



BRICKLAND  
— REALTY —

# Monthly Market Report

## *April 2016*

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6020 1A Street S.W., Unit #10, Calgary, AB, T2H 0G3  
Tel. (403) 870 7333, (403) 259 4141 // Fax (403) 476 2131

**RE/MAX** REALTY PROFESSIONALS  
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## *Market highlights – April 2016*

- Residential property prices and sales volume in Calgary declined in April 2016 as economic conditions and market imbalance continue to weigh on the housing market.
- Benchmark prices in the city declined 0.4% from the previous month and 3.4% from the same time last year to \$441,000, according to Calgary Real Estate Board (CREB®) reports. Home sales in Calgary totaled 1,764 units, 10.14% per cent below the levels recorded in April 2015.
- Similar to the previous month, new listings increased as compared to last year, which combined with a decline in sales resulted in inventory gains across all sectors of the market.
- Market imbalance continues to persist as homebuyers wait to see if the prices will decline further before making an offer. The expectations gap between buyers and sellers created an environment of depressed activity in the market.
- Provincial residential sales for Alberta totaled 5,136 units, down 8.7 % from a year earlier, according to Alberta Real Estate Association. The average price in April 2016 was \$393,285, down 1.1 % from a year earlier.
- According the latest Housing Market Outlook report of CMHC, MLS® sales in Alberta are forecasted to decline from 56,477 in 2015 to between 47,900 and 52,500 sales in 2016. Demand is expected to begin rising in 2017 lifting sales to between 48,600 to 53,400 transactions.



## ➤ *Understanding the market gap*

- With a streak of declines in pricing the new market reality, at least for the time being, has started to sink in for sellers. Many are beginning to adjust to the new reality by either lowering expectations on price or re-considering the listing of their property.
- However, many buyers in the market today are still not willing to make an offer expecting even larger price reductions. And so the gap in expectations continues to persist across different properties and areas.
- ***What does this mean if you are the seller*** – While the current market continues to underperform, the trends will eventually turn around as the economic climate begins to change. As a seller you need to decide whether transacting in today's market is the best option or perhaps listing your property in the future makes the most sense based on your particular situation. According to the latest CMHC market outlook report, average residential prices are expected to increase slightly in 2017 as oil prices are expected to stabilize leading to modest improvements in economic activity and consumer confidence. The MLS average residential price in 2017 in Calgary is forecasted to range from \$450,400 to \$455,600 compared to the average price range between \$444,500 and \$449,500 expected for 2016.
- ***What does this mean if you are the buyer*** – Today's market created many opportunities for the buyers as sellers begin to adjust their price expectations. Buyers today have better chances of finding the right property at a reduced price as well as have access to properties that were perhaps previously unattainable under different market conditions.
- Many buyers today, however are still hesitant to make an offer in attempting to time the bottom of the market. With so many variables to consider, it is important to make sure that you as a buyer don't lose focus of what got you out in the market in the first place – and that is finding the right property.



## *Understanding the market gap – continued*

- This doesn't mean that you don't take advantage of the opportunities available on the market today, however, your decision should be equally balanced in considering whether the property is the right fit for you, no matter what the market conditions are.
- In cases where the focus is only on getting the best possible deal, often times buyers don't take the time to see other properties available that may be perfect for them, or in some cases may unfortunately lose the property that fully meets their criteria.
- The best strategies in the long term always involve a balanced approach which couldn't be more applicable than in today's market.



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➤ *The number of residential units sold in Calgary declined by 10.1% in April 2016 compared to the same time last year. The benchmark price declined by 3.4% from April 2015.*

April 2016 - Calgary total residential summary

	April 2015	April 2016	% change	March 2015	March 2016	% change
Total sales (units)	1,963	1,764	(10.1)	1,777	1,588	(10.6)
New listings	3,064	3,217	5.0	3,129	3,226	3.1
Sales to new listings ratio	64	55	(14.4)	57	49	(14.0)
Days on market	40	46	15.0	39	43	10.3
Benchmark price (\$)	456,700	441,000	(3.4)	458,900	442,800	(3.5)

Source: Calgary Real Estate Board (CREB)

- Total number of residential units sold in Calgary declined by 10.1% in April 2016 compared to last year. The ratio of sales to new listings declined from 64% to 55% in April 2015 and April 2016, respectively.
- The average benchmark price declined from \$456,700 to \$441,000 in April 2016 compared to the same time last year.
- The year-over-year trends in both pricing and volumes for the month of April are comparable to the year-over-year trends noted in the previous month.



