

3RD QUARTER 2011 MARKET REVIEW

Red Deer City and Central Alberta Region – “MLS”(tm)

City of Red Deer:

A Better Overall Picture. Number of Sales totalled **407**, **UP 19.4%** from the 341 recorded during the 3rd Quarter last year; but expectedly, **Down 14.3%** from the 475 recorded during the 2nd Quarter of this year. Inventory levels of Properties for sale ended this quarter at 639 vs. 751 at the end of the 3rd Qtr'10 – a Decline of 112 or 14.9%. This is an indication of things “settling down” a bit, as well as increased numbers of sales chewing away at an “over supply” situation. **It is also important to note that the number of sales this quarter, is the second lowest of the past 7 years – (Just to keep things in perspective).**

More specifically, the City of Red Deer saw 266 Single Family Dwellings (SFD) sell during the 3rd Qtr of this year. That was Up 7% (17 units) when compared to the 3rd Quarter of 2010; but Down by 49 units or 16% from the 2nd Quarter of 2011. The Median Price of a single family dwelling was \$319K for the 3rd Qtr this year, compared to \$314K last quarter, and \$325K during the same period last year. At \$319K, this was \$11K or 3% below the 3rd Qtr Market Peak of \$330K in 2007 – Which is quite good – shows our values in the area have held up well to the Global Economic situation. A stronger September (Median Value = \$337K) this year helped bring the Median Values up for the entire Quarter.

The most active price ranges for All Sales Types were 91 in the \$250/\$300K and 77 Sales in the \$300/\$350K spectrums – adding up to 41% of the Market. Of an interesting note is that 19 properties sold in the \$500K+ Range, vs. 24 during the same period last year – a continuing signal that the “Affordability Factor” is having some impact. A total of 141 properties (35%) of the sales were under \$250K vs. 84 (26%) during the same period last year.

Our ½ Duplex (freehold – non condo title) Sales provided 32 sales for the quarter – up from 28 last year, and Down 11 sales when compared to the 2nd Qtr of 2011. Median Prices were \$242K, \$226K & \$240K respectively.

The Townhome (freehold – non-condo title) market in the City, provided 17 sales in the 3rd Qtr this year – up from 16 in the 3rd Qtr last year, & Down 8 from the 2nd Quarter of 2011. The Median Values were \$234K this year compared to \$228K during the 3rd Qtr last year, and \$199K for the 2nd Qtr of 2011.

Other Areas thru our Region:

Blackfalds – SFD (Single Family Dwelling) sales for the 3rd Qtr'11, totalled 38 – up from 25 during the 3rd Qtr'10, but Down 5 from the 2nd Qtr'11. Median Prices were \$275K, \$298K and \$304K respectively. The 7 year Median average is \$271K, at 30 sales per Quarter.



Camrose – SFD sales were 80 during the 3rd Qtr’ 11; 51 in the 3rd Qtr’ 10, and 77 in the 2nd Qtr’ 11. Median Prices were \$258K, \$258K and \$290K respectively. Looks like this Area is now quite stable from the number of sales aspect – Recording the second best sales numbers for the quarter (82 in 2008), and while substantially Below the Median Peak Value of \$303K in the 3rd Quarter of 2007, is not too far off the 5 year Median average of \$272K.

Innisfail – SFD sales were 18 in the 3rd Qtr’ 11; 22 during the same period in 2010, and 17 in the 2nd Qtr’ 11. Median Prices were \$228K, \$286K and \$269K respectively. The 7 year Median Average is \$241K, at 23 Sales per Quarter.

Lacombe – SFD sales totalled 49 for the 3rd Qtr’ 11, versus 43 in the 3rd Qtr’ 10, and Down from 56 in the 2nd Qtr’ 11. Median Prices were \$320K, \$313K and \$315K respectively. The 7 year Median average is \$295K, at 48 sales per Quarter.

Ponoka – SFD sales were 36 in the 3rd Qtr’ 11, compared to only 11 during the same period a year ago, and 23 during the 2nd Qtr’ 11. Median Values were \$205K, \$265K and \$203K respectively. The 7 year Median average is \$219K, at 29 sales per Quarter.

Rocky Mountain House – SFD sales during the 3rd Qtr’ 11 totalled 20– compared to 9 last year and 23 during the 2nd Qtr’ 11. Median Prices were \$282K, \$321K and \$346K respectively. The 7 year Median average is \$273K, at 23 sales per Quarter.

Stettler – SFD Sales totalled 26 in the 3rd Qtr’ 11, compared to 8 in the 3rd Qtr’ 10 and 30 in the 2nd Qtr’ 11. Median Prices were \$257K, \$216K and \$199K respectively. The 7 year Median average is \$212K, at 25 sales per Quarter.

Sylvan Lake – SFD Sales Numbers for the periods show 61 in the 3rd Qtr’ 11, 50 in the 3rd Qtr’ 10 and 62 in the 2nd Qtr’ 11. Dollar figures show the Median Prices of \$332K, \$315K and \$328K respectively. The 7 year Median average is \$315K, at 74 sales per Quarter.

Summary:

For the most part, I am seeing the Housing Markets in Central Alberta settling in at stable values and sales numbers, now comparable over the past 3 year period. While stability may seem like a Good Thing, given the uncertain economic climate of the World, it is troubling that we are still seeing the number of sales remaining below the 2005 – 2006 years. Over the past 7 years analysed, it is now obvious that the year 2010, will be the worst insofar as numbers of sales go, with 2011 coming in at a relatively close 2nd from the bottom.

For the past 3 years, I have been consistent in my message --- Until Central Alberta finds ways to Expand Business, Develop New Businesses, Attract New Corporations, and Generate Growth in the Corporate Sector; the Region will stagnate. Any Region needs



Good Jobs to Attract People and thus Grow. I am not seeing many signs of that happening, with exception of the New Cancer Centre construction at our Red Deer Regional Hospital, and some expansion of the Red Deer College.

Retail Sales still appear to be “ho-hum to worrisome”; and dramatic increases in Utility Costs & Food Prices, coupled with a very flat wage spectrum do not help improve on the spending habits of people. The “Middle Class” continues to be squeezed tighter and tighter, financially.

It appears that Lending Rates will continue to be low for the next year, so it is a good time to be considering a “Move-Up” in housing. With Flat housing prices and Low Interest Rates, coupled with a good supply of inventory, one couldn’t really ask for a better time to Purchase a Home.

Looking down the road a bit – I do see the Keystone Pipeline to the Gulf going ahead. There will be continued protests and negative publicity on both sides of the Border, but I would sooner see our current dependence on oil and gas being supplied “locally” rather than see more “hostile or unfriendly” countries receive our money, then use it to one day fight against us; or hold us “hostage” when we require supply. The Keystone Project will create many, many jobs – at least for a few years.

