

Optimism in Western Canada

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After a long, sleepy winter, it appears that prices are beginning to take a slow, steady-sustainable climb upwards again in the West- particularly in the regions of Edmonton, and Northern British Columbia.

Spring is traditionally the time of new beginnings- and the same can be said in terms of optimism in the market in these two regions.

In Northern BC, while sales volumes and prices for Q1 are down slightly year-over-year, the fact that the dips are marginal, and that recently the markets have been moving upwards are reason for hope.

Says BCNREB President Victor Prystay, "In spite of a long hard winter that has seemingly impacted the various real estate markets in our northern 2/3 of the province, the numbers of sales and listings throughout the area are only, on average, marginally down over 2010. The exceptions include Kitimat, Fort St. John and Fort Nelson, all of whom saw an increase in numbers of sales while Terrace, Fort St. James and the greater Prince George area generally held their own."

He continues "Further, and on the plus side, in those areas that have enjoyed an increase in volume, average sale prices continued to rise and we are, with spring finally here and bringing with it the number of new listings that historically come into the market at this time of year, continuing to be optimistic about 2011. "

In both Northern BC and Edmonton , there is promise in terms of job growth and new employment prospects, and a sense of economic well-being that are all contributing to the health of the property markets of the respective regions.

In Edmonton, year-over-year to the end of March, prices were down, 'the average* residential price (includes all types of housing including condos) was down 4.6% from a year ago at \$327,725. The average price of a single family detached home was down to \$378,912 compared to 2010 (a -2.6% change) and condos were priced down 7.5% year-over-year at \$232,706."

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However, members of the local industry remain encouraged for a few reasons- namely, the upwards trends of early 2010 were a bit of a statistical anomaly, sound economic fundamentals in the region, and that month to month, numbers are moving slowly in the right direction.

Looking at February to March, the average residential price went up by 4.8%. Single Family Detached prices were up 5.8% and condos rose 0.8%.

“We will see sales number bounce back as we move into the spring market period,” said REALTORS® Association of Edmonton President Chris Mooney. “All the fundamentals for this market are positive. There is job stability, low unemployment, income growth and in-migration. New home builders are busy and I expect buyers to be looking at the housing options which match their lifestyle changes.”

Speaking exclusively to Propertywire.ca, Rod Thompson, Broker, SellerInvite.com preaches a dose of caution with this optimism, and encourages Edmonton buyers to rely more heavily on the information on hand, than predictions.

“I’ve seen home values stabilizing in some segments, but there are a lot of good reasons to be cautious as well. The real estate market is still out of sync with the rest of the economy and until it realigns itself the hot economy can actually be its worst enemy. Rising interest rates and other factors such as high consumer debt, foreclosures and even rising gas prices may slow our recovery down.”

“With all the good news it's easy to make bold predictions and rising average prices are natural this time of year. But average selling price is a poor market indicator and often misleading, especially when sales are slow.”

“This next quarter may give us a better idea of what the next two years will look like. Will the strong economy speed the recovery of the real estate market? Will rising interest rates hurt home values? Will high consumer confidence translate into actual home sales?”

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“I encourage sellers to not make big decisions based on broad predictions, and to instead seek specific information about your individual market place and get the good advice of a knowledgeable REALTOR. The reason SellerInvite.com sells so many homes is because we empower and encourage sellers to make smart and informed decisions.”