

## **Alberta housing market forecast to rebound in 2016**

After a tough year in 2015, Alberta's resale housing market is expected to rebound in 2016, according to an economic report.

Forecasted sales in the province are to dip by 17.8 per cent this year from 2014 to 59,000 transactions — the largest drop in the country.

But Alberta is then expected to see the biggest year-over-year hike in sales in 2016 of 7.1 per cent to 63,200 units.

Despite the drop in sales this year due to a slumping economy and continued depressed oil prices, the average sale price in Alberta is forecast to climb by 0.7 per cent to \$378,500 and grow by another 2.1 per cent next year to \$386,600. The 2016 sales forecast is elevated because it is compared to the steep decline overall in 2015.

It is not necessarily a turnaround, it's just that the depth of the correction in the early part of 2015 was so deep . . . We've seen home sales pick up slightly since the winter and we think that going forward it's going to be about stable or might increase slightly.

The forecast is based on assumptions for the price of West Texas Intermediate crude oil at \$52 US a barrel this year and \$72 in 2016. In recent days, that price has ranged between \$40-\$44.

The market has rebalanced in Alberta with sales picking up and new listings easing off from their levels earlier this year.

We are expecting the national average price to rise by 4.6 per cent this year to \$392,600 and by 3.2 per cent in 2016 to \$405,100.

According to the Canadian Real Estate Association, year-to-date until the end of July, MLS sales in Alberta are down by 20.5 per cent from the same period a year ago to 35,986 and the average sale price has dipped by 0.9 per cent to \$397,412. New listings of 71,358 are down 3.3 per cent.

In Canada, MLS sales have risen by 5.9 per cent to 314,736 units and the average sale price has increased by 8.5 per cent to \$441,945.

What does this mean? If you have the capacity to purchase a property in this environment, you may see the equity rise quickly in the next year.

Please feel free to call, email or text any questions you have.

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