

## Average resale home gains \$100,000 in '06

### Record number of sales, listings

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Calgary's resale housing market ended 2006 with record-breaking sales and skyrocketing average prices -- increasing by nearly \$100,000 over 12 months.

According to year-end data released Thursday by the Calgary Real Estate Board, records were established in a number of categories, including the total number of sales and the total number of listings.

The average combined residential sale price (single-family, condominiums, mobile homes) for the year was \$346,673, soaring by 38.17 per cent over the 2005 average price of \$250,906.

And strong sales in December bode well for a healthy real estate market this year, say industry experts.

Kevin Clark, president of the Calgary Real Estate Board, said the year certainly reflected the "see-saw" of the marketplace.

"When you compare the second half to the first half, certainly the marketplace settled right down in the third and fourth quarters," said Clark. "In reflection, when you look back on the 12 months, (there were) two very defined periods -- April/May when it was a huge sellers' marketplace (with prices ballooning) and that was very much driven by supply. The demand was good, but the supply was limited."

In August and September, a huge number of listings came on the market, he said, and "buyers sat back a little bit on their heels."

Clark said in September through to December sellers were re-adjusting their prices. For example, he said, of the properties that sold in December, 40 per cent



CREDIT: Dean Bicknell, Calgary Herald  
 Kevin Clark, president of the Calgary Real Estate Board, said 2006 was marked by strong differences in available listings.

had reduced their price by an average of 5.3 per cent before selling; 90 per cent negotiated a sale price an average of three per cent below their asking price; and 11 per cent sold at or above list price.

Lai Sing Louie, senior market analyst in Calgary for the Canada Mortgage and Housing Corporation, said the December numbers indicate demand is still very strong in the Calgary market.

"That's looking good for 2007," said Louie. "It's going to be a very, very good year, too. Some of the growth in price is going to hold back a bit the demand, but still it will be a very, very high level next year."

The CMHC is forecasting the number of sales for 2007 to decrease slightly to about 30,500.

"It's only been two years when it's been over 30,000 and that was in 2005 and 2006 . . . We expect the average price to continue to move up," said Louie, adding the forecast is for the average sale price to increase by about 9.3 per cent for the year.

In 2006, combined residential sales totalled 32,912, the highest ever recorded and an increase of 4.53 per cent over 2005's figure of 31,485. Listings, while slow at times during 2006, finished at 44,712, surpassing 2005's figure of 39,698, an increase of 12.63 per cent.

In December, residential combined sales were 2,015, an increase of 7.52 per cent from December 2005 when sales were 1,874. But they did drop by 12.88 per cent from November sales of 2,313.

The average combined residential sale price for December 2006 was \$361,640, increasing by 32.35 per cent over December 2005 when the average price was \$273,238 and a slight increase of 0.27 per cent from the November average price of \$360,674.

The following shows the breakdown of the December combined sales: 1,414 single-family residences, 593 condominiums and eight mobile homes. December 2005 sales in the same categories were 1,341, 530, and three, respectively.

Combined residential listings in December were 1,670, a typical seasonal drop of 41.40 per cent from the 2,850 recorded in November, but an increase of 6.98 per cent from the 1,561 listings that came to the market in December 2005.

Broken out, the following is a comparison of single-family, condominium, and mobile home average sale prices for December 2006 over December 2005: single-family \$396,870/\$305,676; condominium \$281,459/\$192,412; and mobile home \$78,250/\$53,000.

The average sale price of a single-family home in November was \$394,712.

Clark said the December sales numbers indicate "there's still a lot of confidence in the overall economic marketplace of Calgary and it reflects through the retail markets, the other marketplaces and in the real estate market."

Condominium sales were a record-breaking 9,608 during the year or an increase of 9.76 per cent from 2005's number of 8,754. Condominium sales in December totaled 593, an increase of 11.89 per cent over December 2005 when 530 condominiums changed hands and a decrease of 11.49 per cent from the 670 sales recorded in November. The average sale price of a condominium in December 2006 was \$281,459, an increase of 46.28 per cent from December 2005 when the average price was \$192,412 and a slight decrease of 0.43 per cent from November's average price of \$282,680.

The combined residential median price for December 2006 was \$334,000. This is an increase of 40.34 per cent from December 2005 when the median price was \$238,000.

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