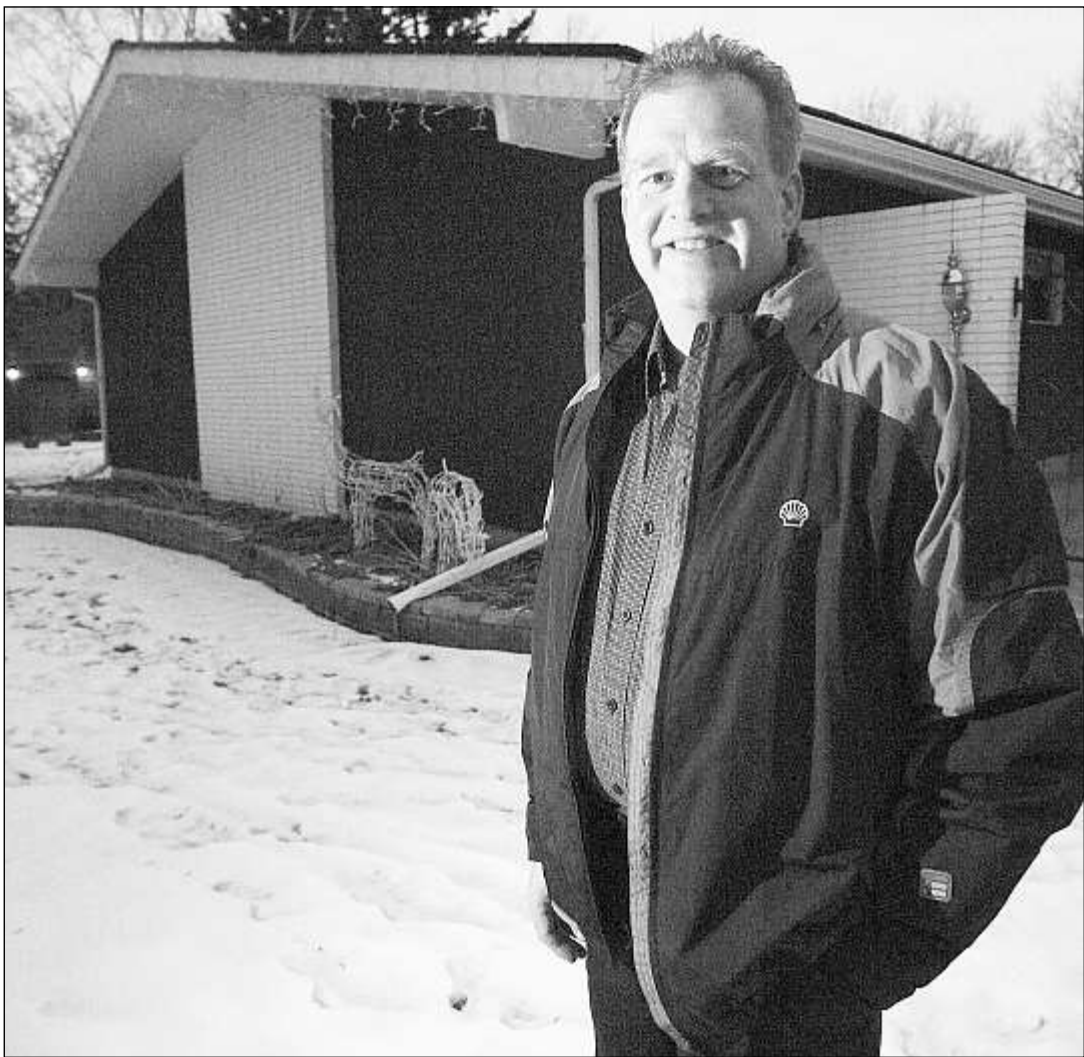


ASKING PRICE FOR THIS WEST HILLHURST HOME: \$1,035,000



Stuart Gradon, Calgary Herald

Civic numbers released Friday show there are now 8,146 homes with an assessed value of \$1 million or more. This bungalow in West Hillhurst is on the market for \$1,035,000.



