

Is Summer 2016 Good Time to Purchase in Alberta?

Dear Clients,

The Golden question when looking to buy real estate in Alberta: “Is now a good time to buy”? Truth is that when economic conditions look like they do currently as of summer 2016 – with slumping energy prices, high unemployment rates and uncertainty in the housing market – it can be hard to decide on making a move in Calgary’s residential real estate market.

Fortunately, we are beginning to see some positives for buyers as to why summer 2016 may be an ideal time to buy real estate in Calgary.

Positive 1:

The CMHC’s latest market forecast has given some level of comfort for us all on the foreseeable future of Calgary’s residential housing sector.

In the recent past, the average listing selling price on the MLS® for all sectors (apartment, attached, detached, etc.) hit a maximum of \$460,584. According to the CMHC, the worst case scenario would see that figure drop to \$444,500 and the best case to \$449,500 in 2016.

That means if the worst case scenario were to happen, that’s only a decrease of 3.5 percent compared to the maximum seen in 2014. So further benchmark price drops ARE assumed for 2016, but are expected to stabilize and begin to see modest gains throughout 2017 – also predicted by the CMHC.

At the end of the day, now may be a good time to buy depending on your individual goals and what sector of the market you are looking to make a move in.

Positive 2:

A residential market far into sellers’ territory (with high listing absorption rates) would have buyers making quick decisions on whether or not to put in an offer on a home.

However, today’s market has low listing absorption rates meaning that the market is far into **buyers** territory giving consumers much more time to make decisions.



Buyers have no rush to put in an offer-to-purchase and little worry of competition putting in a better one to close a deal right underneath their nose.

If you’re buying real estate in Calgary sometime soon, keep in mind that you have lots of time to make the best and most informed decisions.

Browsing listings for a few or even several months may just be what it takes for you to find that property you've always wanted and at a very reasonable price.

Positive 3:

This reason as to why now may be a good time to buy real estate in Calgary ties into low absorption rates.

In a balanced market, the accumulation of inventory typically sits at about 1.5 months. Currently, inventory levels are two to even three times higher for some sectors, giving buyers an incredible selection of homes to choose from.

That also gives them more latitude in negotiating the purchase price. Sellers are the ones competing for your dollars so they may just drop the price an extra \$5,000 to \$10,000 to solidify the deal – you never know until negotiations take place.

There are several other factors you should consider when negotiating prices with the seller, such as the listings history and performing a competitive market analysis.

Enjoy the rest of the summer and remember I am always here to answer all your questions!

