

Dear Clients,

Sales cooled and there were fewer new listings for both apartments and attached homes through Calgary's resale market last month than the same time in 2017.

Apartment transactions slipped 16 per cent year over, and attached homes, which is a combined tally on duplexes and townhomes, eased 13 per cent says the Calgary Real Estate Board.

This was part of an overall pullback in activity last month that saw homes of all kinds dip to 1,094 sales from 1,334, year over year.

Housing market conditions are still adjusting to rising lending rates and changes in lending requirements.

The Office of the Superintendent of Financial Institutions rolled out revised guidelines for residential mortgage writing practices and procedures, starting Jan. 1. This includes a new "stress test" for uninsured mortgages that requires the borrower to qualify at the higher figure between the five-year benchmark rate published by the Bank of Canada and two per cent above the contracted mortgage rate.

This process is expected to be bumpy, with demand adjustments leading the changes, However, it is important to remember that it is early in the process and the impact on prices will ultimately be dependent on the supply response.

West Calgary paced all ends of the city with sales growing nine per cent from a year ago. The community of Aspen Woods led this area with five of those sales.

The master-planned southeast Calgary community of McKenzie Towne topped all communities with 11 attached home sales last month.

For apartment sales, the inner-city districts of the Beltline and Mission carried the pace, with 38 and 14 transactions, respectively.

While apartments and attached homes had fewer new listings last month, supply for both segments eclipsed the same time last year. With 542 additions to the market, new apartment listings dropped seven per cent from February 2017 and inventory climbed three per cent.

The Beltline led with 75 new apartment listings and an inventory of 208 units.



For attached homes, new listings dipped two per cent and inventory soared 18 per cent. Inner-city Killarney/Glengarry led all neighbourhoods in attached home new listings with 22, followed by 17 in McKenzie Towne, and 15 in Mount Pleasant.

Killarney/Glengarry topped all Calgary neighbourhoods with an inventory of 54 attached homes.

While resale prices on apartments slipped by nearly \$8,000 in February, attached homes were steady with the same month in 2017.

The benchmark price on attached homes was \$328,200 last month. This is up \$200 from similar homes sold in February 2017. Specifically, townhome prices increased 1.3 per cent, while duplexes were up less than one per cent year over year.

Benchmark prices are that of a typical home based on a formula that uses various factors to ensure accurate comparisons.

Meanwhile, people selling apartments in Calgary last month experienced a setback. The benchmark of \$256,400 marked a three per cent decline from the same time in 2017. However, February's apartment benchmark rose \$200 from January 2017.

The only end of Calgary to see higher prices on apartments last month than the same time a year ago was an area CREB defines as north Calgary. Its benchmark of \$210,500 rallied one per cent year over year. Here, the north Calgary neighbourhood of Country Hills carried the pace with a two per cent boost.

For attached homes, the sharpest upswing came from neighbourhoods in the city centre, where the benchmark of \$572,500 was up four per cent from last year. Northwest Calgary had the second highest price growth on attached homes, increasing two per cent from last year.

I hope this update helps answer some questions on what is happening in the market. Market conditions seem to be changing daily and I will try to keep everyone up to date as best as possible.

As always, please feel free to call or email if you have any specific questions. Have a great month and enjoy the nice weather.

