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Stable homes

Analysts say city real estate market past the worst

By MARKUS ERMISCH, SUN MEDIA

Calgary's real estate market will be stronger and more stable this year than in 2007, as short-term speculators have largely quit the market.

"The worst, in a lot of ways, is already past in Calgary," says real estate analyst Jennifer Podmore Russel, a managing partner with Vancouver-based MPC Intelligence,

"2008 is going to be a far more predictable and far more stable year, which is going to add to the strength of the market for the next couple of years."

This year, she said, Calgary's real estate market will see a return to market fundamentals and a more normal pace of sales and price increases.

A frenzied market, real estate speculation and media reports about the bottom dropping out of the market, she said, persuaded potential buyers to take a "back seat for the rest of 2007."

This year, Podmore Russel said, there will be a gradual increase in month-over-month sales. Positive net migration, continuing labour demand and general prosperity will continue to support further developments, especially of condominiums in the city's centre, she said.

"MPC forecasts positive economic direction, combined with stability of the housing market and new product entering into the downtown area, will encourage buyer activity in the final weeks of the first quarter in 2008," states an MPC market report.

Meanwhile, the Conference Board of Canada predicts Calgary's condominium market will continue to cool this year, adding to a deceleration in sales that started in 2007.

In the long term, the board predicts, condo starts will settle near 2,500 units.

Much of the slowdown, the report concludes, is caused by a resurgence of resale listings.

"Calgary's resale apartment condominium market is moving quickly to a balanced state as listings flood in," the report states.

By 2012, the increasing share of seniors, coupled with population growth, will push condominium resales to 2007 levels, the board predicts.



Homeowners.