also lack motivation. Here I am stuck in the middle between Buyers and Sellers who are in no way motivated to do anything. It's an odd business but I love it.

Al Christopherson Personal Real Estate Corporation

Office: 250-955-0307
Fax: 250-955-0308

3871A Squilax Anglemont Hwy, Scotch Creek, BC
VOE 1M5

www.northshuswap.com

Direct: 250-955-2188
Email: al@northshuswap.com

HST

While the BC government has promised to kill the HST it can't happen too soon for me because of the confusion. Far too many BC property Buyers are misinformed and assume everything we have for sale is HST applicable. It's not.

The tests I use are ... is the title to the property for sale held in a company name? If it is then HST could apply. Is the property for sale built new; substantially renovated or recently subdivided? If it is then it probably is HST applicable. Was the property for sale used commercially? If it was then there is a chance HST may be applicable. The vast majority of properties for sale will have a 'No' answer to these three questions and therefore have no HST applicable to the sale price. The problem is far too many Buyers don't believe the facts but do trust what their buddy who told them that every property transaction in BC has HST applicable. At present HST is applicable to services like surveys; building inspection and septic inspection reports as well as commissions but not the sale price of the property. As always it is prudent to confirm the potential of all costs to the Buyer and/or Seller.

Statistics & Graphs

2011 had a total of 69 MLS sales in the North Shuswap.

- 50 homes sold and 13 of those were Lakeshore.
- 19 lots sold and 2 were Lakeshore.
- We had no Commercial or Farm sales in 2011.

The peak of the listing cycle saw 315 listings offered for sale in the North Shuswap. Factor in 69 sales and that would mean that we had 4½ years of inventory on hand at the peak of listing inventory. Don't read too much into that statistic because it's not what it seems. 315 is a high number of listing inventory because 220 to 250 is normal. 69 sales is average except when compared 2005, 2006 and 2007. Over the decades 69 sales was an average year. 2005 to 2007 was abnormal in every respect.

In 2011 our office, Century 21 Lakeside Realty Ltd., led all other offices in our involvement in sales in the North Shuswap:

- **37.68%** of North Shuswap sales involvement to **Century 21 Lakeside Realty Ltd.** – Scotch Creek
- **17.39%** of North Shuswap sales involvement to **Remax Shuswap** – Scotch Creek
- **6.52%** of North Shuswap sales involvement to **Sunny BC Realty** – Scotch Creek
- **3.62%** of North Shuswap sales involvement to **Southebys International** – Scotch Creek
- **5.79%** of North Shuswap sales involvement to **Century 21 Lifestyles** – Salmon Arm
- **3.62%** of North Shuswap sales involvement to **Riley & Associates** - Chase
- **2.89%** of North Shuswap sales involvement to **Fair Realty** - Sorrento
- **10.14%** of North Shuswap sales involvement to **all other Salmon Arm Realtors**
- **3.62%** of North Shuswap sales involvement to **Kamloops Realtors**
- **3.62%** of North Shuswap sales involvement to **Enderby Realtors**
- **3.62%** of North Shuswap sales involvement to **Out-of-Area Realtors** (Kelowna, Vancouver, etc)
- **1.44%** of North Shuswap sales involvement to **Unrepresented Buyers**