Regardless who wins the next Provincial Election (likely in the Spring), I believe we need to see a More Responsible Government who listens to and acts with the best interests of Albertans. I believe that the “Middle Class” is vanishing, and that the wealthy are getting richer. I see Major Corporations making Record Profits, yet NOT Hiring workers. I see more and more hard working families struggling to make ends meet. We need to lower our cost of essential needs, provide better educational opportunities for All (not just the rich), get our Health System in order, plan a better future for our Seniors, yet Not leave our Province Mired in Huge Debt. We were once the Wealthiest Province in the Country, we were the place of opportunity for good jobs – and now we are “sucking sluwater”. --- My Point --- We need to have Corporations and Government step up to the plate, and start creating an environment of responsible growth of Industry, in order to provide a reasonable supply of Jobs from many different aspects of the potential workplace. When this happens, we could once again start to see Alberta at the top and growth in the housing sector – until then my housing prediction is mostly flat and somewhat miserable.

Thanks for reading.

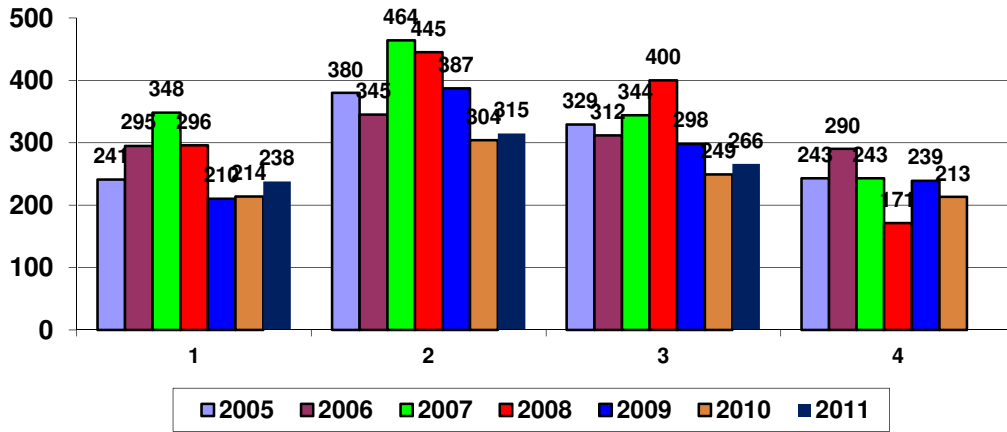
Randy Weins, Broker
Weins World Real Estate Inc.
Red Deer, AB.

October 08, 2011

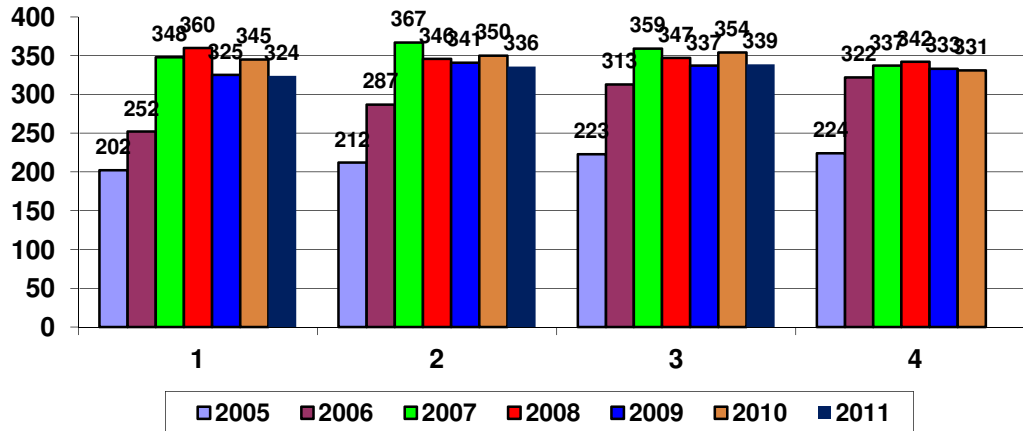


City of Red Deer – 2005 to 2011 – Single Family Dwelling

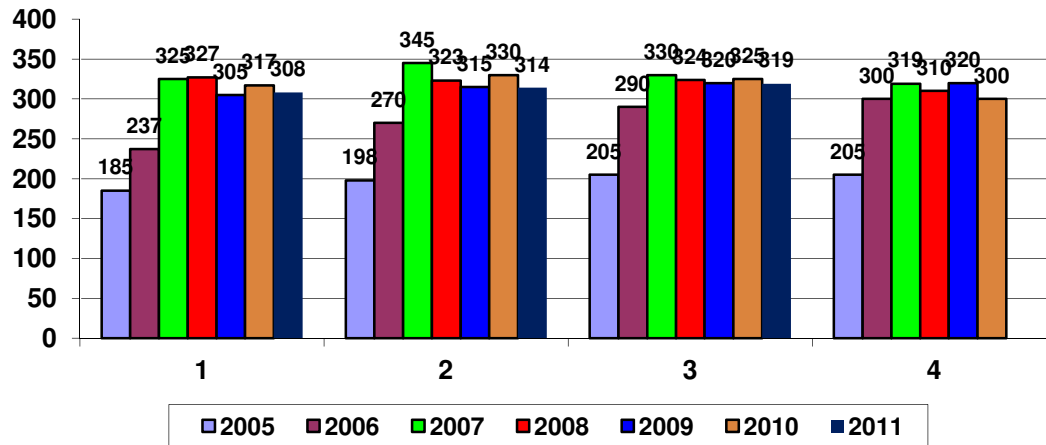
City of Red Deer - MLS - SFD # Sales per Quarter



