

Advantage shifts to real estate buyers

City house prices slip as inventory sets record

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EDMONTON - Flattening prices and a record inventory of unsold homes are giving new power to buyers in Edmonton's changing housing market.

"The advantage has definitely moved from the seller to the buyer," Richard Goatcher, senior analyst at Canada Mortgage and Housing Corp., said Tuesday.

The Realtors Association of Edmonton released July sales figures showing single-family house prices fell an average of \$115 to \$417,150.

Condos rose 2.5 per cent to \$271,908, lifting the average price of all housing types to \$354,718 -- up 1.9 per cent from June. This follows a drop of 1.8 per cent in June from May.

The relative stability -- after prices rose 46 per cent in the previous 12 months -- reflects a dramatic reversal of supply and demand.

July saw 4,463 new listings and only 1,565 sales -- the lowest July sales in five years. Inventory of unsold homes soared to a record of 8,183 units -- more than four times the 1,856 unsold units in July 2006.

The supply of resale homes is swollen by sellers moving to new homes, Goatcher said. Supply also may be bloated by speculators who are trying to flip for quick profits, and by longer-term investors whose rental incomes are relatively low compared to housing prices.

"And some people are testing the market," Goatcher added. "If they don't get their price, they will withdraw the listings."

Goatcher said low July sales are also tied to fewer people moving to the city, and falling affordability.



CREDIT: The Journal, file
For sale sign.

Realtors association president Carolyn Pratt said buyers have a large selection of homes to choose from, and are taking more time to decide.

"Sellers cannot just throw their property on the market and wait for a sale; they now have to develop a strong marketing plan," Pratt said in a news release.

Outside of MLS, ComFree reported Tuesday an inventory of 2,696 homes listed for sale by owner, compared to 277 sales in July.

ComFree presidents Travis and Erin Holowach reported "unnecessary panic" among would-be sellers.

"Ultimately, Edmonton home sellers will be successful but they do need to be a bit more patient in the current market," they said.

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