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➤ **Benchmark prices in April 2016 declined across all sectors compared to last year. Apartment sector continues to show the most decline year-over-year in both pricing and volume.**

April 2016 - Calgary residential summary by property type

Property type	Sales (units)	Benchmark price (\$)	Change (%) - sales (April 2015 - 2016)	Change (%) - price (April 2015-2016)	New listings	Sales to new listings ratio	Inventory	Months of sales in inventory
Detached	1,134	501,500	(1.4)	(3.0)	1,821	62.3	3,127	2.8
Semi detached	174	383,600	(13.9)	(2.7)	307	56.7	595	3.4
Apartment	272	280,400	(22.7)	(4.4)	665	40.9	1,590	5.8
Row	184	314,800	(29.0)	(4.5)	423	43.5	930	5.1
<b>Total</b>	<b>1,764</b>	<b>441,000</b>	<b>(10.1)</b>	<b>(3.4)</b>	<b>3,216</b>	<b>54.9</b>	<b>6,242</b>	<b>3.5</b>

Source: Calgary Real Estate Board (CREB)

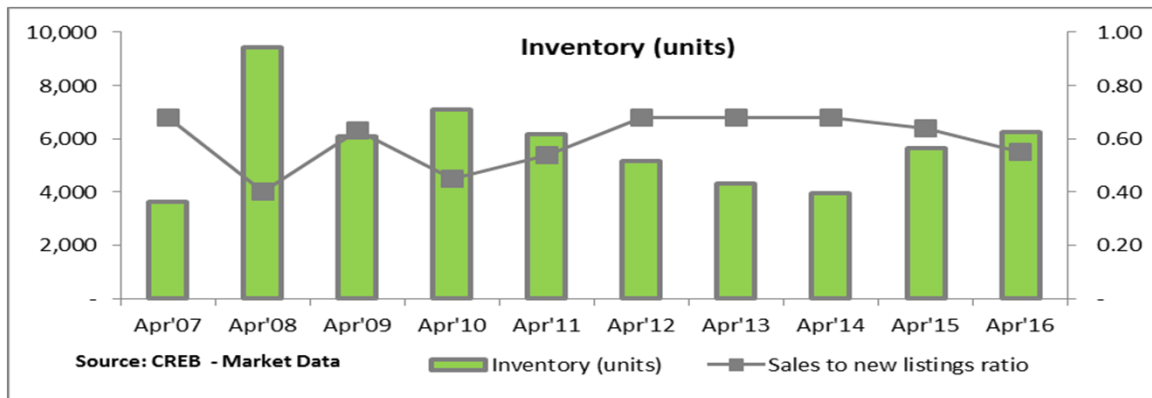
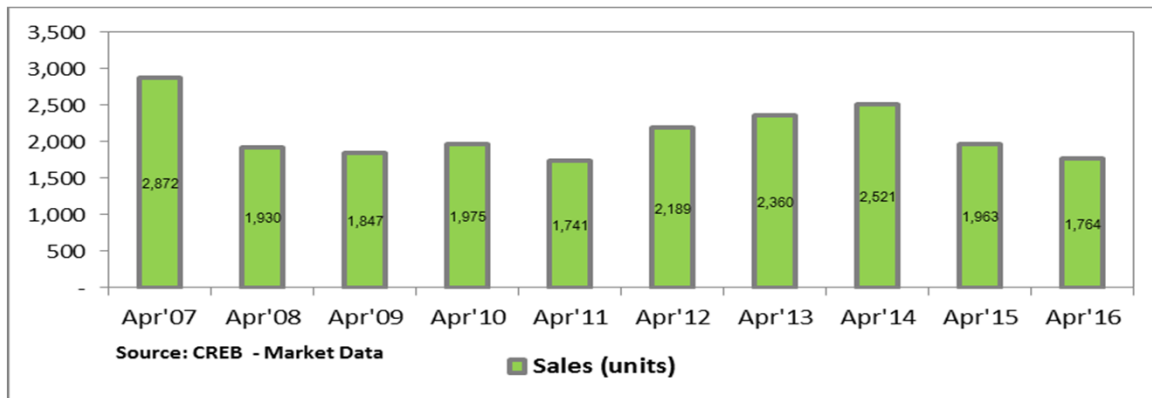
- Apartment benchmark prices have been trending down since late 2014. In April 2016, benchmark apartment prices totaled \$280,400, 7.6 % lower than levels recorded prior to the slide and 4.4 % lower than last year.
- In April 2016 apartment inventories have risen to levels not seen since 2010.
- Similar to other sectors, the weak economic climate impacts the sales activity and demand, however the apartment sector is further impacted by the increased supply in the competing rental market.



