

Edmonton housing market repositioned after uncertain year

Edmonton, January 6, 2009: Coming off a peak in May/June 2007, residential prices remained stable for the first part of the year but slowly slipped downward as the year progressed. The average price for all residential property sold through the Edmonton Multiple Listing Service® dropped just 5.7% during 2008, reported the REALTORS® Association of Edmonton. The average* all-residential price (single family, condominiums, rowhouses and duplexes combined) was \$329,705 on January 1 and fell to \$310,974 by December 31.

“The Edmonton housing market peaked about a year before the rest of the country,” said Marc Perras, president of the REALTORS® Association of Edmonton. “The dramatic price drops happened in the last half of 2007 and this year our market responded in an orderly manner with a slight rebound at the beginning and a slow softening in the second half. We have seen the peak and the market is settling in at this new level although there will be the usual seasonal fluctuations.”

Sales lagged through the first half of the year and the inventory reached record levels of over 11,000 properties in May. Stronger sales in the third and fourth quarters ate into inventory and by year end there were 6,316 homes available on the MLS®. Total residential sales were down 15% in 2008 as a result of the higher prices and economic uncertainty.

“Single family homes suddenly took a price drop in December but condo prices rallied,” said Perras. The average price for a single family dwelling dropped 3% to \$351,870 after negligible change for two months. Condo prices, which had dropped over 8% in the two previous months, were up 1.2% over the previous month. At the beginning of the year an average SFD was priced at \$382,022. At the end of December the price is just \$30,000 less at \$351,870. Condo prices over the year dropped from \$253,270 to \$234,286; a 7.5% decline. “Sellers resisted the market and global forces that dragged prices down but will eventually discover that buyers will not buy at last year’s prices,” said Perras. “Buyers have lots of choice right now and seem willing to wait until their dream house reaches their dream price point.”

At the end of December there were 6,316 homes in inventory after residential listings of 1,319 and sales of 608 in December. The sales-to-listing ratio was 46% and average days-on-market was 65 days in December (up 2). Total residential sales for the month were down at \$189 million and total sales for the year were just \$5.8 billion; down from \$6.9 billion in 2007. Total MLS® sales were \$6.6 billion down from \$8.2 billion last year.

Highlights of MLS® activity

| December 2008 activity | Record for the month* | % change from December 2007 |
|--|-----------------------|-----------------------------|
| Total MLS® sales this month | 693 | -26.70% |
| Value of total MLS® sales – month | \$217 million | -34.20% |
| Value of total MLS® sales – year | \$6.6 billion | -19.30% |
| Residential ¹ sales this month | 608 | -29.10% |
| Residential average price | \$310,974 | -5.68% |
| SFD ² average selling price – month | \$351,870 | -7.89% |
| SFD median ³ selling price | \$330,000 | -9.70% |
| Condo average selling price | \$234,286 | -7.50% |

¹. Residential includes SFD, condos and duplex/row houses.

². Single Family Dwelling

³. The middle figure in a list of all sales prices

* Average prices indicate market trends only. They do not reflect actual prices, which may vary.