Al Christopherson Personal Real Estate Corporation

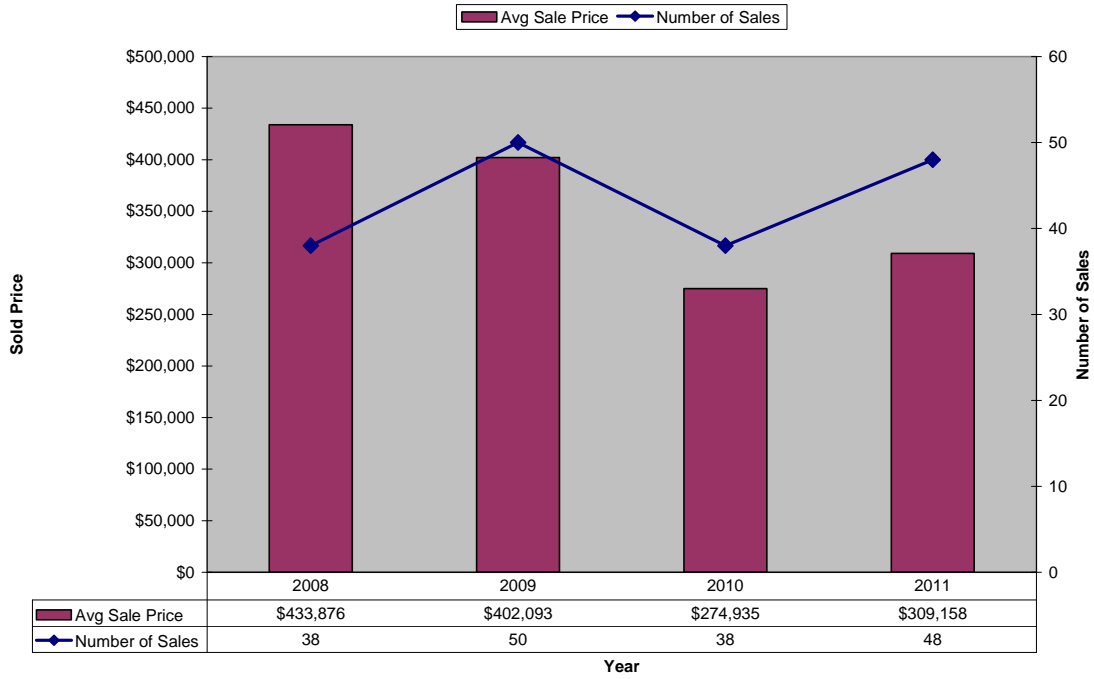
Office: 250-955-0307
 Fax: 250-955-0308

3871A Squilax Anglemont Hwy, Scotch Creek, BC
 V0E 1M5

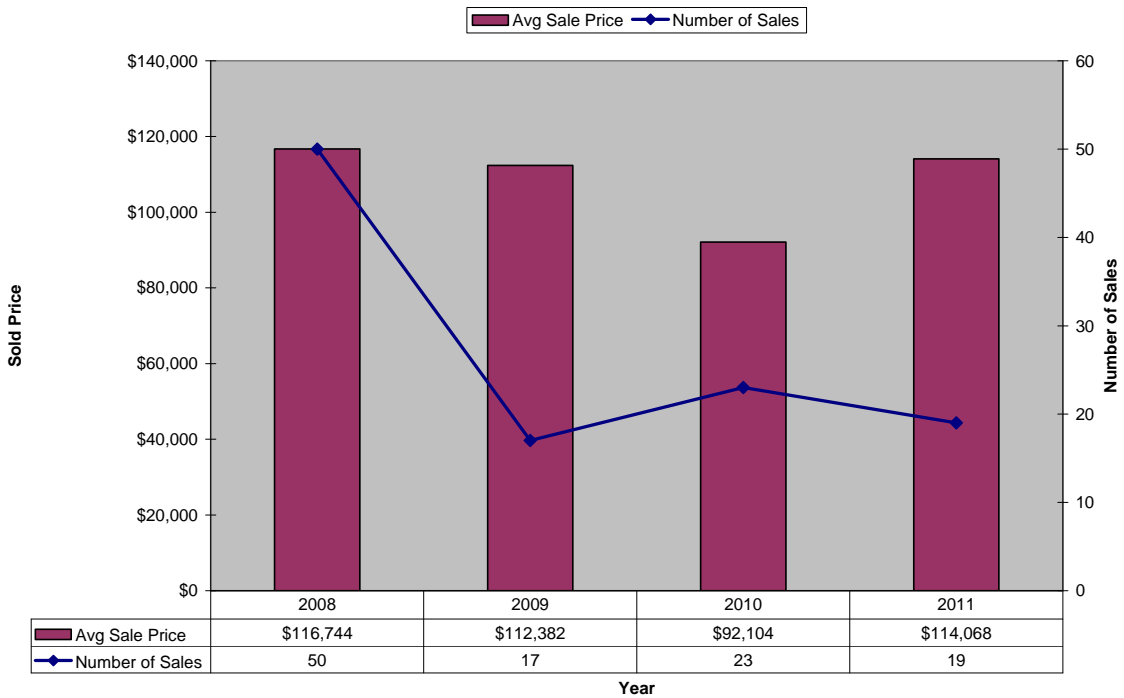
Direct: 250-955-2188
 Email: al@northshuswap.com