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## ➤ Calgary residential – historical monthly trends

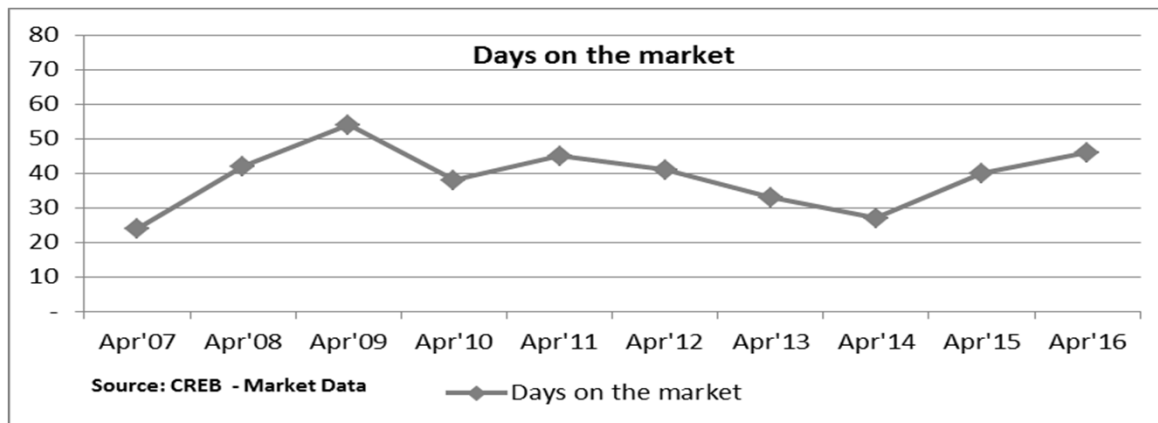
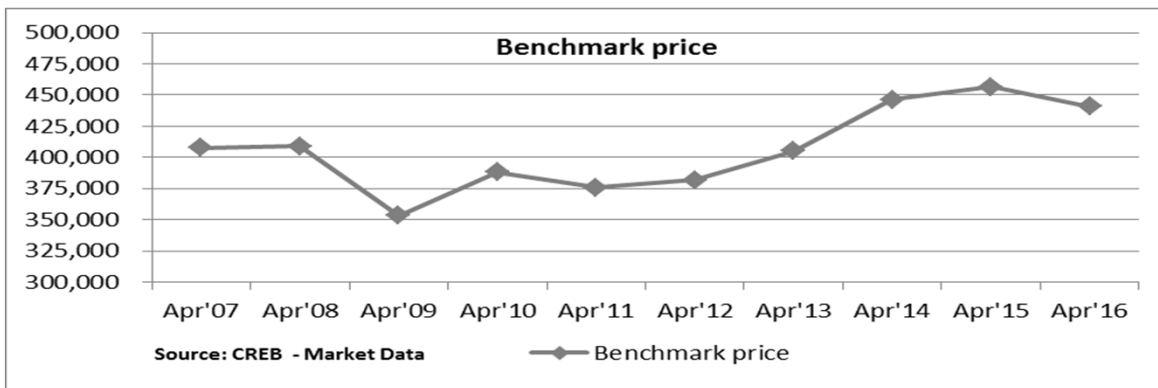




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**About BrickLand:**

BrickLand Realty is Calgary's residential real estate group providing clients with insightful information and latest market updates for making sound real estate decisions.