



YEAR 2009 IN REVIEW

Central Alberta Residential Real Estate Market

(Statistics from the Central Alberta Realtors Ass'n Database – Multiple Listing Service)

The Global Economic “Meltdown” sent jitters & uncertainty throughout the Region commencing around the 3rd Quarter of 2008, and stayed with us for the duration of the 2009 year. As consumers and businesses alike glued themselves to the Media, most wondered what might lie in store and how serious the actual effect would be. This “Uncertainty” contributed to an Economic and Consumer Spending Slowdown about as much (maybe even more) as the Actual Impact itself. ---- Ah, Never underestimate the Power of the Media!!

The Residential Housing Market is Hugely dependant on the availability of Good Jobs and Employment, as most home buyers today require financing of some sort. With the Economic Woe’s of the World, there were many “would be buyers” who simply could not buy, and some who could not afford to keep what they had. Others were just afraid; or held off, thinking prices would come down further. Many took advantage of the Lower Prices and Interest Rates.

The Government’s Economic Stimulus Package helped in some areas, but funding was slow to get out even though some “fast tracking” measures were attempted. The Bank of Canada reacted swiftly, dropping the FED rate to a historic 0.25%. The Banks however, just had to get a bit greedy and because rates had dropped so low, it was an opportune time for them to Increase their Lending spread by a point or so; and thus the full effect of the Bank of Canada’s efforts was not realized by the consumer, but a part helped contribute to the already profitable Banks. Shame on them!!

Still, for many life went on without much change and others just took things in stride. By the end of the year Consumer Confidence was restoring and markets were commencing stabilization. Across the Country Residential Real Estate numbers were showing huge gains over the previous year’s poor performance of October thru December 2008.

The following comments are supplemented by six consecutive years of stats, in graph format, that I have compiled from our Association database, and thus provides the activity processed thru our Association’s Multiple Listing Service. I have analysed only the Single Family Dwelling component of our Market as I feel this most accurately reflects the Market itself. For the same reason, I prefer to utilize the “Median Prices” rather than the averages.

City of Red Deer:

1,135 sales were processed – the second lowest number of the past 6 years, beating out only 2004 by 24 sales. When I take the 6 year average of 1,232 sales, we were off the pace by about 7.9%.

The Median Price however, came out reasonably well at \$316K, ranking in 3rd place for the six years and only \$14K or 4.2% less than our Market peak of \$330K in 2007. This demonstrates



that while the sales were fewer, values held up well - \$38K or 13.7% Higher than 2006, which was considered a Very Good year back then. If I take the numbers a step further, the 2009 Median Price was \$141K or 80.6% **HIGHER** than 2004.

I believe this demonstrates, that over a longer period, Buying a home is still one of the wisest decisions one could make.

Town of Blackfalds:

107 sales in 2009. Like the Red Deer City numbers above, this was the second lowest of the six years, beating only the 2004 number. When I take the 6 year average of 119, last year was not too far off the pace.

The Median Price of \$273K ranked 3rd, behind the 2007 & 2008 years. The 2009 value was \$34K or 14.2% Higher than 2006; \$119K or 77.2% Higher than 2004; and only \$51K or 15.7% Below the 2008 Market Peak of \$324K.

Town of Innisfail:

115 sales in 2009 for a Median Value of \$265K. The Number of Sales was higher than 2008 by 4 sales, but lower than the remainder of the past six years. Compared to the six year average of 122, the Town's Market held quite well.

From a Value perspective, the \$265K was 3rd, behind the \$286K Market Peak in 2007 & the \$270K median price in 2008. The 2009 Value was \$56K or 26.8% Higher than 2006 & \$122K or 85.3% Higher than 2004, and only off by \$21K or 7.3% when compared to the 2007 peak.

Town of Lacombe:

163 sales for the year, compared to 147 in 2008; and ending up in 5th place for the past six years. The Six Year average was 179 sales.

The 2009 Median Price was \$301, slightly lower than the 2008 number by \$13K or 4.1%, but 3rd Highest of the six years. When compared to the 2006 value of \$247K, last years results were \$54K or 21.9% Higher; and when I look at the 2004 Value of \$164K, the Lacombe Market demonstrated a Median Value Increase of \$137K or an 83.5% rise. Looks to me like Lacombe has done very well over the past few years.

