



# Wolf Krieg

# Julie Krieg

(Unlic. Assistant)

**RE/MAX** Kelowna

**868-8000**



## A Strong Spring for Kelowna!

260 HOMES SOLD in March 2005! Our inventory is at 707 that means 37% of the inventory sold in one month. Our average house price is again over \$300,000 at \$307,726. New homes are over \$400,000.

For more info and stats please call me anytime at 868-8000.

## A WORD ON INVESTMENTS

We all know about the one percent rule in rentals meaning you buy for \$100,000 and you rent for \$1,000. Today that is all changed the new rule is way lower maybe 0.7 - 0.6% or lower, which then turns you into a speculator. Our return on investment or CAP rate used to be 8% and it is now down to 6% here in the Okanagan and in Vancouver only 3% is acceptable. With the rule of thumb, it becomes clear quickly that if you buy at \$300,000 - you need at least \$2,000 per month to call it an investment. If it actually rents at only \$1,500, the ratio is only .5%. You need to subsidize the property too much for it to be an investment. You are now a flipper, hoping for capital gain. That is o.k. ... as long as you understand that! Most markets are now 'flip - investments' not 'real estate investments'.



Listen to the birds in this total private backyard. A two storey home in the heart of the city with 3 bedrooms and lots of open spaces. A huge kitchen to prepare your gourmet meals and serve them in the formal dining room. This home has everything a family needs plus a Hot Tub.

3 Bedrm. - 3 Baths - 1752 Sqft. - Built: 1989 - Lot: 0.21Acr. - \$349,800

**RE/MAX** Kelowna

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