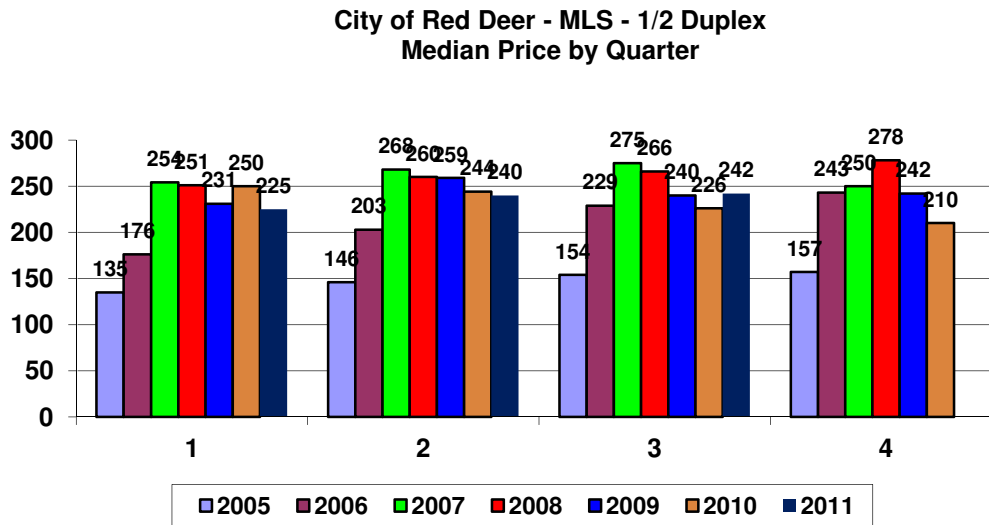
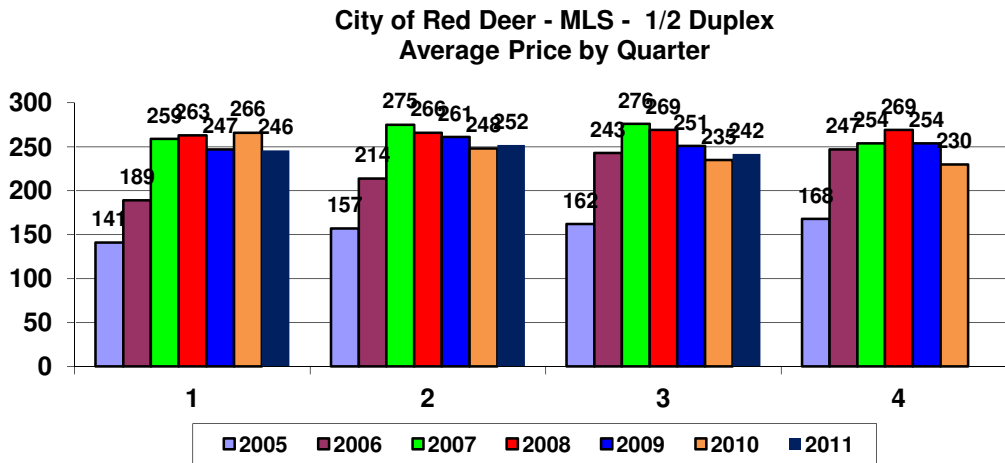
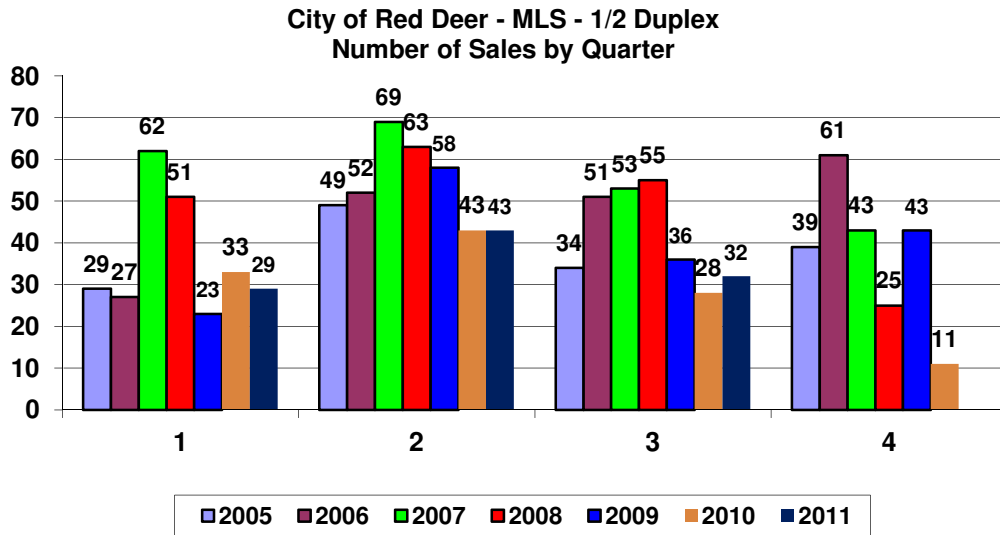
City of Red Deer - MLS - SFD -Average Price by Quarter



City of Red Deer - MLS - SFD - Median Price by Quarter

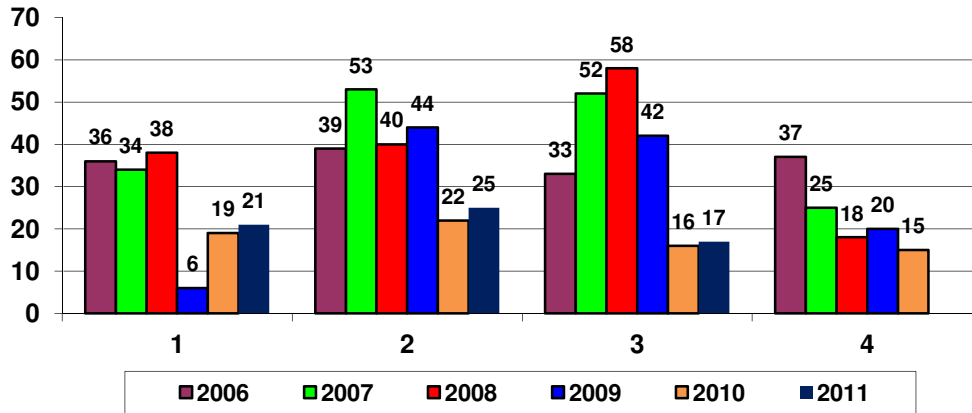


City of Red Deer – 2005 to 2011 – ½ Duplex (Freehold)

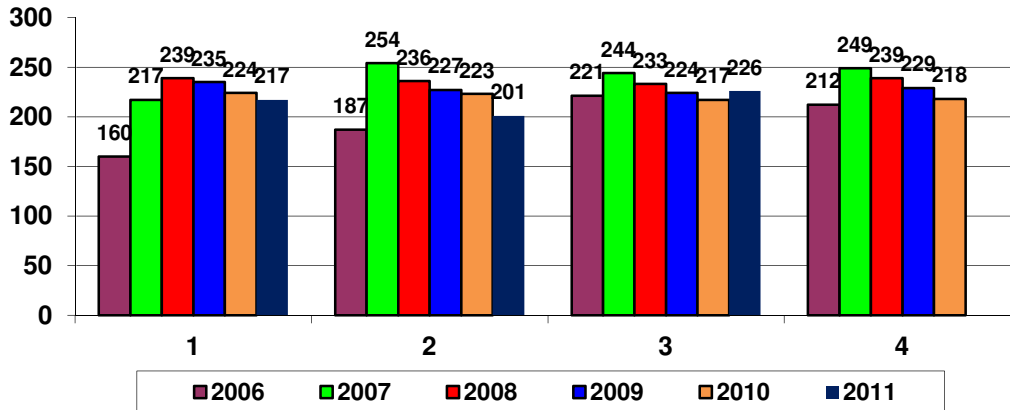


City of Red Deer – 2006 to 2011 – Townhomes (Freehold)