Stuart Gradon, Calgary Herald

Bob Cooper lives in Eagle Ridge, where property values have jumped by more than 50 per cent.

FROM AI VALUES: 'Degree of stability'

Ald. Jim Stevenson, whose ward includes most of the northeast, said while no one likes to see their taxes increase, most area homes had been undervalued.

"The good thing is we're catching up," he said, adding that his own taxes, which will increase by about \$30 this year, now match what he was paying four years ago.

But two city neighbourhoods can't say they've been undervalued. Eagle Ridge and Roxboro, both in the southwest, have seen their property values jump by more than 50 per cent — a more than 20 per cent tax increase.

"It's a shame to see taxes go up that much," said Bob Cooper, who has lived in Eagle Ridge for 10 years, "but I still need to see what the (individual) numbers are. We've got a couple of expensive homes in the neighbourhood and that could bring the average way up."

"Or not."

One lot in the area recently sold for \$2 million, he added, pointing out it has a view of the Glenmore Reservoir, downtown and the mountains.

With no plans to sell his

home and move, Cooper said a drastic spike in his home's worth doesn't do much good.

"A 50 per cent increase does seem a little bit high," he said.

The city's housing market overall seems to be returning to an equilibrium, said Ald. Brian Pincott, whose Ward 11 contains a number of the priciest neighbourhoods in the city.

"There's a degree of stability here," he said. "It's something homeowners can count on and it's something the city can count on."

The inner city also saw its house and condo prices rise by up to 37 per cent, but it puts those neighbourhoods on par with about half the city, rather than the isolated island of skyrocketing property values it was in previous years.

According to the city, 46 per cent of Calgary homeowners will see their taxes go down this year, while 54 per cent will see an increase.

Calgary determines property tax increases using a revenue neutral formula, which means homes whose market values increase by more than the average 25 per cent will see their bills go up, while those below the average 25 per cent enjoy a drop.

"I think it says the economy in Calgary has been really, really strong and healthy," Dalglish said. "It says people continue to be confident in the

economy. It says the city is a desirable place to be and live."

While the housing market in 2007 slowed — the average increase in red-hot 2006 over 2005 was 43 per cent — Dalglish said a 25 per cent average is still strong growth.

The assessed value of residential property in the city is now \$242 billion, up \$58 billion from the year before. About four per cent of that increase is attributed to the city's growth — new homes being built or renovations to existing properties.

The median house price in Calgary for 2008 is \$447,500, but that won't be finalized until April. Tax bills will then be mailed out in May.

The individual assessments in the mail today — and available online at calgary.ca — are determined using both the market value assessment as of July 1 and improvements to specific properties as of Dec. 31.

While the numbers released Friday give homeowners an idea of how much their tax bill will increase, any mill rate increase passed by council will also be calculated on the bill.

Council has approved a 4.5 per cent tax increase for 2008, but that won't be finalized until April. Tax bills will then be mailed out in May.

KGUTTORMSON@THEHERALD.CANWEST.COM

Million-dollar homes keep multiplying

TONY SESKUS
AND KIM GUTTORMSON
CALGARY HERALD

Calgary's \$1-million home club continued to grow Friday, with the number of seven-figure residences growing nearly 10-fold in three years, the civic assessment reveals.

But all eyes are now on a more exclusive group shaping up in the city — property owners with downtown office towers worth \$1 billion.

For the first time, two non-residential properties — the Bankers Hall and Petro-Canada Building — now have assessed values with an eye-popping nine figures behind them.

"What it says is we are and have been a very desirable place to invest, due to the strength of our economy and perceived long-term strength," said Mike Gigliuk, director of research with commercial real estate company C.B. Richard Ellis.

Civic numbers released Friday also show there are now 8,146 homes with an assessed value of \$1 million or more, up from 4,872 a year ago.

In 2005, there were just 815 homes in Calgary worth that much.

The number of \$1-million condominiums has also skyrocketed to 609, a jump of more than 50 per cent from last year's tally.

Three years ago, there were just 47 condos in that category.

"If somebody is going to be spending that sort of money to reside in the city of Calgary, they have a lot of confidence in the city," deputy assessor Brian Moore said of the jaw-dropping results. "It speaks to people's confidence in the city and the future."