Town of Ponoka:

At 88 sales for the year, Ponoka's number was 9 sales or 11.3% Higher than 2008; but like most of the Region, the 2009 year came in 5th when I look at the past 6 years numbers. The six year average was 105.

The 2009 Median Price was \$225K, Down \$20K or 8.2% when compared to 2008; but Up \$60K or 36.4% when compared to 2006, and Up \$98K or 77.2% when compared to 2006.



Town of Rocky Mountain House:

Turned in 95 sales last year compared to 87 in 2008. The 2009 number ranked in 4th place over the past 6 years, but right on par with the average.

The 2009 Median Value was \$282K, off the 2008 price of \$291K, by \$9K or 3.1%. When compared to 2006, Rocky's Median price for 2009 was still \$64K or 29.4% Higher, and \$125K or 79.6% Higher than 2004.

Town of Stettler:

Finished last year with 83 Sales – down only 5 sales or 5.6% from 2008. The 2009 Number, like most of the Region came in 5th when I consider the past 6 years. The Median Price at \$228K, was \$18K Higher than 2008, and the 2nd Highest of the past 6 years. Stettler is one of the few areas that “bucked the trend”. When I compare the 2009 Median Price to 2006, it shows an Increase of \$52K or 29.5%; and when compared to 2004 an Increase of \$105K or 85.4%.

Town of Sylvan Lake:

Turned in 225 Sales for the 2009 year; down 71 Sales or 24% from 2008, and in 5th place over the past 6 years. The 2009 number was also considerably Lower than the 6 year average of 278 Sales.

At a Median Price of \$328K, this was \$21K or 6% Lower than Last Year, but \$43K or 15.1% Higher than 2006 and \$148K or 82.2% Higher than 2004.

GENERAL COMMENTS & SUMMARY

For the first time, my “Year in Review” takes a closer look at the past years performances. I went back 6 years, as I recall that we were fairly comfortable with the way things were, back in 2004 & 2005. When a Market goes from one “extreme” to the other, it is often difficult to put things in perspective, so it's sometimes a good idea to look at a Larger, Overall picture.

Often, an “accepted approach” to analysis, is to take a 5 year average. With a ”Bubble” and a “Burst” in a relatively short timeframe, I decided to go with an extra year.

Just for fun, I took a look at the 2009 Median price and compared it to the past 5 year Median price as well.

Here are a couple of findings:-

Red Deer City – Single Family Dwelling - 2009 Median = \$316K. 2005 to 2009 (5 yrs) Median = \$294K (6,281 sales). We can thus state that the 2009 Median Value for a Single



Family Dwelling in the City of Red Deer, was \$22K or 7.5% Higher than the past 5 year Median average.

Town of Lacombe – Single Family Dwelling – 2009 Median = \$301K. 2005 to 2009 Median = \$265K (904 sales). The 2009 Median Value for a Single Family Dwelling in the Town of Lacombe was thus \$36K or 12% Higher than the 5 year Median.

Town of Sylvan Lake- Single Family Dwelling – 2009 Median = \$328K. 2005 to 2009 Median = \$301K (1,450 sales). The 2009 Median Value for a Single Family Dwelling in the Town of Sylvan Lake was \$27K or 9% Higher than the past 5 year Median Average.

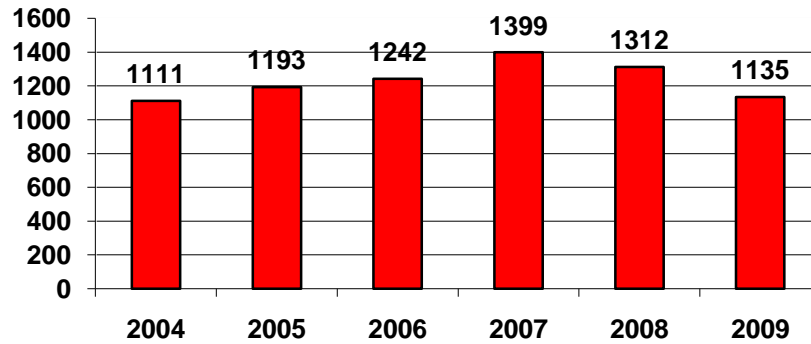
--- And so it goes. I hope everyone now has a better comfort level when it comes to Buying or Owning a Home in Central Alberta.