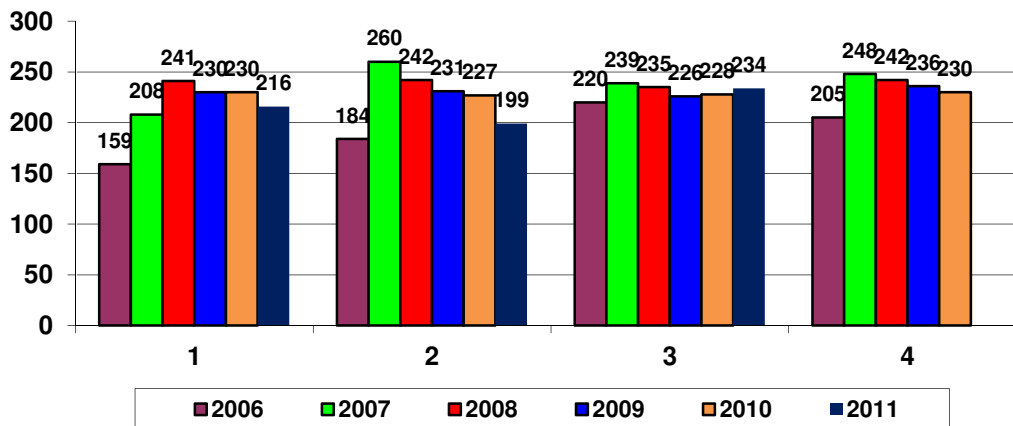
**City of Red Deer - MLS - Townhome
Sales per Quarter**



**City of Red Deer - MLS - Townhomes
Average Price by Quarter**

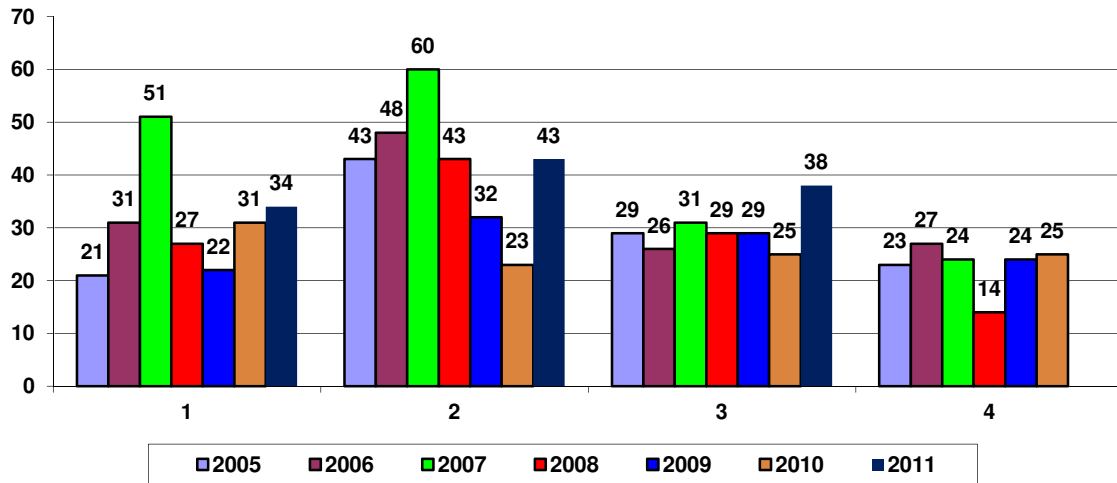


**City of Red Deer - MLS - Townhomes
Median Price by Quarter**

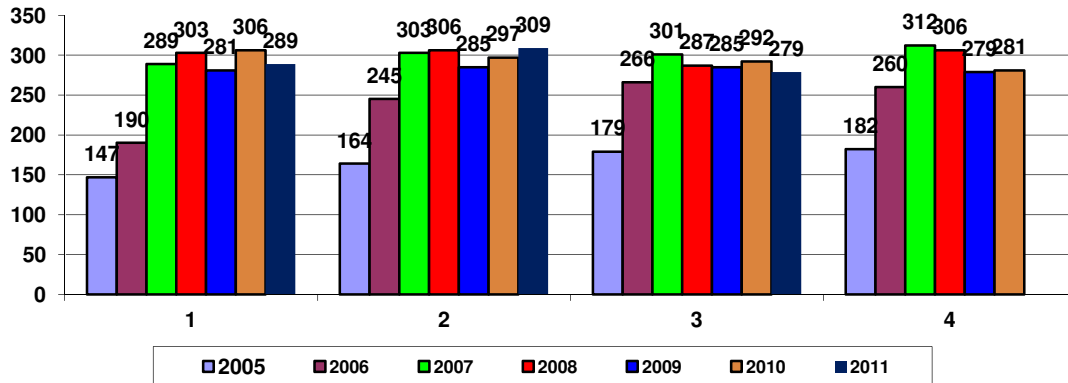


Town of Blackfalds – 2005 to 2011 – Single Family Detached Dwelling

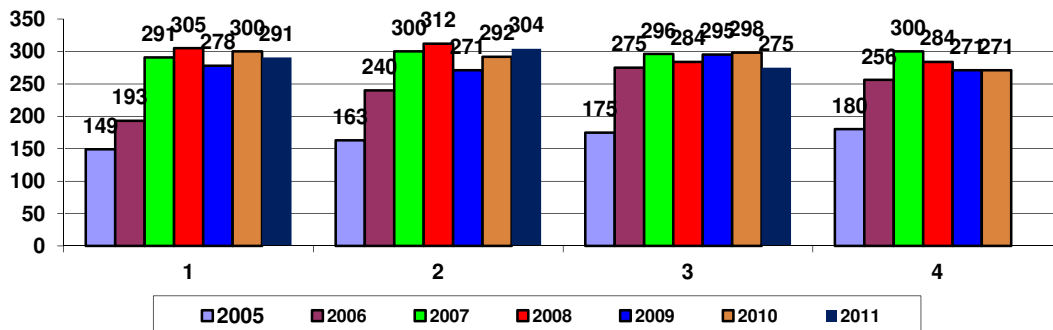
Town of Blackfalds - MLS - SFD - # Sales per Quarter



