



Penticton



O K A N A G A N
DIAMOND GIRLS

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MARKET UPDATE



Backyard Goals

- ✓ Outdoor firepit area
- ✓ City, lake or mountain views
- ✓ Outdoor Kitchen
- ✓ Relaxing pool or hot tub.

The BC Government has introduced the Short-Term Accommodations Act which is another market intervention implemented with the intent to increase the housing supply.

- In summary, the changes include:
- Limiting short-term rentals to the host's principal residence plus one secondary suite or accessory dwelling unit (ADU) in most major BC communities (populations of 10,000 or more adjacent communities) effective on May 1, 2024.
 - Empowering regional districts to license short-term rentals located outside municipalities.
 - Rules requiring rental platforms to share Data for monitoring and enforcement purposes.
 - Removal of legal non-conforming use (grandfathering) of historic short-term rental use.
 - Creation of a provincial registry for short-term rentals and an accompanying compliance and enforcement unit

Some properties are excluded from the rules such as hotels, motels, strata hotels, timeshares, fishing lodges, First Nations reserve lands, and modern treaty lands (unless those First Nations opt in). You don't have to be a real estate investor or own a short-term rental unit owner to feel the hair on your arms rise in fear. Property Owners should be very afraid and consequently shouting from the roof tops - "What ever happened to property rights!"

Many of our client's own family property or vacation property. They have worked, saved and are fortunate enough to have acquired a secondary property so that their family can vacation during the summer. Some of our clients elect to rent out their properties to help offset some of the costs of ownership. It has been our experience that most of these clients are not extremely wealthy clients, but rather families who have made a financial sacrifice to have this special secondary property and they are stretched thin enough like everyone else.

Is it patently unfair to download the responsibility of fixing the housing crisis to the BC Residents and expect them to bear the financial burden while having their property rights stripped away. Change the use of a property already purchased and used for that purpose legally is unfair and is having devastating consequences. Historically, when governments make significant changes such as these there is often thought for those who will be affected, those who already own or in the

middle of contracts to purchase that have not yet closed and exemptions are made. Consider the introduction of the Speculation & Vacancy Tax and the Flipping Tax. I must have missed the meeting where it became a bad thing to buy, own and fix up real estate while paying taxes on the profit and improving the housing supply.

As REALTOR®s we know too well the affects of the housing crisis and have been sounding the alarm bell for decades. The problem is not what you do with your home, it is that there is NOT ENOUGH HOMES TO GO AROUND! The government provincially and federally have known about the housing crisis for a very long time. Their record on completed builds and use of tax dollars is abysmal.

Consider the critical independent auditing report released of BC Housing in 2022 that eventually led to the firing of the entire board of directors by Premier Ebby. The report identified significant problems at the Crown corporation, including inadequate oversight over decisions and spending and unclear roles and responsibilities, potentially impacting B.C. Housing's ability to manage risks. It is disappointing but not surprising to see BC Housing is in the news once again. This time it is for conflicts of interest which is more blatant mismanagement at the top.

Oh great! The individuals that we are counting on to fix the housing crisis are not paying attention to what they are doing and how much they are spending, and no one knows what anyone is really doing. What ever happened to a carrot instead of a stick? Why are there not significant tax, development incentives, or loans for ordinary homeowners to add accommodations to their home?

Industry insiders know that market interventions often come with unintended consequences. We ask the government to stop making ordinary homeowners responsible for fixing the housing crisis as it is unfair and can often be financially devastating.

Many legislative changes for real estate have occurred recently that impact our clients. Now more than ever our clients are relying on us for strategic advice concerning their largest financial asset. You have questions, RE/MAX has answers!

RE/MAX
PENTICTON REALTY



Hello
Spring

INTEREST RATE ANNOUNCEMENT

The Bank of Canada has held its key interest rate at five per cent for the sixth consecutive time since July, saying it will look for signs that slowing inflation is sustained before moving on rate cuts.



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JUST THE *Stats Please*

Active Inventory

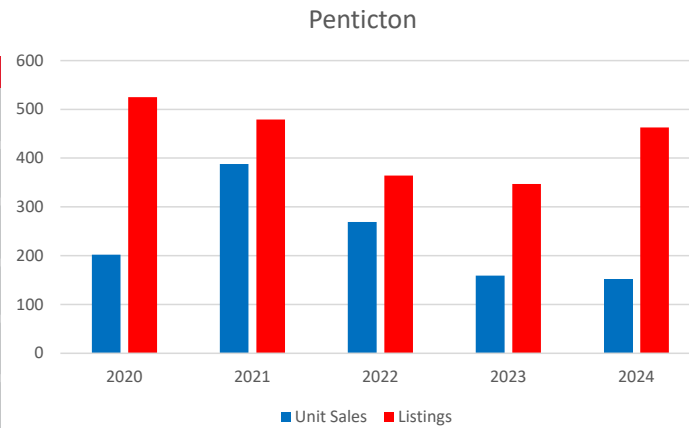
Property Types Purchased 2024 YTD as of March 31ST

as of April 17, 2024

	TYPE	UNITS SOLD	% OF UNITS	AVERAGE SALE PRICES
181	SINGLE FAMILY - DETACHED	53	34.87%	\$782,904
148	APARTMENT	40	26.32%	\$431,675
70	TOWNHOUSE	21	13.82%	\$477,419
40	HALF DUPLEX	18	11.84%	\$686,194
9	DOUBLE WIDE	8	5.26%	\$252,725
3	INDUSTRIAL	4	2.63%	\$1,287,611

