



Red Deer Market Update - July 31, 2018

RE/MAX[®] real estate central alberta

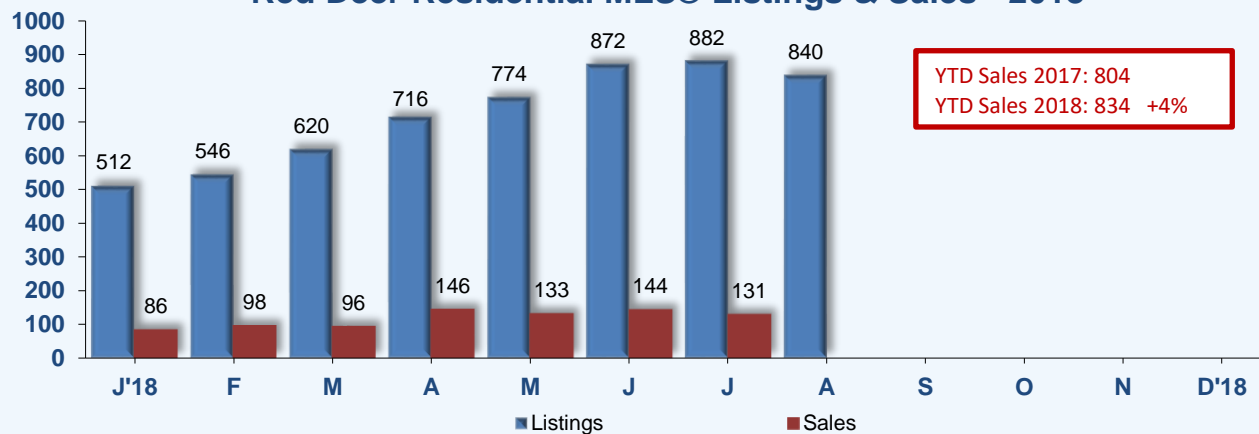
Red Deer Residential MLS[®] Listings & Sales - 2017



The blue bars represent the total number of active listings in this market at the beginning of the month.

The red bars represent the total number of sales during that month.

Red Deer Residential MLS[®] Listings & Sales - 2018



CMHC defines a balanced market as one where 20-40% of active listings sell each month.

Current Sales to Listing Ratio:
15.2%

The market favours
Buyers

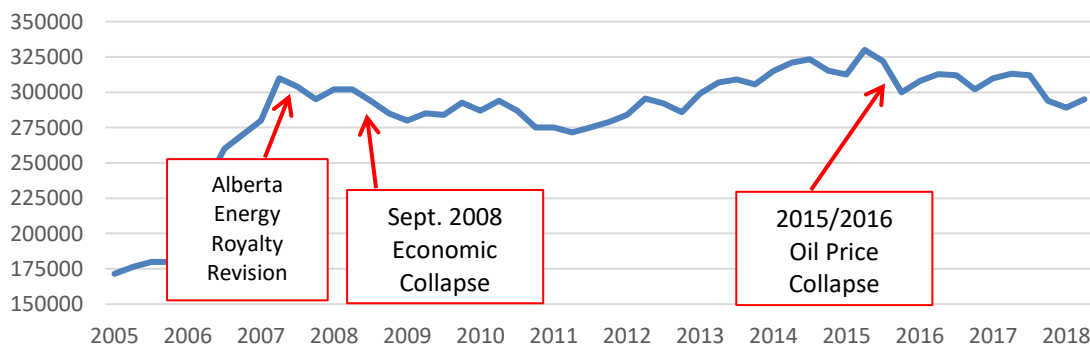
The usual summer trend to lower sales in July held true this year in every market we serve except Penhold which experienced a burst of activity. The other trend that we are seeing is the number of active listings finally starting to come down slightly. The sales to listing ratio in central Alberta continues to favour buyers, but we are finally seeing it easing its way toward balance.

Many of our clients are wondering why the market hasn't rebounded more quickly when they are hearing that the economy is improving. A stronger economy is positive for sure, but that puts pressure on interest rates which directly impact the real estate market. Higher rates in conjunction with restrictive federal government imposed mortgage rules are making it difficult for buyers. Many have opted to stay put because they can't qualify to move up. And, move up buyers are a huge, missing piece of the puzzle.

Today's real estate market is like a huge wheel that is stuck and needs a nudge to get it moving. Once it starts to turn, momentum will help it keep turning. Some relaxation of the mortgage requirements or easing of rates in Alberta would be the grease that makes it easier to get unstuck. Neither option seems very likely, so we will have to be patient and accept things the way they are for now.

MLS Residential Median Sales Price by 1/4

Red Deer, Sylvan Lake, Lacombe, Ponoka, Innisfail, RMH, Blackfalds & Penhold



The Median Price is the middle of the range of prices and statistically should represent the most accurate depiction of price variations in the market over time.

This graph identifies the combined median sale price for all MLS sales in these markets calculated on a quarterly basis.

This information is obtained from independent research of Red Deer MLS[®] activity and does not necessarily represent all activity in the market. We believe the information herein represents an accurate picture of the market although we don't warrant it to be so.