*Randy Weins,
Broker/Owner
Weins World Real Estate Inc.*

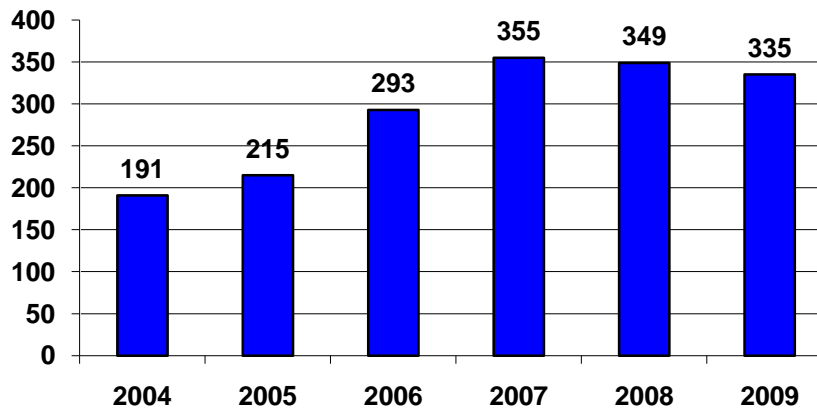


City of Red Deer – MLS – SFD – Solds by Year

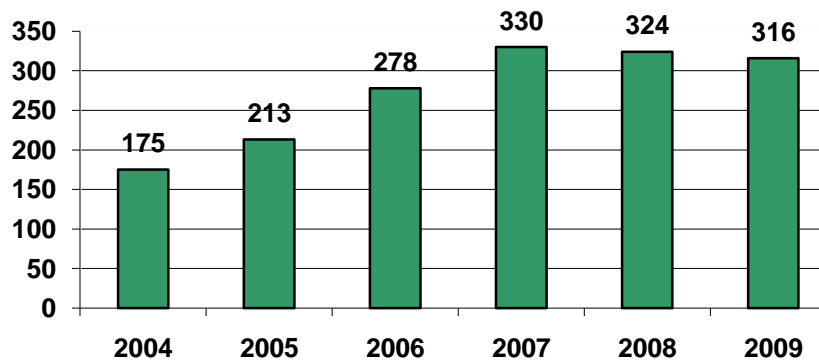
City of Red Deer - MLS - SFD # Sales per Year



City of Red Deer - MLS - SFD Avg \$ by Year



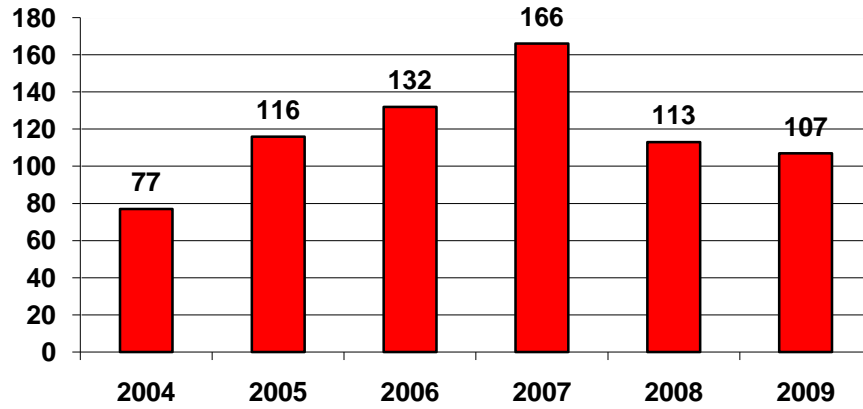
City of Red Deer - MLS - SFD Median Price by Year