Town of Blackfalds - MLS - SFD - Average Price per Quarter

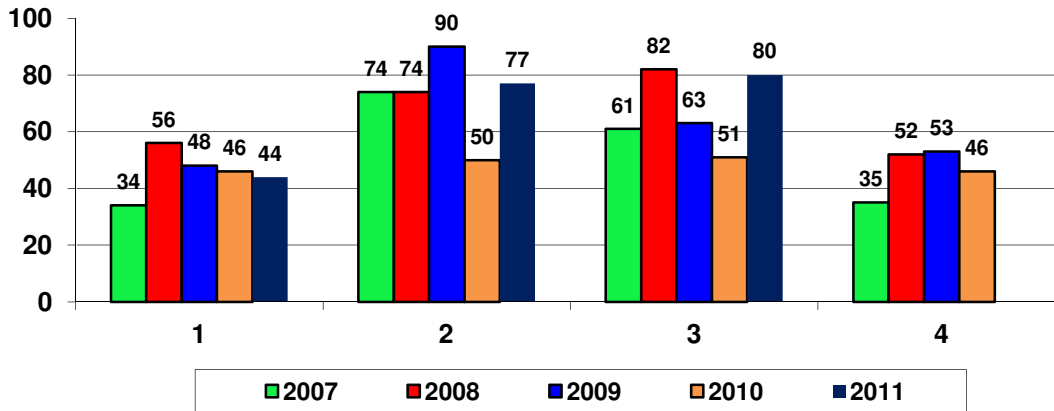


Town of Blackfalds - MLS - SFD - Median Price by Quarter

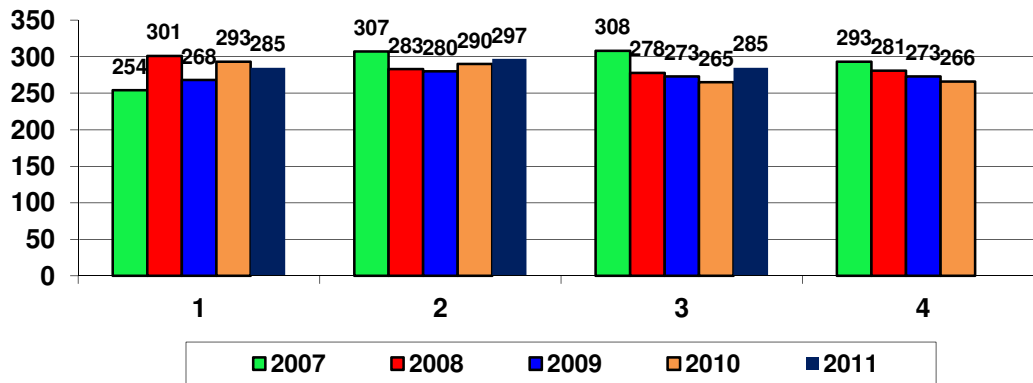


City of Camrose – 2007 to 2011 – Single Family Dwelling

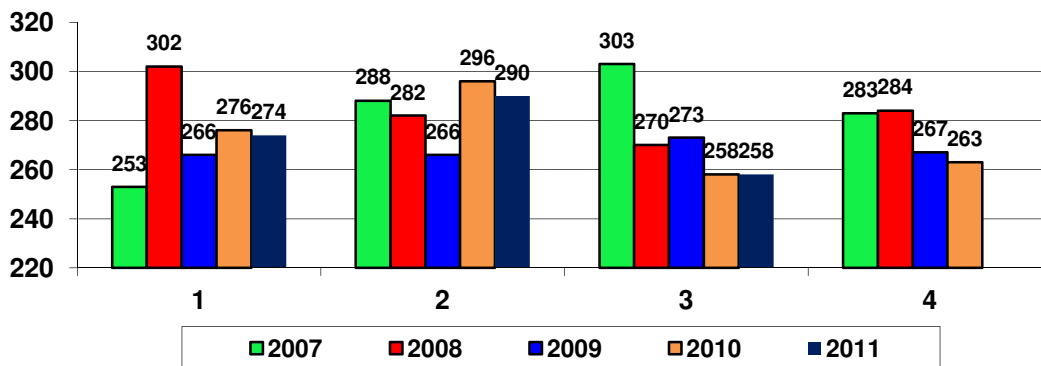
City of Camrose - MLS - SFD # Sales per Quarter



City of Camrose - MLS - SFD - Average Price by Quarter

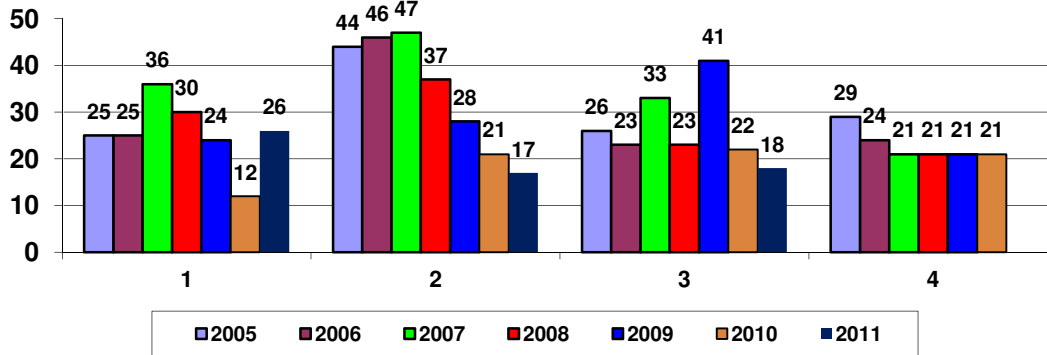


City of Camrose - MLS - SFD - Median Price by Quarter

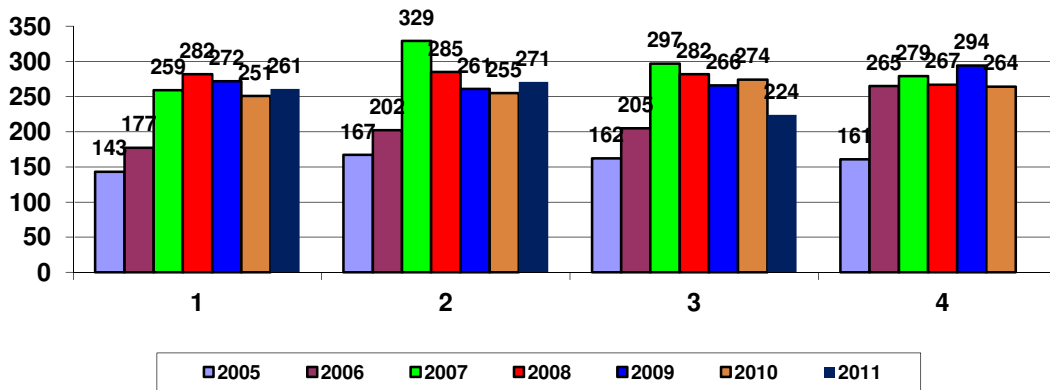


Town of Innisfail – 2005 to 2011 - Single Family Dwelling

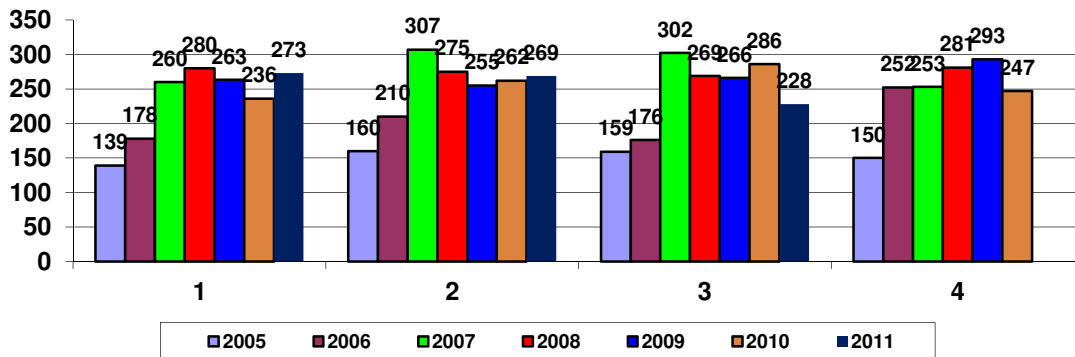
**Town of Innisfail - MLS - SFD
Sales per Quarter**



