

CALGARY BUSINESS

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By Eric Charles Frank 403-215-1910 CHFRANK@TRINERIALD.COM/ERIC.FRANK

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SINGLE-FAMILY TRANSACTIONS SPIKE 63%



"It's a totally different site," Calgary realtor Eric Charles says of the real-estate's recovery there last year.

Calgary home sales gain momentum

MANITO TORONTO
CALGARY HERALD

Calgary's real-estate market shows here that many things have changed since the economic meltdown was beginning to eat through the local economy a year ago.

The Calgary Real Estate Board said Tuesday that single-family home sales last month were up 67 per cent and condo sales increased by

770 per cent compared with November 2008.

The MLS average sale price in the single-family market jumped by 67 per cent, while condos rose by three per cent.

Consumer confidence has improved in the local residential real-estate market from what it was a year ago, said Brenda Weperich, president of the Calgary Real Estate Board.

SINGLE-FAMILY HOMES IN CALGARY

Category	2009	2008	2007	2006	2005
Home sales	1,448	1,467	1,840	1,008	1,794
Sales	1,056	930	1,070	1,002	1,600
Contract price	\$464,444	\$435,471	\$462,114	\$394,300	\$379,517
Average price	\$406,800	\$317,300	\$401,200	\$380,000	\$411,300

CONDOMINIUMS

Resales	789	211	881	633	872
Sales	884	311	791	670	761
Contract price	\$264,360	\$219,650	\$211,700	\$203,880	\$202,000
Average price	\$264,900	\$175,940	\$208,300	\$200,000	\$170,000

Source: Calgary Real Estate Board

MLS: Buyers moving into bigger homes

"Clearly low borrowing cost were helping fuel this recovery," Weperich said. "Many buyers want to get in while mortgage rates remain at record lows."

Weperich said a healthy demand for homes combined with a steadily decreasing inventory is holding prices firm.

"A year ago, we were getting a fair number of lower listings on the market ... which is typical when people are a little bit concerned," she said.

"Our sales are staying strong through November. ... The prices are continuing to edge up. I think that's more indicative of the move-up buyers that we're getting in the market. ... The move-up buyers are back in the market and that's why our average prices have gone up a little bit."

She said those move-up buyers are selling their houses and moving into bigger homes.

November was the seventh consecutive month that sales in both the Calgary single-family home and condominium markets were higher than from year-ago levels. The upward trend began in May.

The average MLS sale price for single-family homes rose for the fourth consecutive month compared with the same month in 2008, while it climbed for the third consecutive month in the condo market.

A key factor lifts the market is low dramatically the number of listings for sale. Listings, compared with a year ago, still lean lower, while the House of Real Estate in Calgary.

"It's a big difference, year over year," he said, adding that because many people have just sold their homes of the market.

"They missed the boat in the sense they were on the market all year, took them off in early October and it's sold. Because we didn't see a lot of sales in October, November, but we saw the inventory drop after a bit.

The market and inventory for all residential MLS properties for sale in the Calgary region was 7,409 in November. It was 8,129 in November 2008.

Cores said the market is still active with more sales this year than a year ago.

"We started off the year with our sales in January's low than a year ago. I've been doing this 17 years. I've seen some home and condo build of Calgary will be less than a year for a month's work," said Cores. "It's a



Brenda Weperich, president of the Calgary Real Estate Board, says low interest rates and declining inventory are boosting the market.

totally different site."

In November, there were single-family home sales for an average sale price of \$434,444. November 2008 saw five sales for an average price of \$430,471.

The condo market last month had 789 sales for an average of \$264,360, compared with 211 sales in an average of \$175,940 in November 2008.

With sales activity slowly and active things continuing to sell, it's supporting the recent price increases, said Richard Cores, senior market analyst in Calgary for Canada Mortgage and Housing Corp.

"Whatever you have a strong demand coupled with falling supply, prices will naturally rise," said Cores, adding that it takes a while to see sales-down compared with other for the year.

"The real market in Calgary has inverted in demand and has started with that some modest growth in price. It's not like we're seeing competing for home over year growth

impacts. The year-over growth in inventory suggest a big increase of force as we see competing a bit when the housing market is recovering. As a market starts to move down in the latter half of 2008."

Also on Tuesday, support for economist Paul Hamilton of the TD Bank Financial Group said that on the national level, after climbing by an estimated three per cent on an annual basis this year, the average existing home price is expected to rise another nine to six per cent in 2010 with sales increasing by 17 per cent.

"That the current momentum is not expected to last beyond the next six to six months," he said in the report. "More key confidence than any, there would be more confidence in the view that a bubble has formed. But the banks are currently being applied in the marketplace, which should prevent a bubble from forming between now and then."

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