

POSITIVE START TO THE NEW YEAR

Sales activity and prices improve over 2013

Calgary, Feb. 3, 2014 – On the heels of a strong year of sales growth, January sales in the city of Calgary totaled 1,440 units, a 17 per cent increase over the previous year.

“Sales growth continues at the double digit pace seen over the later portion of 2013, mostly due to the gains in the condominium sector,” said CREB® chief economist Ann-Marie Lurie. “While these are the highest January sales levels since 2008, total sales transactions are in line with long-term trends.”

Condominium apartment and townhouse sales totaled 466 units in January, a 33 per cent increase over the same period in 2013. This is relative to the 974 sales in the single family sector, only a 11 per cent increase over the previous year.

“Consumers looking for more affordable product turned to Calgary’s condominium market, which was the only sector to record growth in new listings, compared to January 2013,” explained CREB® president Bill Kirk. “The improvement in listings helped ease some of the tightness in the condominium market, however overall conditions continue to favour the seller.”

New listings in the condominium apartment and townhouse market totaled 809 units, a combined increase of six per cent. Meanwhile, the single family sector lost momentum with new listings recording an eight per cent year-over-year decline. Overall market conditions continue to remain tight with months of supply remaining below two months.

“Two consecutive years of strong migration levels are expected to support improving housing demand this year, but at a slower pace,” said Lurie. “However, with no

significant change in the supply situation this month, prices continue to rise at higher than expected levels.”

The unadjusted single family benchmark price was \$476,700 in January, a 0.95 per cent increase over the previous month and a 9.1 per cent increase over the previous year.

The availability of lower price single-family product continues to decline, resulting in a shift in sales distribution. In January, 29 per cent of the single family sales activity occurred in the \$400,000 - \$499,999 price range, making it the category with the highest share of sales. In previous years, the majority of the single family transactions occurred in the \$300,000 - \$399,000 range.

Condominium apartment and townhouse prices totaled \$280,600 and \$308,100 respectively in January. On average, year-over-year price growth in the townhouse market totaled just more than 8 per cent, compared to the apartment sector increase of nearly 12 per cent.

While year-over-year condominium apartment price gains have pushed into double digit growth territory, the unadjusted benchmark price remains 5.5 per cent lower than levels recorded during the high.

Kirk noted that “While supply pressures have not yet eased in the market, it is important to note that we remain in one of the traditionally slower months of activity in our housing sector as many consumers are waiting for the more robust spring market.”

