



Experts are divided about how much resale prices will increase this year in Calgary.

# Return to 'normal' predicted for 2008

Prices expected to increase 7.7 per cent

MARTY HOPE  
CALGARY HERALD

The only thing Calgary real estate companies and industry watchers can agree on is that resale house prices are going up this year.

What they can't get together on is just how big the increase will be.

Predictions for 2008 compared to 2007 run from "stagnant" by Re/Max to 7.7 per cent from Canada Mortgage and Housing Corp. — with average selling price forecasts for 2008 ranging from \$415,000 to \$450,000.

The middle ground has been claimed by Royal LePage, which has forecast a four per cent climb in prices, setting the Calgary average at \$429,000.

Despite the city's strong economy and population influx, 2008 will see moderated growth and more sustainable real estate market conditions, says Ted Zaharko, broker-owner of Royal LePage Foothills.

"The combination of less frenzied market conditions and increased supply in resource-rich Alberta are anticipated to grant first-time buyers — many of whom were previously priced out — entry into Calgary's resale market in the coming months," he says.

While prices are on their way up again, Zaharko sees a decline in sales through the Calgary Real Estate Board's MLS system for this year.

After setting a new record of more than 33,000 deals in 2007, the Royal LePage official is calling for a six per cent decline to 31,000 in 2008.

"Calgary's real estate market is healthy and is primed to continue like this in 2008," he says. "Calgary is going to return to being a normal market this year and that is the best kind of market to have."

About halfway through 2007, the whole housing market in Calgary was rattled by a market correction.

New home sales slowed and the inventory of resale homes soared, leaving many buyers in control.

Huge price increases were reined in and potential purchasers had many more homes to look at before deciding which deal was best for them.

Zaharko expects those conditions to persist this year.

CMHC senior market analyst Lai Sing Louie says there could be an adjustment to his price predictions, but not for a few days yet.

Meanwhile, he's sticking with his call made in the late fall.

"I think we're in the ballpark with 7.7 per cent (increase)," he says. "It might come back a little bit and maybe 7.7 is a bit optimistic, but we'll see."

Louie is also calling for a decline in the number of transactions for 2008 to 31,700, which is off about four per cent from the 2007 record.

Part of the reason, he says, is due to rising costs, including higher monthly mortgage-carrying costs.

Net migration into the city is also expected to decline to 18,000 this year, down from 22,000 in 2007. Net migration refers to the inflow of people into Calgary minus the outflow.

As a lead-in to his forecast for Calgary, regional executive vice-president Elton Ash of Re/Max of Western Canada talked about Calgary's "supercharged" economy of the past few years:

- The lowest unemployment rate in Canada.
- Job growth at three times the national rate.
- Residential and non-residential permits have posted substantial gains.
- Commercial construction surging ahead.
- GDP growth running at around 4.5 per cent.

So, with all these economic fundamentals in place, Calgary's housing market should be ideally positioned further growth, he says.

"Yet, growth has been a challenge in this rapidly expanding marketplace and the prospect of some economic slowdown is welcome to some extent," Ash says in a recent company survey of Western resale markets. "The residential market will reflect a changing economy."

Besides predicting almost unchanged price levels for 2008, he is also calling for a six per cent decline in sales to 31,500 — a figure he says is on par with levels recorded in 2005.



“It might come back a little bit and maybe 7.7 per cent is a bit optimistic, but we'll see”

LAI SING LOUIE,  
CANADA  
MORTGAGE AND  
HOUSING CORP.

## CARMA'S CHOICE THIS WEEK



### Cedarglen presents the Logan

The Logan by Cedarglen Homes in Auburn Bay is well-suited for family life. Attractive stone accents and decorative panelling on the covered front porch distinguish this two-storey, three-bedroom home. Inside, nine-foot ceilings add an airy feel. You'll notice the large flex room transformed into a delicious dining room, as well as the epicurean-inspired kitchen, with its peninsula island and raised breakfast ledge. The kitchen is complimented by the large walk-through pantry leading to the laundry/mudroom. Next to the kitchen, a sunny nook opens to the back yard. The great room features a gas fireplace and optional built-in shelving. Upstairs, the master bedroom is secluded from the rest of the home by the spacious ensuite and walk-in closet. Two generous bedrooms, a loft, and a full bath round out the upstairs. The Logan by Cedarglen Homes is a must-see when you visit Carma's Auburn Bay.