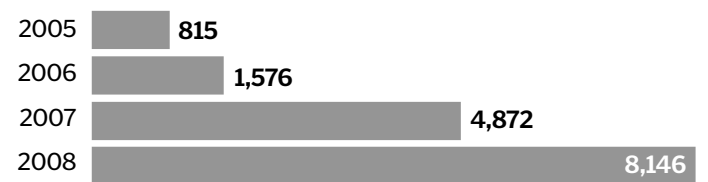
Incredibly, Calgary has six neighbourhoods where the median assessment for the community is more than \$1 million.

Those communities include Bel-Aire (\$1.74 million), Britannia (\$1.27 million), Eagle Ridge (\$1.81 million), Elbow Park (\$1.24 million), Roxboro (\$1.64 million) and Upper Mount Royal (\$1.55 million).



Calgary's million-dollar club is growing

Number of homes worth more than \$1 million



"It doesn't surprise me — it's stupid — but it doesn't surprise me," said Roxboro resident Betty Craigie, who saw the assessment on her older, one-and-a-half-storey home shoot past \$1 million last year.

"It fits in with the Calgary market and this is the high end of the market."

But like many Calgarians, she's not feeling any wealthier with the rising value of her house.

"On the contrary," Craigie said. "Unless you're trying to move next week and move to Saskatchewan or something, I mean, what's the point? Your taxes go up (and) if you want to move in Calgary, you're moving into the same market."

The most expensive house in Calgary, as assessed by the city, is located in Pump Hill and is valued at an astonishing \$22 million.

Heather Waddell, a real estate agent who deals in luxury properties, said the city's assessment numbers reflect her experience.

"Not this spring, but last spring, (with) the frantic market, prices went up, up, up," said Waddell, just before showing a client a \$3-million home.

"There's a lot of \$1-million-plus properties, no question." But a million bucks doesn't go as far as it once did in Calgary.

Not so long ago it seemed

homebuyers with a cool million to spend could think about buying a luxury home.

Today, a wartime, 968-square-foot bungalow in West Hillhurst is on the market for \$1,035,000.

"A million dollars in the inner core would maybe — maybe — buy you a lot," Waddell said.

Though such high prices may give some people vertigo, it makes sense when you consider that a starter home can cost \$500,000, she added.

Todd Hirsch, senior economist for ATB Financial, said the rise in the number of seven-figure homes reflects the growing number of wealthy people in the city.

"And as our city is growing in population, it's also attracting some of those very high-income individuals — people who are in the shopping neighbourhood for \$1-million homes or condos," Hirsch added.

Another component is simply price inflation in Calgary real estate.

"Even though we've seen prices come down a little bit since August, in general since 2005, prices are escalating quite rapidly," Hirsch added.

He believes home prices have essentially stabilized and will likely continue to grow "a little bit" this year.

TSSEKUS@THEHERALD.CANWEST.COM
KGUTTORMSON@THEHERALD.CANWEST.COM

JUNIORS SEEK SWEDE REVENGE IN WORLD FINAL

Herald Hockey, Page E1



Canada's Shawn Matthias

SPEARS LOSES KIDS AFTER MELTDOWN

Entertainment, Page C1



CALGARY HERALD

PROUDLY CALGARY SINCE 1883

calgaryherald.com

Saturday, January 5, 2008



CanWest News Service
Calgary's Feist had the most downloaded album of 2007 with *Reminder*.

Canada ditching discs for digital

Download sales up 93%

MARTHA WORBOY
CANWEST NEWS SERVICE

From Feist to Arcade Fire, Canadians are increasingly getting their musical fix online rather than traditional music stores, according to a new study.

A Nielsen SoundScan Canada year-end report, released Friday, showed that sales of online digital albums are up 93 per cent from 2006, while traditional album sales have fallen by 6.9 per cent. Nearly two million online albums were sold in 2007.

"Electronic music as a format is on the verge of taking over, actually it feels like it has taken over," said Calgary country and western musician Matt Masters. "If you hang on to a sinking ship, you're going to go down."