www.northshuswap.com

Average Residential/Recreational Sale Price 2008 thru 2011



Average Lot Sale Price 2008 thru 2011



Al Christopherson Personal Real Estate Corporation

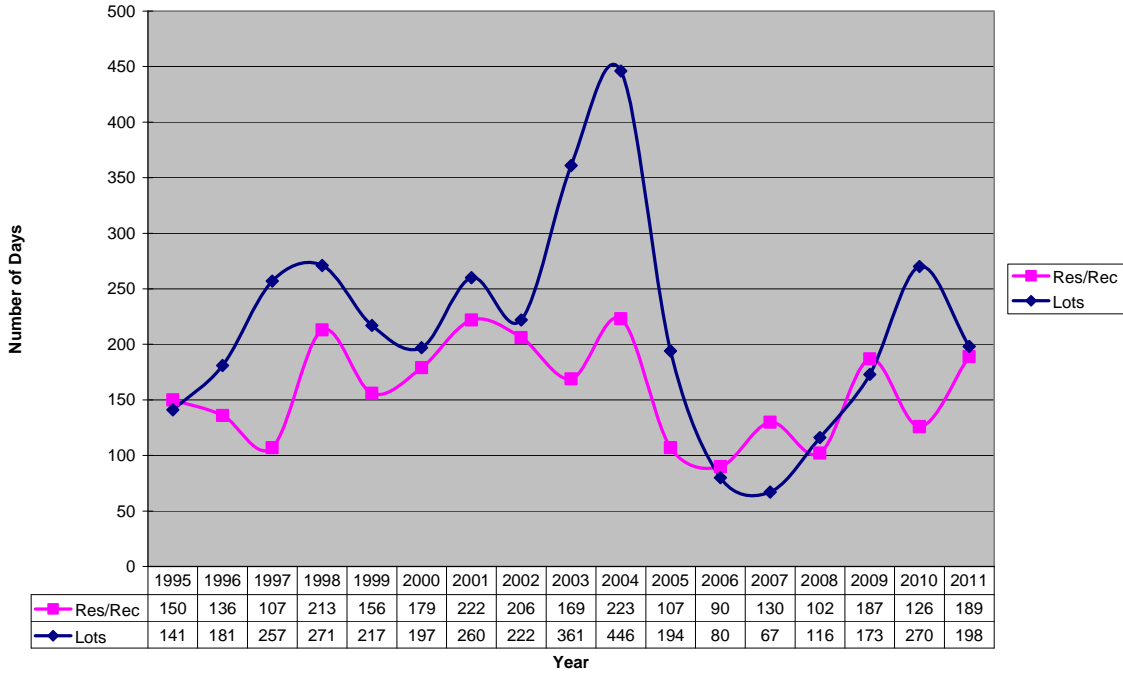
Office: 250-955-0307
 Fax: 250-955-0308

3871A Squilax Anglemont Hwy, Scotch Creek, BC
 V0E 1M5

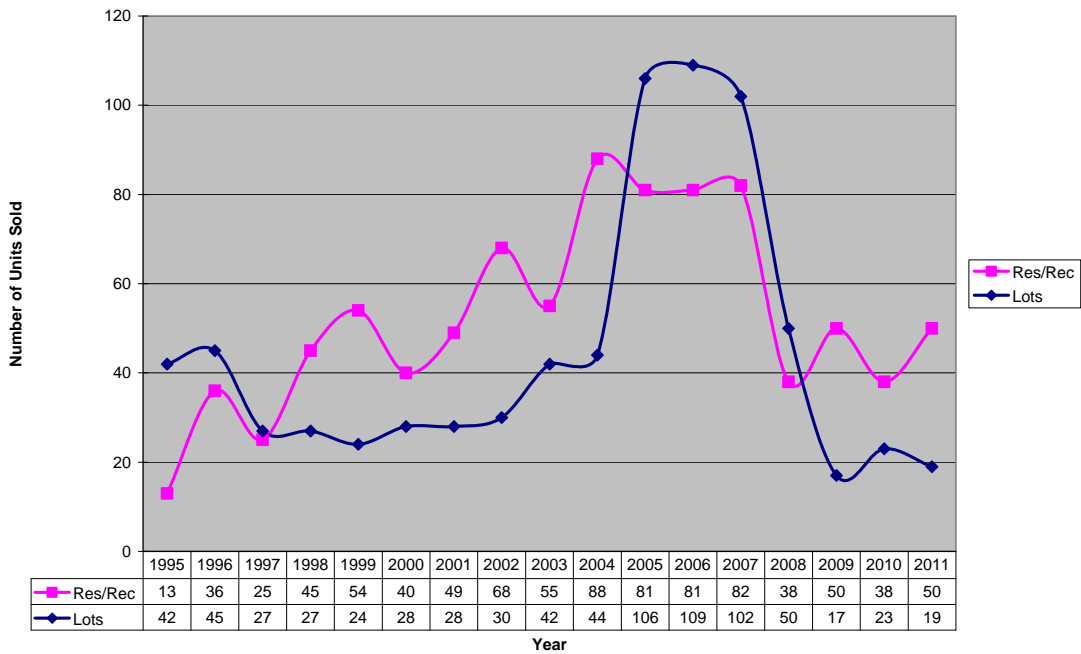
Direct: 250-955-2188
 Email: al@northshuswap.com

www.northshuswap.com

Sales - Average Days on Market History



Sold - Volume History



Al Christopherson Personal Real Estate Corporation

Office: 250-955-0307
 Fax: 250-955-0308

3871A Squilax Anglemont Hwy, Scotch Creek, BC
 V0E 1M5
www.northshuswap.com

Direct: 250-955-2188
 Email: al@northshuswap.com

Sold - Average Sale Price History

