

Behind the real estate boom

It's more than just wealthy baby boomers pushing up prices in the real estate sector

By STEVE MacNAULL
The Daily Courier

Wealthy baby boomers get all the credit for Kelowna's real estate explosion. But there are also

singles, retirees, investors, students, first-time buyers, move ups and move ins, according to local realtor Bert Chapman.

"It's all about demographics," said Chapman of Premier Canadian Properties and the president of the 1,200-member Okanagan Mainline Real Estate Board.

"Baby boomers with money, led by empty nester couples, is a big part of our market, no doubt. But I wanted to point out all these other sectors because they are important to our market too and make for a complete picture."

For five years now, Kelowna's housing market has exploded with prices doubling, record resales and record new home construction.

Wealthy baby boomers, those aged 43-62, are the prime drivers because they have cash from decades of working, investing and inheriting.

Boomers are moving here full time to open a business or work, or to buy a second, vacation or investment home.

In many cases, money is no object to these boomers, so they have helped drive Kelowna's single-family home price to an average of \$500,000, which is the third highest in the country behind only Vancouver and Victoria.

But singles are also a growing segment, according to Chapman.

"There are the people that have always been single, those left single



Daily Courier file photo

All kinds of demographics will keep Kelowna's real estate market strong through 2008, says Okanagan Mainline Real Estate Board president Bert Chapman.

by the death of a spouse and the newly single from divorce," said Chapman.

"I call it subdivision of another kind. When a family divides, there's the immediate need for another household, and that fuels the real estate market, especially condominiums."

Chapman also sees students — or student's parents usually — as a lucrative sub-market.

"With UBCO here now, we see parents put up the down payment so their student offspring has a place to live while going to school," he said.

"Usually, it's a two-bedroom condo so the student has a bedroom and can

pay rent into the mortgage and the other bedroom can be rented out to a second student to generate some revenue."

Move-up buyers are the people who already live here who use the equity they've built up in their home to move to a bigger and better one.

Move-down buyers are those that already live here who are downsizing because their kids have moved out and they want a smaller, maintenance-light place to ease into retirement.

Downsizing used to mean acquiring a home that cost less, but nowadays, it's more likely to mean buying a more expensive luxury condominium

or townhouse in a highrise, on the lake or around a golf course.

Investors are lured to Kelowna because of its rapidly escalating prices.

Even if the price is hefty, an investor can buy property, rent it out to realize revenue and also see equity increase as the property increases in value.

While Kelowna is constantly identified as an international destination with all its attributes, only four per cent of buyers are outside driving range.

"The Kelowna market is 48 per cent local, 28 per cent Alberta and 20 per cent Vancouver," said Chapman.



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Simple fixes for your box

Today, computers have become an essential multi-function appliance in both our homes and businesses.

From designing a house to making music videos, there seems no end to what we can do with our computers. Perhaps the most useful function is the ability to share information quickly and efficiently around the globe. For many of us, computers are no longer a luxury, but have become a necessary part of our daily routine.

With such a dependency, it's no wonder people get so upset and panic when their computers stop working. For whatever reason, many people are often surprised when their computers break down and ask me how this could happen, to which I simply reply: "Physics."

Computers are susceptible to wear and tear just like everything else and require regular maintenance and check-ups to keep them performing well. It's not a matter of if a computer will have problems, it's a matter of when.

If you haven't encountered any problems yet, consider yourself fortunate. There are a number of simple things you can do to help prevent any future problems and optimize your system's performance.

You can run the scandisk program, which will scan your disk for any errors