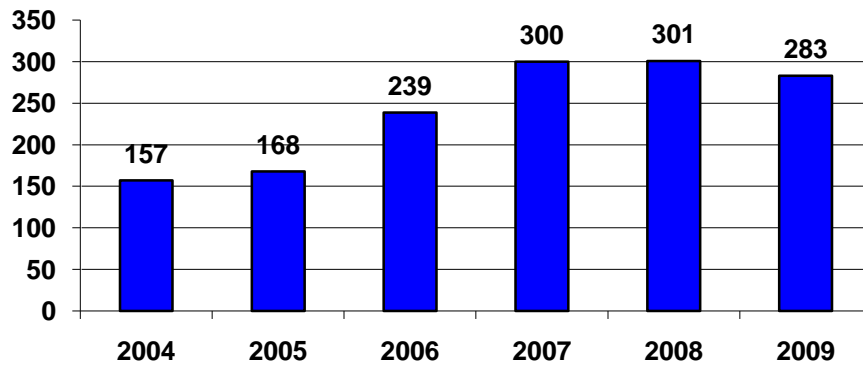


Blackfalds – MLS – SFD – Solds by Year

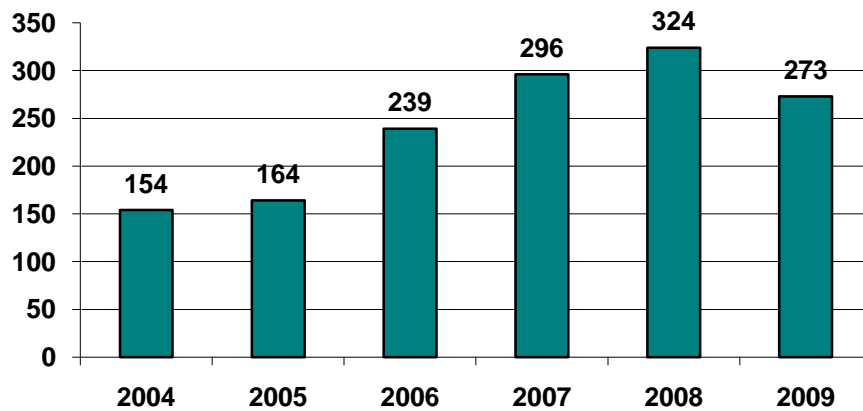
Blackfalds - MLS - SFD - # Sold per Year



Blackfalds - MLS - SFD
Average Price by Year



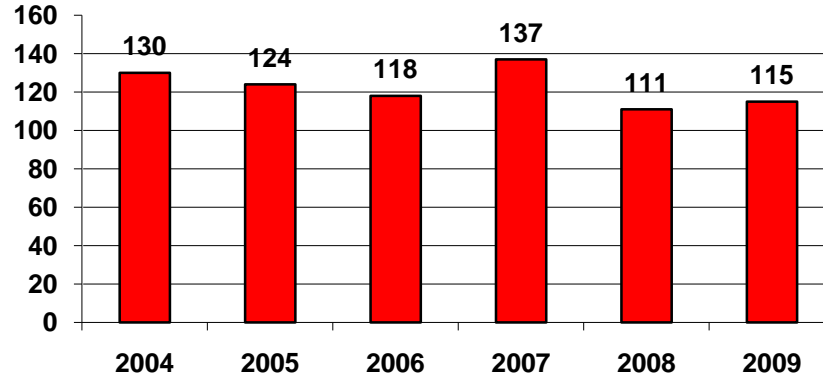
Blackfalds - MLS - SFD - Median Price by Year



