

Calgary housing market a low overall risk: CMHC

Calgary is at a low risk of a housing correction, says Canada Mortgage and Housing Corp. in an assessment of market conditions across the country.

Its House Price Analysis and Assessment, released Thursday, said Calgary has an increased risk of overvaluation, but is stable or unchanged in three other areas — overheating, price acceleration and overbuilding.

The report said declining sales in recent months — a reflection of lower oil prices — has pushed the city's sales-to-new listings ratio to a buyers' market.

“This is expected to place downward pressure on house price growth, which could lessen the current risk of overvaluation in Calgary,” the CMHC said. The threat of price overvaluation reflects strong growth in house prices and modest gains in personal disposable income.

“The economy is being impacted by lower oil prices and slower inflows of migrants that will likely contribute to an expected slowdown in the rate of price growth in 2015,” it said.

CMHC said Regina and Winnipeg were deemed the riskiest markets in the country. Toronto and Montreal — where the number of condo units under construction is near historical highs — were rated a moderate risk as was Quebec City. Others considered low risk were Edmonton, Vancouver, Saskatoon, Ottawa, Halifax and St. John's.

If you have any questions please feel free to contact me.

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