**Town of Innisfail - MLS - SFD
Average Price by Quarter**

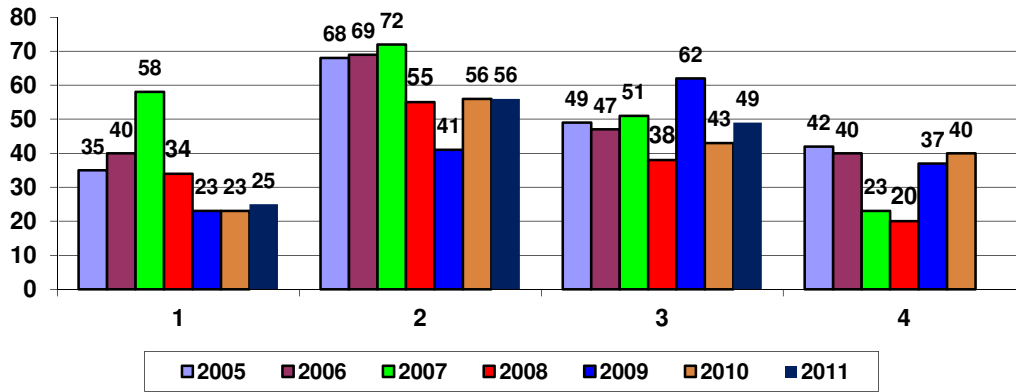


**Town of Innisfail - MLS - SFD
Median Price by Quarter**

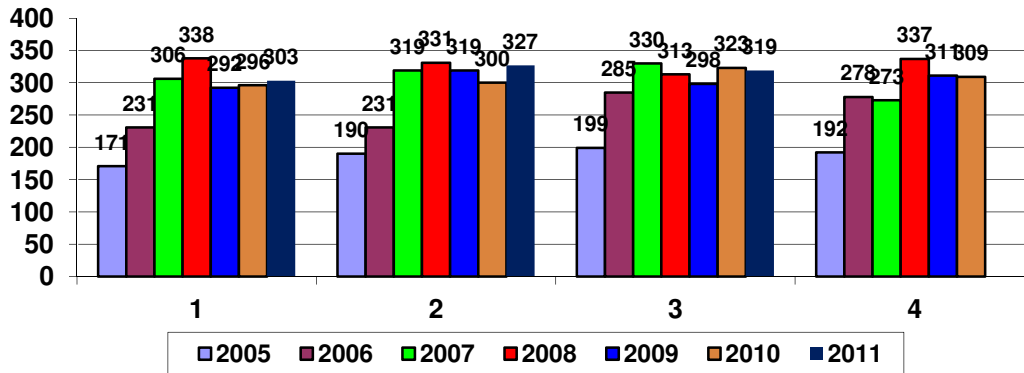


City of Lacombe – 2005 to 2011 – Single Family Dwelling

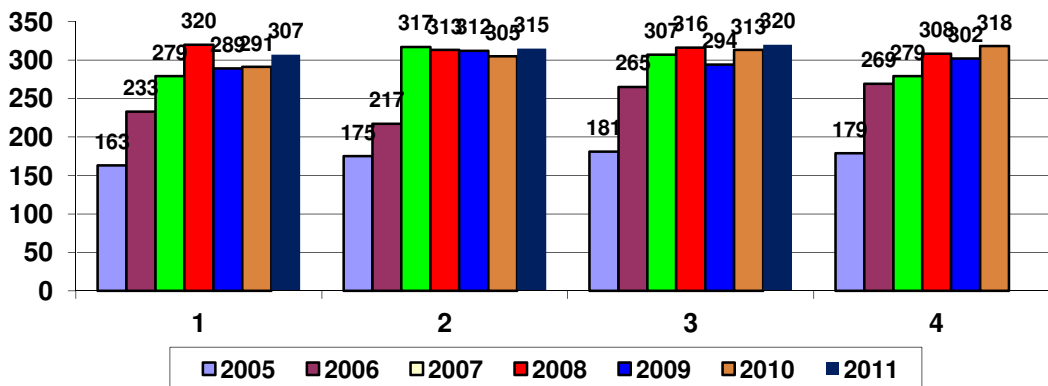
City of Lacombe - MLS - SFD # Sales per Quarter



