

# Resale housing boom easing to normal pace

## Sales increase from September to October

KATHY McCORMICK  
CALGARY HERALD

The "boom" is off the rose, but the thorns have been filed so they're not so sharp.

Far from the 1980s boom-and-bust scenario, the hectic record-setting pace of 2006 has tempered to a more normalized resale housing market, says Ron Stanners, outgoing president of the Calgary Real Estate Board.

"This is a good, average market, certainly not the boom we had last year," he says, looking at the recently released CREB statistics for October.

The final quarter of 2007 started with 2,042 total residential sales through the MLS in October, down from 2,193 for the same month in 2006 but up slightly from the 2,030 sales in September — and that's a good sign, says Stanners.

"The best news is that sales were up in October from September and that's a positive sign in the marketplace because it shows some strength."

The month ended quite strongly, says Stanners, indicating that the apprehension over the provincial decision to raise oil and gas royalties was unfounded.

"It's not as if the royalty review had a large impact," he says.

That confidence in the market will result in some pent-up demand, says Ed Jensen, incoming CREB president.

"I think the public consumers have felt a vote of confidence in what has been brought forward and with all the other good indicators, we're still showing a great market," he says.

The high inventory of homes continues to climb, changing it from a sellers' to a buyers' market, but the upswing was marginal for October, says CREB.

As of the end of October, a total of 11,188 listings were on the MLS system, inching up from 11,001 at the end of September, but still close to 55 per cent higher than 2006.

Of those, 5,517 were single-family homes, actually down from September's 5,562 homes listed for sale. On the multi-family side, 2,329 units were up for sale compared to 2,235 in September.

"We have a high inventory, but it's an excellent time for buyers to be looking for property because there is a lot of selection," says Stanners.

The inventory is due to a combination of factors, says Jensen.

"Some people may have bought a new home during the frenzy last year and they are finally getting possession of that home, so now they have a home to sell," he says.

In some cases, those people are actually putting both the new and the existing home up for sale at the same time in the hopes of selling one at least, he says.

Others are from speculators who bought when the market was hot last year and are now trying to sell.



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ED JANSEN,  
CALGARY  
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"We need time for the market to correct itself," says Jensen.

"November and December are always historically good times to buy because there is always a good selection. There's even more of a selection now because of the ridiculous pace of the last year."

But don't look for any bargain-basement prices, he says.

"Prices may correct slightly, but it's that time of year," says Jensen. "I see it as an opportunity for buyers because of the selection, but prices are not going to drop like a rock. There is a lot of confidence in the economy here."

The average sale price of used single-family homes in October was \$452,254 — up 6.7 per cent compared to the same month last year when the price was \$423,870, but down from September 2007's average of \$470,888.

The median price for October was \$412,500, compared to \$420,500 for September. The median is the midpoint of all sales.

On the multi-family side, the average sale price for condominiums in the Calgary metropolitan area in October was \$331,617, with the median price at \$289,000.

That compares to September's average price of \$321,614, with a median price of \$300,000.

The average sale price of all residential listings for October — including rural land, country residential and towns outside Calgary — was \$430,828, while the median was \$380,500.

For September, those numbers were \$432,233 and \$384,000, respectively.

So far this year, the average sale price of all residential listings was \$427,061, up 19.64 per cent over the same months in 2006.

"My sense is that the market will continue at this pace," says Stanners.



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With the resale market healthy, fears over oil royalties are being seen as unfounded.

