

Hello clients,

I found an article in the Calgary Herald that I wanted to use for this month's mail out. I think you will find it very interesting. **Please note that rates have been on the rise for the last 3 weeks. If you are potentially in the market please contact me and we can discuss holding a rate for you.**

Calgary housing market weathering energy downturn: Royal LePage

Calgary's housing market is weathering the energy downturn as home prices remained relatively flat in the third quarter of this year, says a new report released Wednesday by Royal LePage.

The real estate company's House Price Survey said the aggregate median price of a home in Calgary rose 0.8 per cent from a year ago to \$465,374.

Its aggregate prices are calculated by a weighted average of the median values of homes in the regions surveyed.

The median price of bungalows dropped by 0.4 per cent to \$451,937 but for a two-storey home it was up 1.0 per cent to \$522,052. For condos, it rose by 3.0 per cent to \$310,665.

Ted Zaharko, broker and owner of Royal LePage Foothills, said the size of Calgary has created a more diverse economy with different reasons for people now living here.

"The inventory levels have not been excessive in the residential single-family home market," he said. "So when you get buyers driving around looking for houses, they don't have a lot of inventory to look at . . . Generally speaking it's an inventory situation. Supply and demand."

He said home prices have held up reasonably well and the relative lack of inventory has been sustaining prices and offsetting decreased sales activity.

According to the Calgary Real Estate Board, month-to-date up to and including October 13, there have been 500 MLS sales in the city which is down 44 per cent from last year and new listings of 1,126 have fallen by 6.1 per cent. The median price of \$425,000 is off 3.4 per cent while the average sale price is down 5.3 per cent to \$477,075.

As of Tuesday, there were 5,772 active listings in the city, up from 5,526 at the end of September.

Zaharko said many people have lived through similar economic downturns in Calgary caused by a decline in oil prices.

“They’re not going to sell desperately. They’re going to wait it out because they know this is probably more of a short-term situation than a long-term situation,” he said.

At the national level, prices increased 8.0 per cent year-over-year to \$502,643 across the country. Royal LePage said the price of a two-storey home rose 9.9 per cent to \$615,304, and the price of a bungalow increased 6.8 per cent to \$421,757. During the same period, the price of a condominium increased 2.8 per cent to \$338,684.

“Economic slowdowns in energy-dependent markets, most notably in western Canada, have in part been offset by both renewed industrial activity in other parts of the country and the Bank of Canada’s recent interest rate cuts,” said Phil Soper, chief executive of Royal LePage, in a statement.

“In line with recent quarters, strong national home price increases are largely being driven by continued double-digit percentage increases in the Greater Toronto Area and Greater Vancouver, where housing affordability is already becoming a growing challenge for many individuals and families.”

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If you have any questions please do not hesitate to call.

Thanks and have a great month.

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