The figures show Canada has been quicker to embrace the online music world than the U.S., with Canadians buying 73 per cent more digital singles in 2007 compared to a 53 per cent increase south of the border (overall U.S. album sales have declined by 9.5 per cent).

While still a small percentage of overall sales, the numbers indicate more and more Canadians are embracing digital music.

SEE MUSIC, PAGE A6

Suburbs lead rise in Calgary home values



THIS HOUSE: \$1 MILLION+

"It's stupid, but it doesn't surprise me."

Betty Craigie on her \$1M Roxboro home

Stuart Gradon, Calgary Herald

8,700 residences top \$1M mark

KIM GUTTORMSON
CALGARY HERALD

Calgary's cooling housing market still has some heat, with the average home in Calgary worth 25 per cent more than last year and the number of million-dollar residences topping 8,700.

But there were a few surprise winners and losers in the annual civic property reassessment, with some of the city's outlying areas experiencing increases that were once the domain of the inner city.

Communities in the northeast, far southeast and southwest all saw their homes' values jump by up to 37 per cent, which translates into a tax increase of up to 10 per cent.

But new city assessor Stuart Dagleish said with 83 per cent of Calgary homeowners seeing their taxes go up or down by no more than 10 per cent, it's a sign of the city's housing market beginning to stabilize.

"The more affordable, entry-level housing has seen market value changes above the average," he said. "They have had historically lower values and been more affordable. The most affordable properties had the most demand."

SEE VALUES, PAGE A4

CALGARY'S MARKET EXTREMES

Calgary's five most expensive neighbourhoods (median assessment)

- 1 Eagle Ridge: \$1.81 million
- 2 Bel-Aire: \$1.74 million
- 3 Roxboro: \$1.64 million
- 4 Upper Mount Royal: \$1.55 million
- 5 Britannia: \$1.27 million

Calgary's five least expensive neighbourhoods (median assessment)

- 1 Greenwood/Greenbriar: \$57,500
- 2 Downtown commercial core: \$166,000
- 3 Manchester: \$206,500
- 4 Red Carpet: \$206,500
- 5 Greenview: \$267,500

Source: City of Calgary, includes both single-family homes and condos

INSIDE TODAY

- Million-dollar club booms Page A4
- Why Coventry Hills is the city's top-selling community Page D1

HERALD ONLINE

- Download a map of city assessment changes



THESE TOWERS: \$1 BILLION+

Bankers Hall is one of two commercial buildings valued over \$1 billion

INDEX

Announcements...B6 Horoscope.....C9
Bridge.....G14 Life at Home.....G1
Calgary Business...D1 New Condos.....J1
City & Region.....B1 New Homes.....I1
Classified.....G5, G8 Q & Inbox.....A23
Comics.....C11 Sports.....E6
Cr'word...B4, C10, G15 Stocks.....D8
Editorial.....A22 Television.....C12
Faith & Reason.....B5 Travel.....F1
Herald Hockey.....E1 Working.....H1

canada.com

Complete weather information Page D12



Today 4°
Tonight -1°

From Quebec City to Liverpool, great destinations for '08
Travel, Pages F1-F2

Weir, Ames lead elite golf field in Hawaii
Sports, Page E6

OIL HITS \$100
How oil shaped the development of Alberta
There's no question that oil plays a major role in Alberta's fiscal well-being. In the wake of oil's surge to \$100 US a barrel, historian David Finch looks back at how the oil industry has shaped Alberta, made it rich and challenged its economic stability.
In Calgary Business, see why oil prices dipped Friday and learn more about the potential negative impacts of expensive crude.
See stories, Pages A13 and D3-D5

DOWNTOWN REVIVAL
PART FIVE OF FIVE
The increasing inner-city residential population poses a big challenge: how do you build a sense of community among condo dwellers?
See story, Page B1

IMPOSSIBLE

POSSIBLE

BLACKJACK BONUS

EVERY YEAR, HUNDREDS OF PRAIRIE WINNERS SCRATCH 'N WIN THE TOP PRIZE. YOU COULD BE NEXT.