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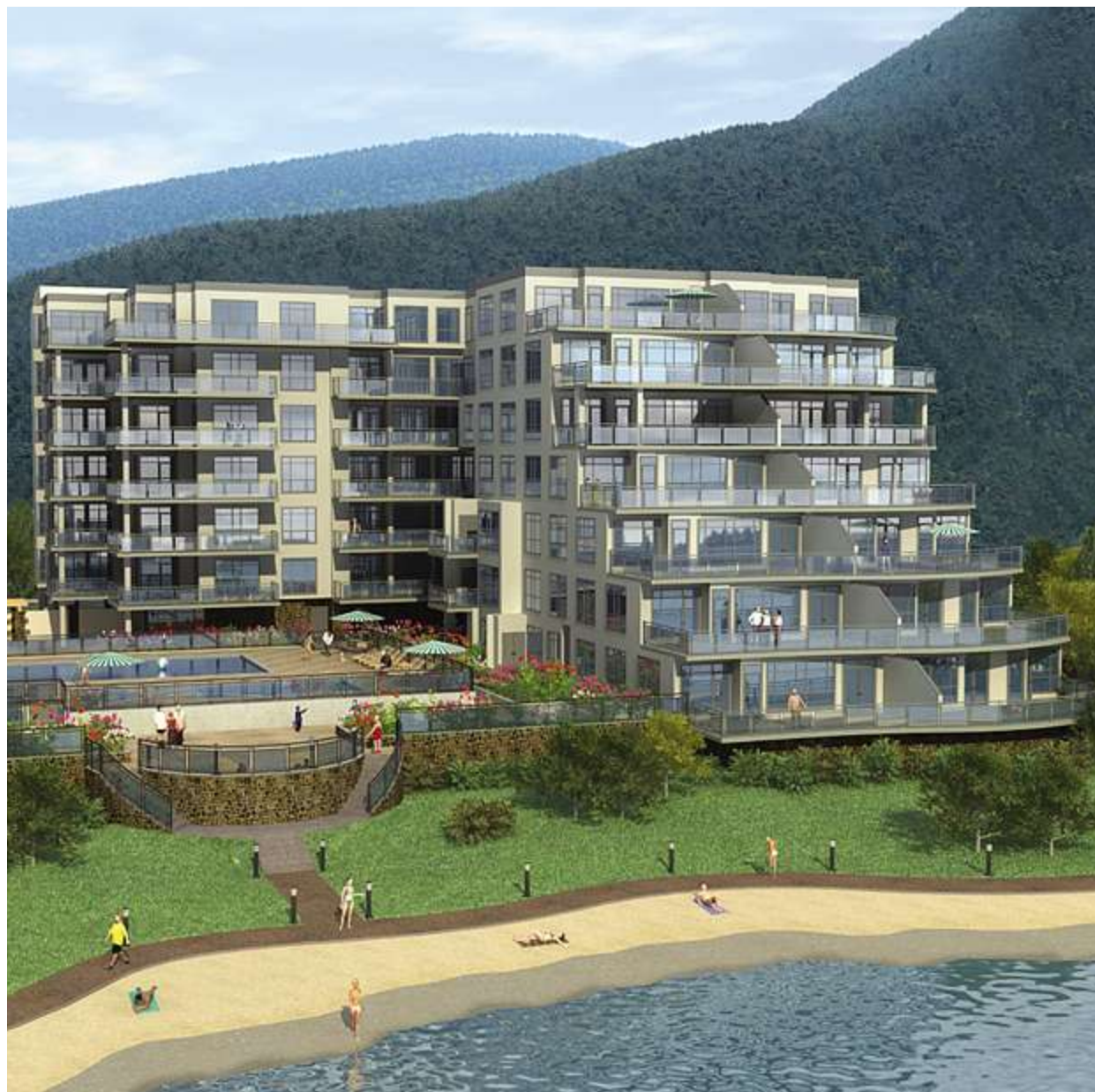
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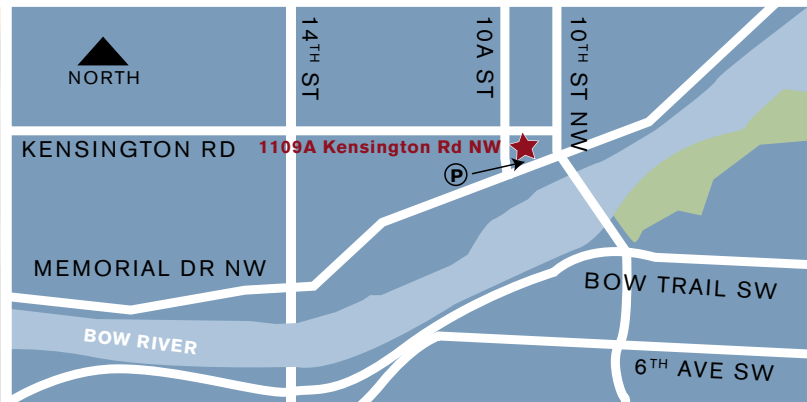
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