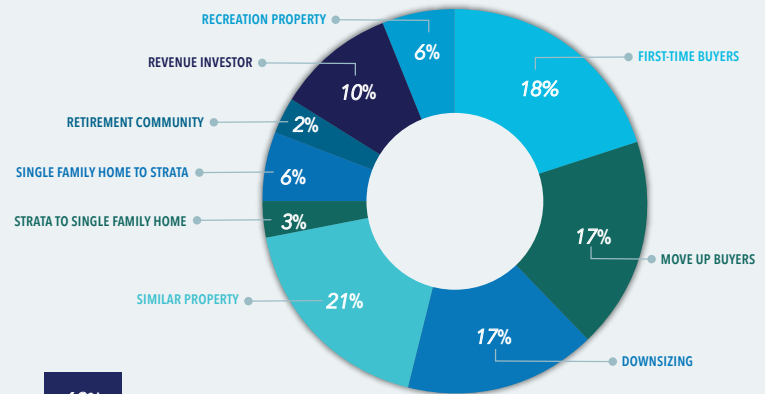
Statistics as reported by AIOR for Penticton Active Inventory as of April 17, 2024.

5 Year Comparison of Unit Sales & Listings

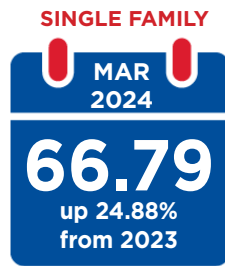
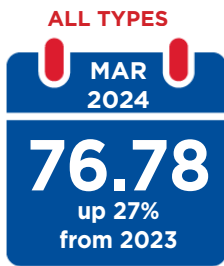


What are They Buying in the Okanagan?

Jan - Dec 2023

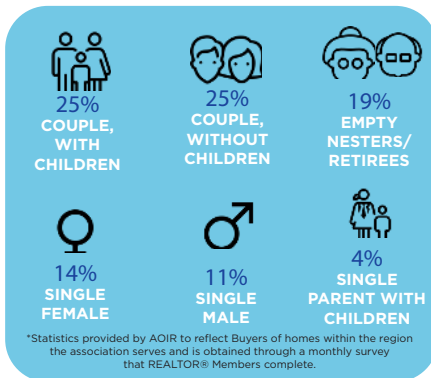


Average Days on Market in Penticton

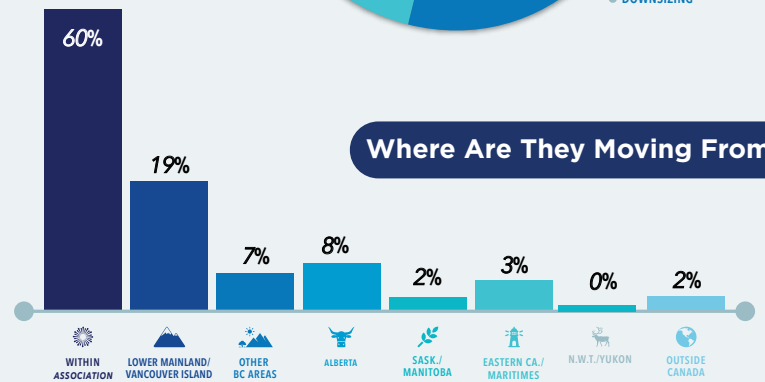


Who is the Okanagan Buyer?

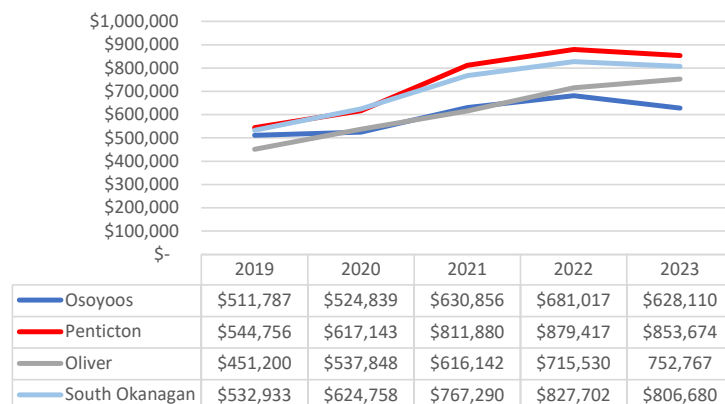
Jan - Dec 2023



Where Are They Moving From?



Average Sale Price Single Family 5 Year Comparison



*Based on MLS® Statistics as reported by AIOR for the South Okanagan for 2017-2023.

IN OUR *Blog* BC Home Flipping Tax



The BC Government has announced a new market intervention measure which they hope will assist with housing supply.