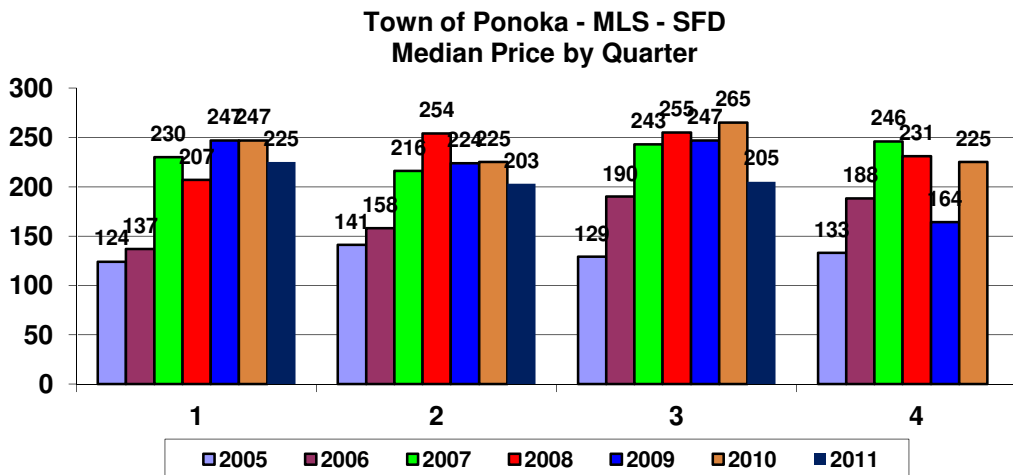
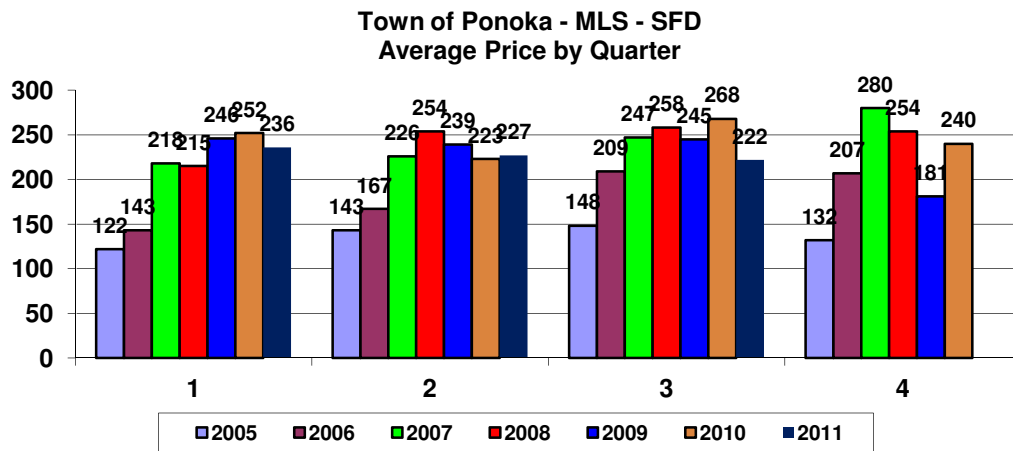
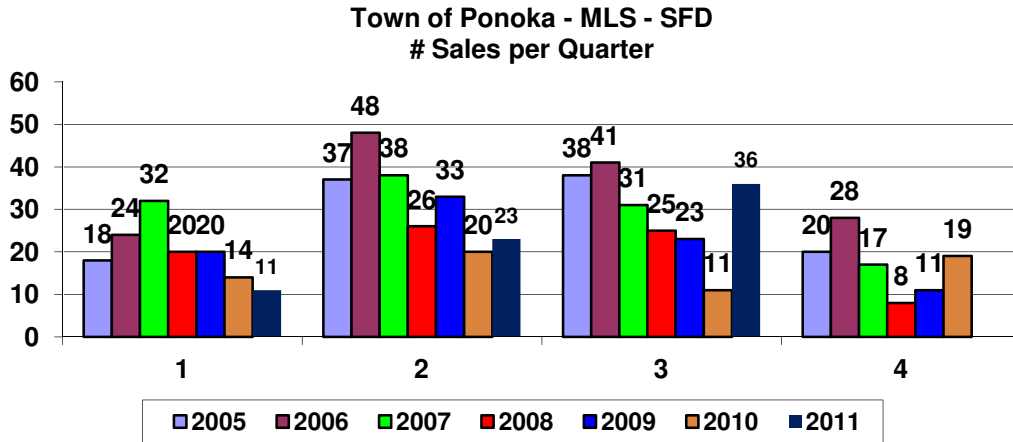
City of Lacombe - MLS - SFD Average Price per Quarter



City of Lacombe - MLS - SFD Median Price by Quarter

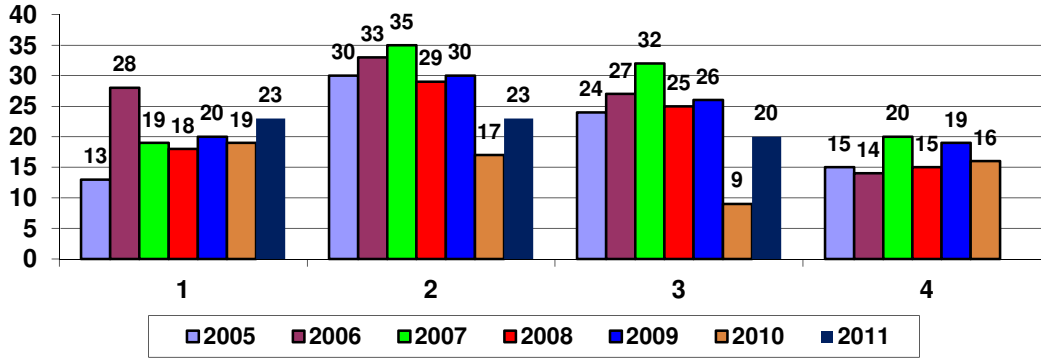


Town of Ponoka – 2005 to 2011 – Single Family Dwelling

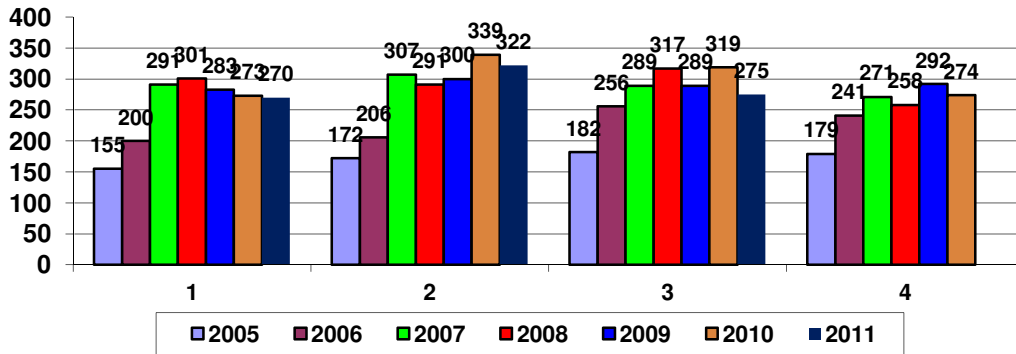


Town of Rocky Mountain House – 2005 to 2011 – Single Family Dwelling

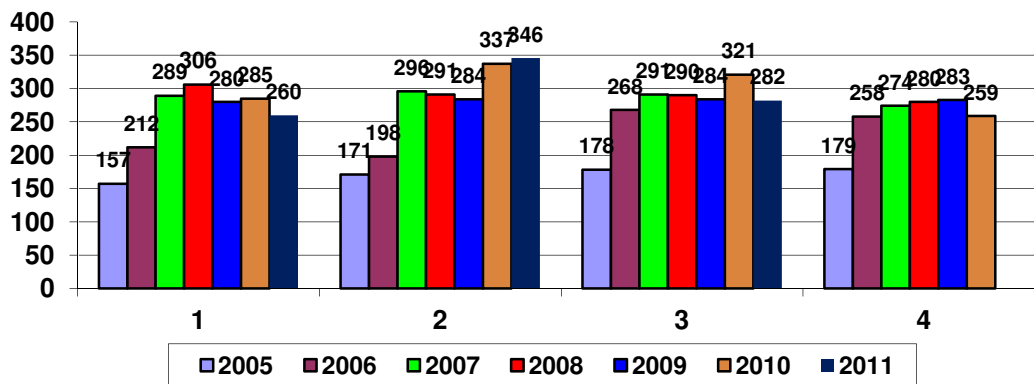
Town of Rocky Mountain House - MLS -SFD # Sales per Quarter