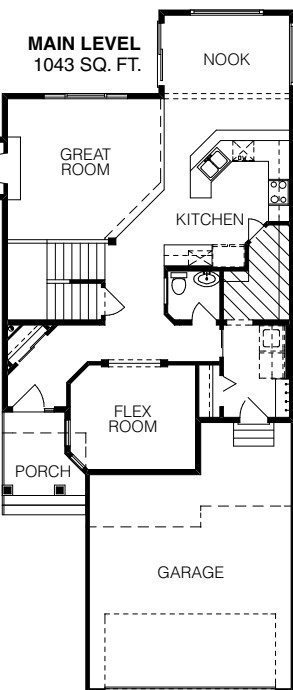
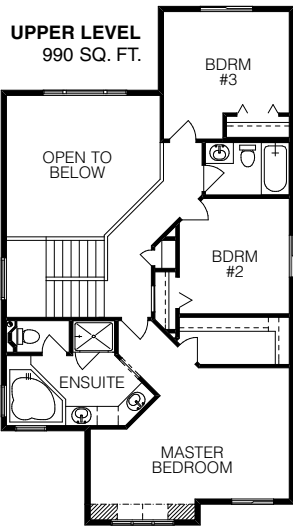
#### FEATURES

- Flex room perfect for a dining room or home office

- Master retreat with large windows and a 5-piece ensuite
- Open to below area easily converted to a loft or fourth bedroom

#### THE COMMUNITY

Auburn Bay mixes the best of cottage life with the convenience of city living. The natural beauty of the community is enhanced by treelined streets and sweeping views of both the mountains and downtown. A 43-acre freshwater lake and 13-acre private park are at the heart of Auburn Bay. Four seasons of activities can be enjoyed by every member of your family. In summer — swimming, canoeing, fishing, or just relaxing on the beach. In winter — ice skating, tobogganing, or crosscountry skiing. Auburn House, a 7000 sq. ft. grand community cottage, will be the central gathering place for residents. From the moment you enter Auburn Bay, you'll feel at home in this relaxing lake community. Come to Auburn Bay and imagine the memories your family will make.



#### THE COST

The Logan in Auburn Bay starts from \$340,800 excluding lot and GST.

#### When 'n' where

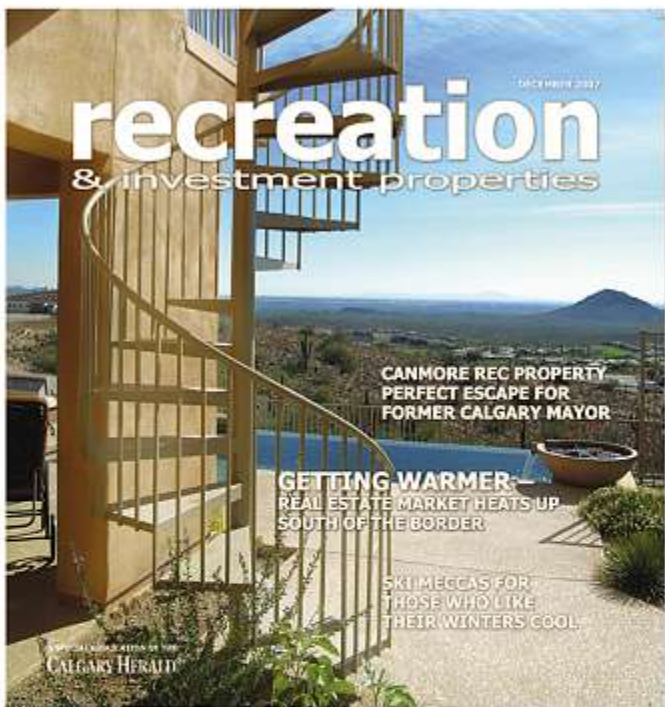
■ THE Logan showhome can be viewed at 348 Auburn Bay Blvd. SE in Carma's Auburn Bay. Showhomes are open Monday to Thursday 2 pm to 8 pm, weekends and holidays 12 noon to 5 pm. For further information call Barry Wilde at 252-9040.

Carma develops Calgary's best communities. A selection of the finest builders create the homes that complement them. Together we are proud to present this week's choice for outstanding new home quality and value.

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Sales of new homes slowed as the inventory of resale housing soared in Calgary.



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