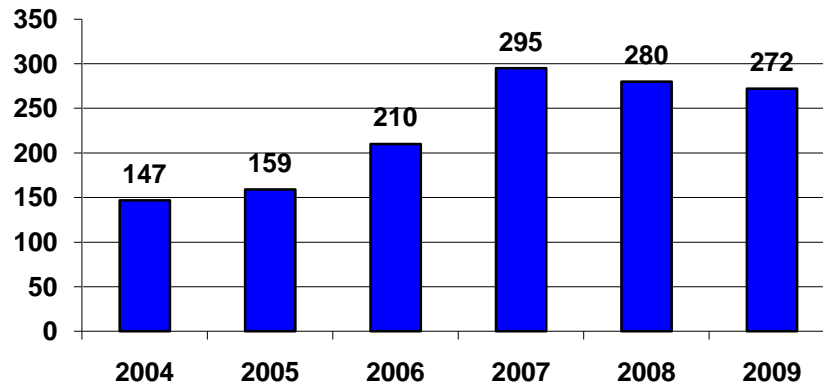


Innisfail – MLS – SFD – Solds by Year

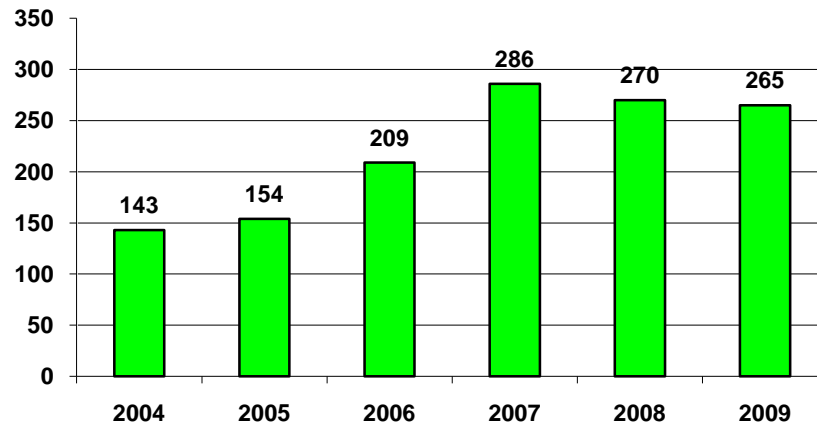
Innisfail - MLS - SFD - # Sold per Year



Innisfail - MLS - SFD - Average Price by Year



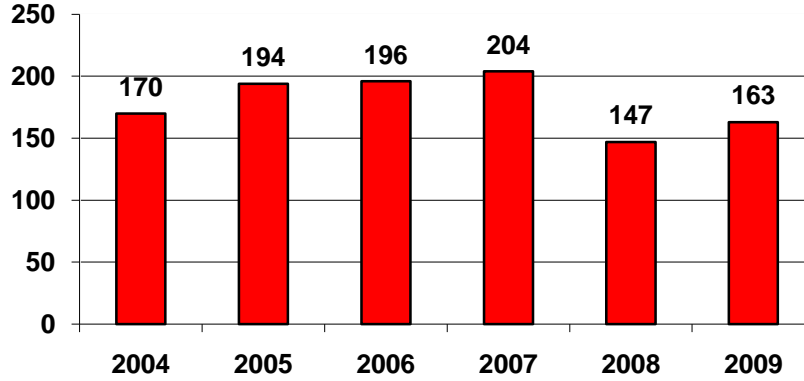
Innisfail - MLS - SFD - Median Price by Year