The government is proposing to add a tax to the proceeds of the sale if the home is sold within two years of purchasing.

The government believes flippers are harming an overheated market.

The tax is supposed to take effect January 1, 2025.

The tax will apply to income earned from the sale of relevant properties, including:

- * Properties with a housing unit
- * Properties zoned for residential use
- * The right to acquire the above properties, such as the assignment of a purchase for a pre-build condo building.

The tax will not apply to exempt property locations such as treaty or reserve lands.

There are some exemptions for life circumstances such as:

Death of a related individual,

Serious illness or disability,

Eligible relocation

Change in household membership.

You will still have to file a BC home flipping tax return, but may not have to pay the BC home flipping tax if you experience any of the following life circumstances and they are considered to lead to the sale of a property.

The BC Real Estate Association economists have studied this issue and distinguish between speculators, who are investors attracted to mere profit and real home sellers who invest their capital, time and labour to improve the housing supply.

BCREA is concerned about unintended consequences which often follow market interventions.

Our economists estimate that the flipping tax will lower sales in BC by 1.7%, but will have minimal impact on home prices. As we all know, supply and demand are the two key factors that affect home prices.

Additionally, market insiders are concerned about the risk that the tax will cause potential sellers to delay listing their homes. This often leads to lower resale housing supply and tighter market conditions.

As market conditions tighten, we find ourselves again having too many buyers competing for too few homes which tends to drive up prices.

Industry experts know that flipping activity is an insignificant share of overall transactions in BC and are concerned that this tax will apply to properties purchase BEFORE the effective date (January 1, 2025) if owned for less than 730 days unless an exemption applies.

The BCREA will continue to advocate for increased housing supply and sound policies which we know will combat our housing crisis and make housing more affordable and accessible.

BCREA is the voice of BC's REALTORS®. In collaboration with the province's eight real estate boards, they work with all levels of government to advocate for public policy that provides housing opportunities, ensures economic vitality, protects property owners, preserves the environment, and builds better communities.

For the full report visit our website yoursouthokanganhome.com

Warmest regards,

Deborah Moore
Broker Owner
RE/MAX Penticton Realty

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LOCAL EVENTS IN *April*

Okanagan Valley Throwdown

A competition in similar style to CrossFit featuring athletes from U.S and Canada. It will take place **April 20 and 21st** at the Penticton Trades and Convention Centre at 12am. Spectators are welcome! Ticket cost vary from 5.00-\$20.00 per ticket.

CRAFT AND CULTURE PENTICTON SPRING MARKET

The Penticton Trades and Convention Centre will be hosting 80+ artisan vendors on **April 27th (10:00am - 5:00pm) and April 28th (10:00am - 4:00pm).**

PENTICTON FARMERS MARKET

The Farmers Market opens with the coming of spring! **April 20th** is the first full market of many this summer, held as usual on 100 Main Street. The market will be returning to its usual schedule **every Saturday, open 8:30am - 1:00pm.**

EARTH DAY CELEBRATION

April 20, 2024 - 10:00am to 1:00pm

Join the City of Penticton and partner organizations at Gyro Park during the Farmers' Market to celebrate Earth Day and learn about local initiatives taking place throughout our community.

Meet representatives from:

- Penticton Indian Band
- Penticton and Area Cycling Association (PACA)
- First Things First Okanagan
- City of Penticton's Recycling and Sustainability team
- Penticton Secondary Sustainability Club
- RDOS WildsafeBC & Climate Action
- Community Bat Programs of BC
- Penticton Trees
- Freedom Bike Shop

and learn more about:

- Ride your bike to the event to register for free onsite with Project 529.
- Test your sustainability IQ and spin the wheel to win a prize.
- How your multi-family building or business can apply for a free bike rack.
- Available to multi-family buildings: Free EV-Ready Plan, Electrical Planning Report and Energy Audit.

13 GOING ON 30 YOUTH GROUP EXHIBITION

Artists between the ages of 13-30 will be displaying their art at the Leir House Cultural Centre, 220 Manor Park, Gallery II. The art exhibition is meant to act as a window into the future of the art world, it runs Wednesday through **Friday every week, up until May 17th.** Entry is by donation.

PENTICTON KIWANIS MUSIC & DANCE FESTIVAL

April 22-30: Dance, held at the Cleland Theatre.

This is a performing arts event including choral, classical voice, musical theatre, speech arts, and dance. Participants will receive a meaningful, constructive evaluation of each of their performances as well as time spend in workouts.

Further information can be found at <http://www.pkmf.org/>

FOREIGNER "FAREWELL CANADA" TOUR

The British-American rock band that created hits like "Jukebox Hero" and "I Want to Know What Love Is" is performing in Penticton on **May 4th** at the South Okanagan events Centre (SOEC). Ticket prices start at \$52.00; seats are still available.



RE/MAX PENTICTON REALTY HAS A NEW HOME!

We are MOVING our Brokerage Office Location to **302 Eckhardt Ave. West** at the corner Eckhardt & Argyle.

We are EXCITED about our New Building and seeing our clients at our new location where onsite parking is available!

we are moving!

