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Stock Market vs. Real Estate

Investment involves risk but ideally, reward. If you follow stock market trends, you'll notice cycles of particularly steep slumps combined with average rates of recovery. Let's take a look at stock values over the past 5 years as compared to January 2016 reports:

- 1 Year Return (January 2015) **18%** decrease in value
- 2 Year Return (January 2014) **14%** decrease in value
- 5 Year Return (January 2011) **11%** decrease in value¹

In contrast to the above statistics, the price of a Single Family Home (SFH) in Kelowna has risen steadily in the last 5 years:

- Average Price SFH (January 2016) **\$508,000**
- Average Price SFH (January 2015) **\$476,000**
- Average Price SFH (January 2014) **\$474,000**
- Average Price SFH (January 2011) **\$464,000**²

In the past year alone, Kelowna saw a 7% increase in the value of the average home and real estate trends have consistently reflected stability over the long-term. Some of us are keen to risk a potential loss & cross our fingers for an exponential payoff in the stock market. For those of us who tread more lightly, investment in real estate can be an attractive, & lucrative, alternative.



The **LowDOWN** is a brand new, twice-monthly column from Don Warkentin, founder of Kelowna-based **Fortune Marketing**. As the former Senior Vice President & Director of Merrill Lynch Canada and an ardent stock market & real estate investor, Don will share his unique perspective on the local & global economy as it pertains to investors at every level, exploring topics related to finance, business, commerce, and real estate.

Looking to invest in Okanagan real estate? Seeking representation for your development? Contact us:

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¹Source: TSX Composite Index

²Source: OMREB