

CALGARY'S HOUSING RECOVERY HAS STAYING POWER

Low borrowing costs continue to fuel market recovery

Calgary, December 1, 2009 – The Calgary housing market is showing signs of a sustained recovery according to figures released today by the Calgary Real Estate Board (CREB®).

The number of single family homes sold in November 2009 in the city of Calgary were up 63 per cent from the same time a year ago, while condominium sales saw an even steeper increase—up 77 per cent from the same time a year ago.

“November sales are clearly demonstrating that the recovery in the Calgary housing market has staying power,” says Bonnie Wegerich, president of the Calgary Real Estate Board. “We have now seen seven consecutive months of year-over-year sales increases for both the single-family and condo markets. And November sales are in line with what we would expect this time of year in a balanced and normalized market.”

November 2009 saw 1,095 single family homes sold in the city of Calgary. This is a decrease of 15 per cent from 1,285 sales in October of this year. In November 2008 single family home sales were 670. The number of condominium sales for the month of November 2009 was 504. This was a decrease of 16 per cent from the 601 condominium transactions recorded last month. In November 2008 condominium sales were 284.

“Clearly low borrowing costs are helping to fuel this recovery,” says Wegerich. “Many buyers want to get in while mortgage rates remain at record lows. Better employment numbers and an improving economic outlook are giving the market an added boost.”

“It’s the ‘new kids on the block’—the young first time homebuyers if you will—that continue to be a bright spot in our housing market. Clearly this can be seen in the strength of our condo sales this month and it is helped by the narrowing gap between the costs of renting when compared to owning,” says Wegerich.

“But interestingly in recent months we have also seen more move-up buyers enter the market and this is being reflected in the strength of our average price of single family homes,” adds Wegerich.

The average price of a single family home in the city of Calgary in November 2009 was \$464,444, showing no significant change from October 2009, when the average price was \$462,465, and showing an increase of 7 per cent from November 2008, when the average price was \$435,471. The average price of a condominium in the city of Calgary in November was \$294,264 showing a 2 per cent increase from October 2009, when the average price was \$289,155 and a 3 per cent increase over last year, when the average price

was \$285,820. Average price information can be useful in establishing trends over time, but does not indicate actual prices in centres comprised of widely divergent neighbourhoods, or account for price differentials between geographical areas.

“A healthy demand for homes combined with a steadily decreasing inventory is holding prices firm,” says Wegerich. “Our absorption rate for single family homes in the city of Calgary is currently less than 2.5 months.”

“Pricing will remain stable and may edge upwards in some markets—but it is unlikely that we will see any dramatic jump in prices in the months to come,” adds Wegerich.

Single family listings in the city of Calgary added for the month of November totaled 1,365, a decrease of 25 per cent from October 2009 when 1,819 new listings were added, and showing a decrease of 13 per cent from November 2008, when 1,567 new listings came to the market. Condominium new listings in the city of Calgary added for November 2009 were 705, down 18 per cent from October 2009, when the MLS® System saw 859 condo listings coming to the market. This is a decrease of 5 per cent from November 2008, when new condominium listings added were 741.

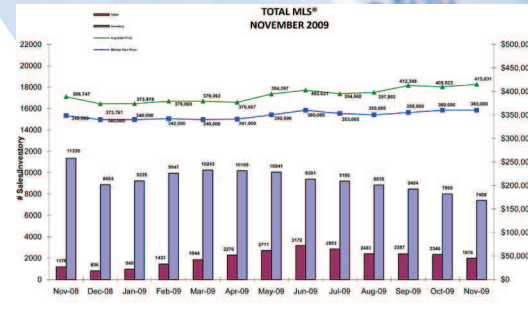
The median price of a single family home in the city of Calgary for November 2009 was \$408,000, showing no significant change from October 2009, when the median price was \$410,000, and up 5 per cent from November 2008, when the median price was \$387,300. The median price of a condominium in November 2009 was \$264,900, showing a 1 per cent increase from October 2009, when the median was \$263,500, and up 5 per cent from November 2008, when the median price was \$251,800.

All city of Calgary MLS® statistics include properties listed and sold only within Calgary’s city limits. The median price is the price that is midway between the least expensive and most expensive home sold in an area during a given period of time. During that time, half the buyers bought homes that cost more than the median price and half bought homes for less than the median price.

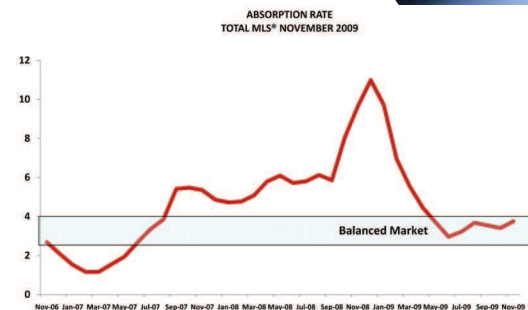
“We expect sales to taper off as we enter the winter months,” notes Wegerich. “But the market is well above the trough we saw at the end of 2008 and we are now seeing much healthier and balanced conditions for both buyers and sellers.”

CREB® is a professional body of 5,362 licensed brokers and registered associates, representing 252 member offices. The board does not generate statistics or analysis of any individual member or company’s market share. All MLS® active listings for Calgary and area may be found on the board’s website at www.creb.com.

Total MLS® Information



Absorption Rate



Total MLS® Inventory to Sales