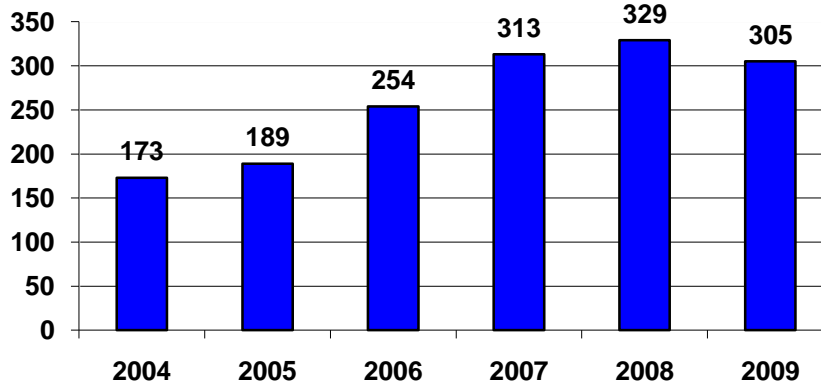


Lacombe – MLS – SFD – Solds by Year

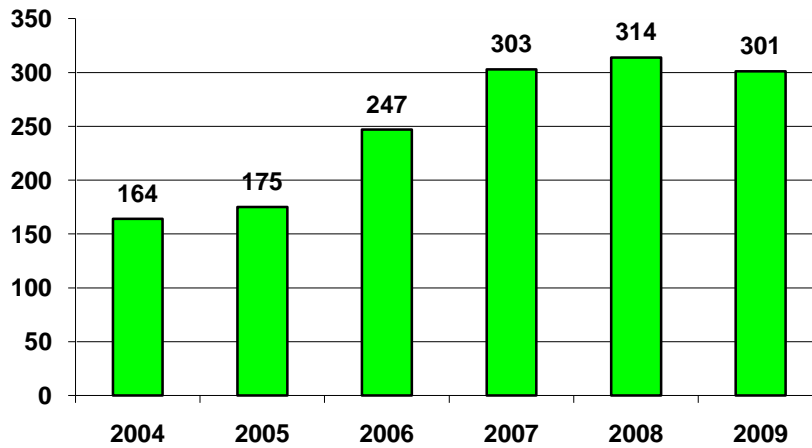
Lacombe - MLS - SFD - # Sold per Year



Lacombe - MLS - SFD - Avg \$ by Year



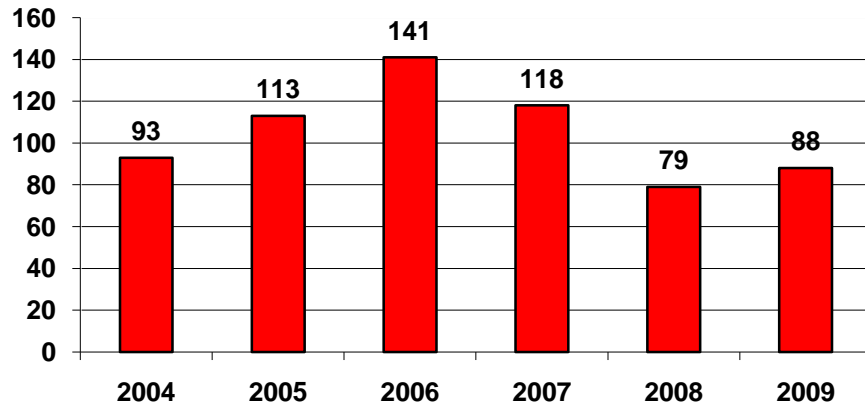
Lacombe - MLS - SFD - Median Price by Year



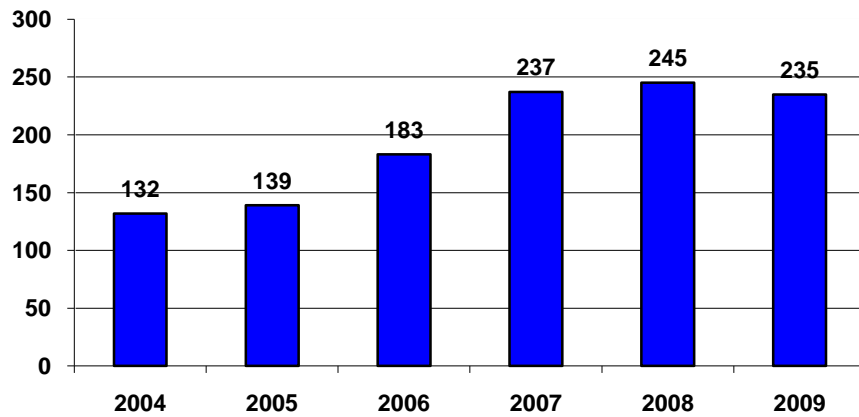


Ponoka – MLS – SFD – Solds by Year

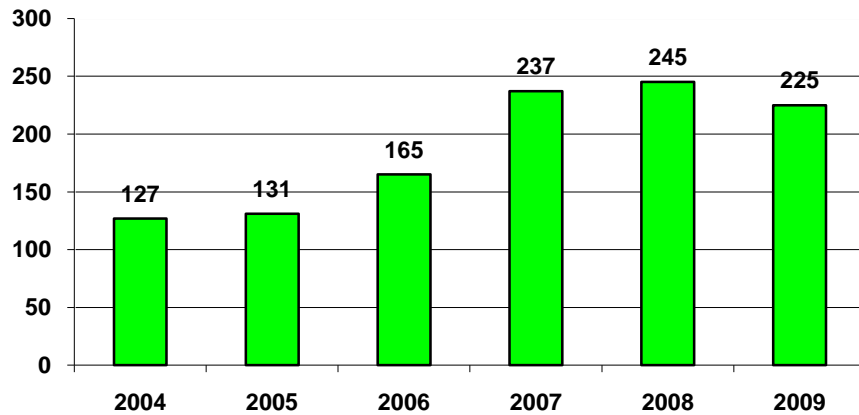
Ponoka - MLS - SFD - # Sold per Year



Ponoka - MLS - SFD - Avg Price by Year



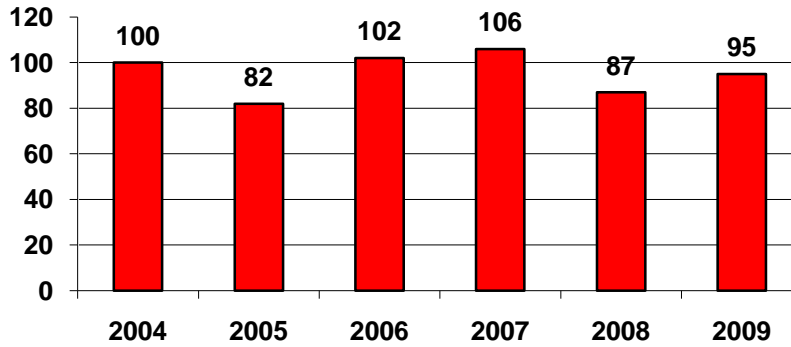
Ponoka - MLS - SFD - Median Price by Year