Town of Rocky Mountain House - MLS -SFD Average Price by Quarter

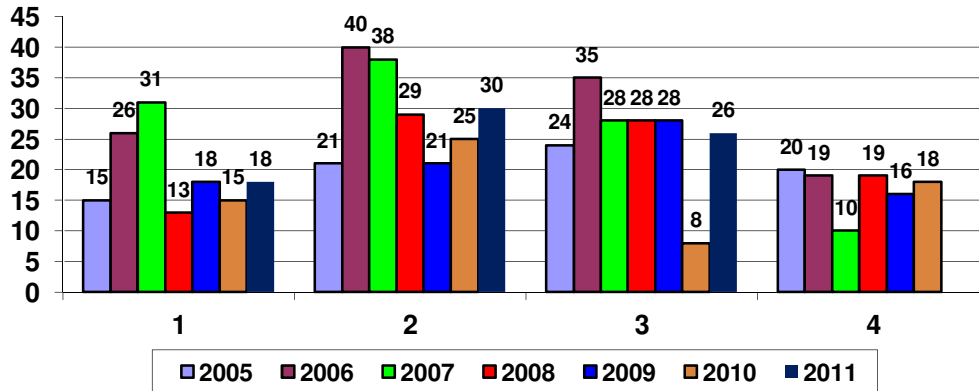


Town of Rocky Mountain House - MLS - SFD Median Price by Quarter

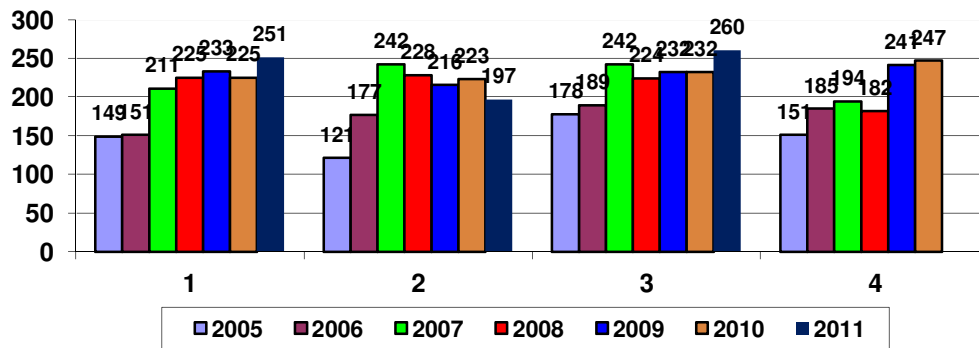


Town of Stettler – 2005 to 2011 – Single Family Dwelling

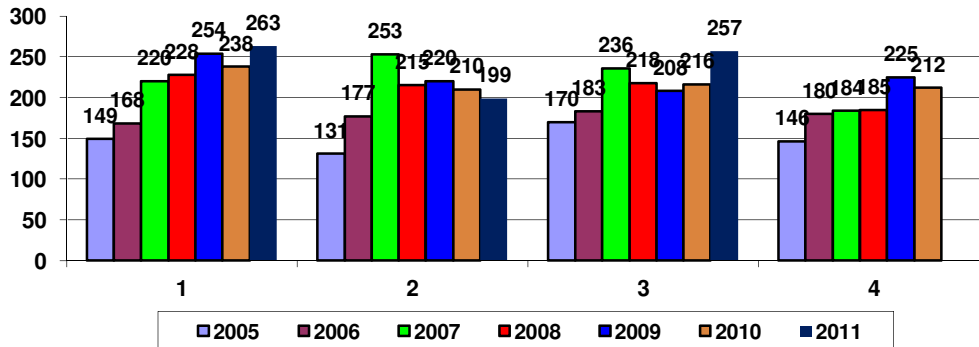
Town of Stettler - MLS - SFD # Sales per Quarter



Town of Stettler - MLS - SFD Average Price by Quarter

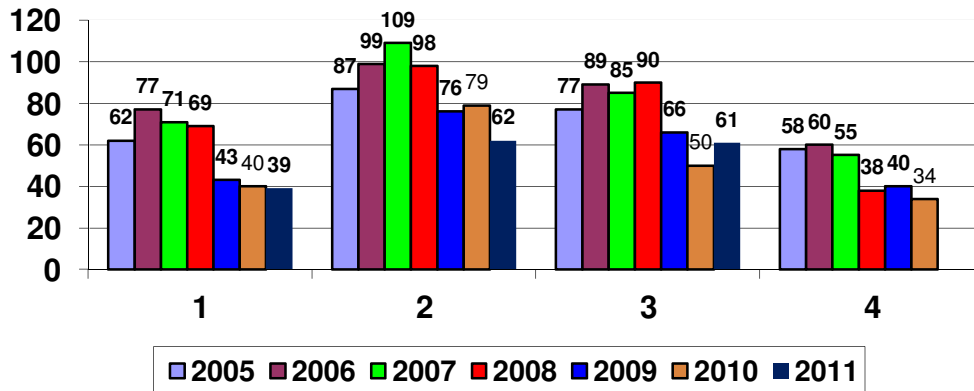


Town of Stettler - MLS - SFD Median Price by Quarter

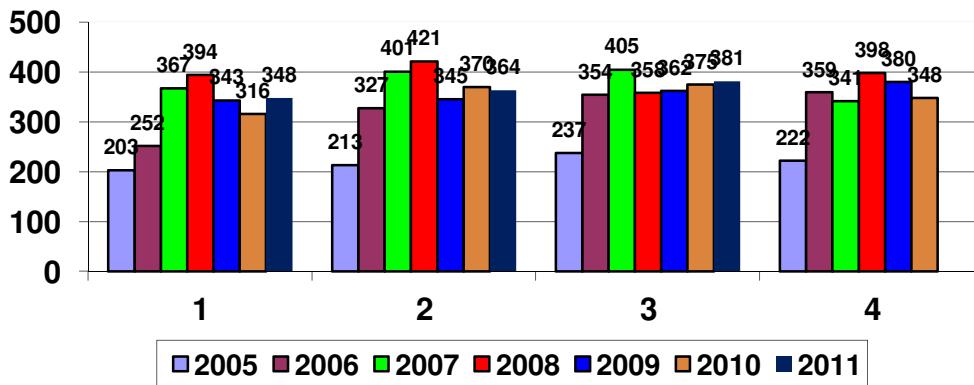


Town of Sylvan Lake – 2005 to 2011

Town of Sylvan Lake - MLS - SFD # Sales per Quarter



Town of Sylvan Lake - MLS - SFD Average Price by Quarter



Town of Sylvan Lake - MLS - SFD Median Price by Quarter