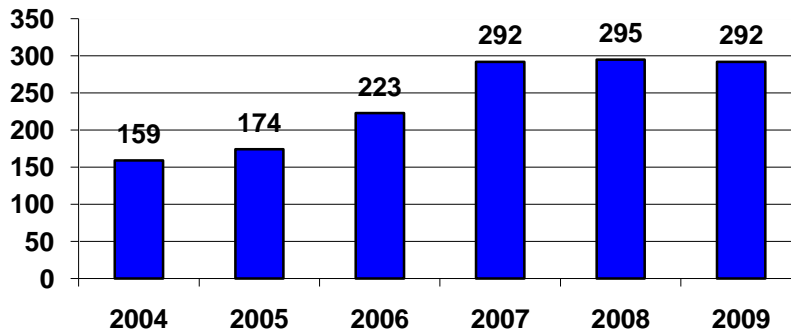


Rocky Mountain House – MLS – SFD – Solds by Year

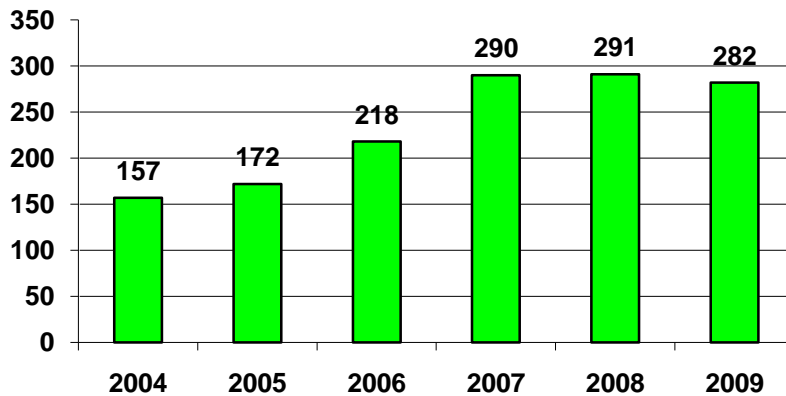
Rocky Mountain House - MLS - SFD
Sold per Year



Rocky Mountain House - MLS - SFD
Avg Price by Year



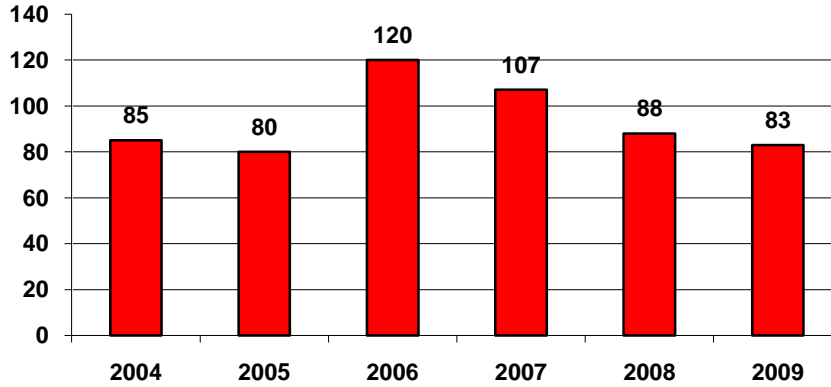
Rocky Mountain House - MLS - SFD
Median Price by Year



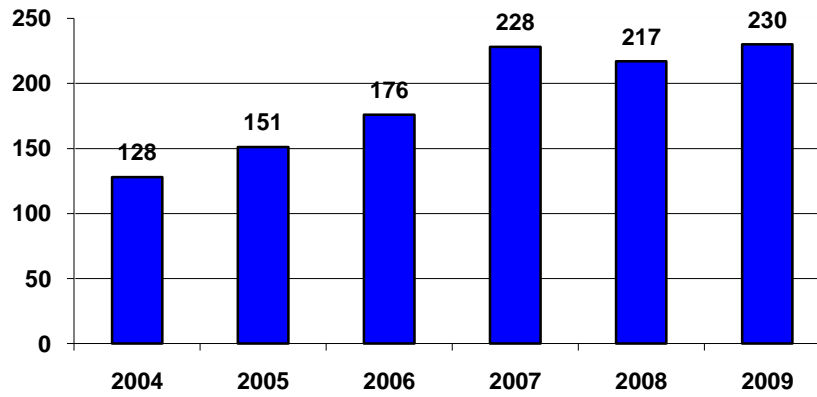


Stettler – MLS – SFD – Solds by Year

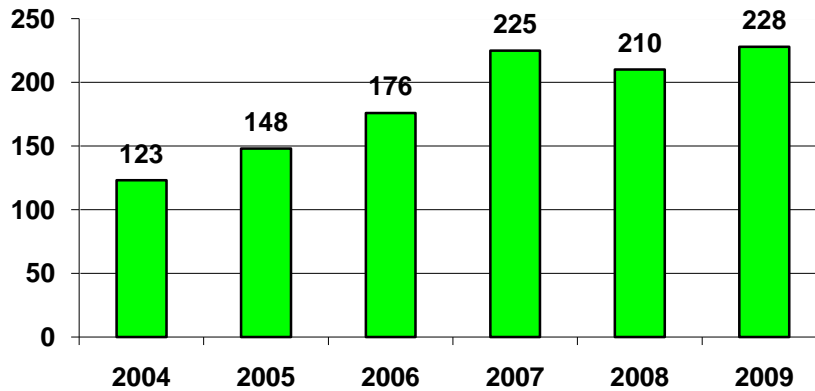
Stettler - MLS - SFD - # Sold per Year



Stettler - MLS - SFD - Avg Price by Year



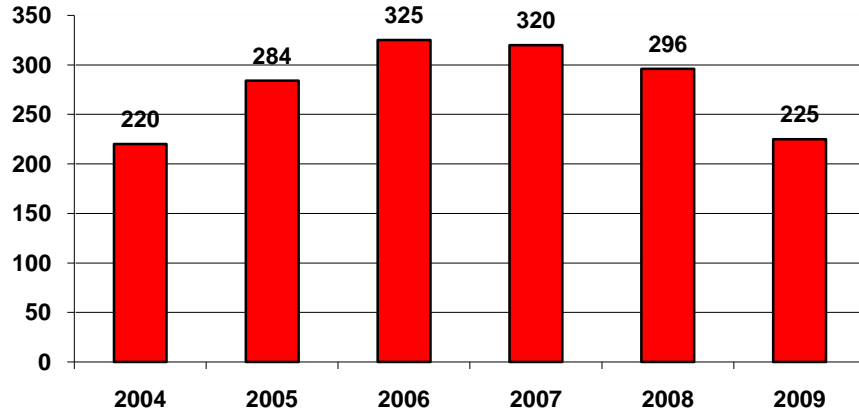
Stettler - MLS - SFD - Median Price by Year



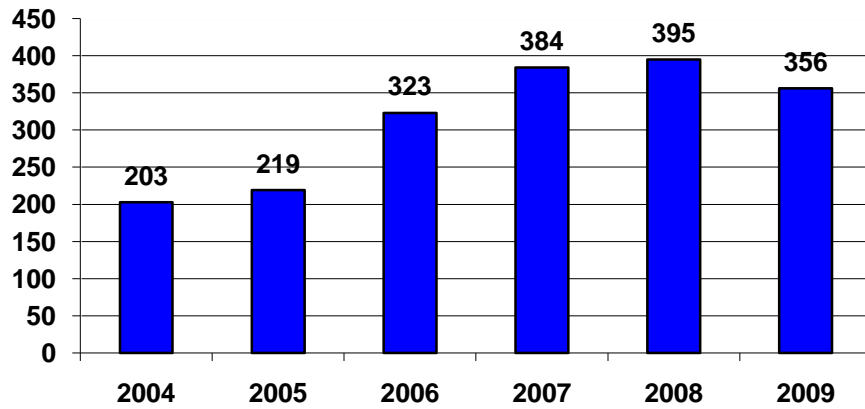


Sylvan Lake – MLS – SFD – Solds by Year

Sylvan Lake - MLS - SFD - # Sold per Year



Sylvan Lake - MLS - SFD - Avg Price by Year



Sylvan Lake - MLS - SFD Median Price by Year

